


2016

# Understanding Host Community Distrust and Violence Against Oil Companies in Nigeria

Abby Kalio Amabipi  
*Walden University*

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# Walden University

College of Social and Behavioral Sciences

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Abbykalio Amabipi

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Review Committee

Dr. Gabriel Telleria, Committee Chairperson,  
Public Policy and Administration Faculty

Dr. Michael Knight, Committee Member,  
Public Policy and Administration Faculty

Dr. Mai Moua, University Reviewer,  
Public Policy and Administration Faculty

Chief Academic Officer  
Eric Riedel, Ph.D.

Walden University  
2016

Abstract

Understanding Host Community Distrust and Violence Against Oil Companies in Nigeria

by

Amabipi Abby Kalio

MSc, The Robert Gordon University, 2010

BTech, Rivers State University of Science and Technology, 2005

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy and Administration

Walden University

February 2016

## Abstract

The violence of the Niger Delta host communities against the international oil companies (IOCs) is rampant and dogged. The extent of violence that occurs is harmful to communities, individuals, and oil companies that provide a certain degree of economic stability to the region. The Nigerian government faces a major challenge of resolving community violence in Nigeria. This case study used social exchange theory to better understand the causes and consequences of the lack of community trust against the oil companies that is pervasive in the region. Purposeful sampling was used in the selection of 10 community members, 8 representatives of the oil industry, and 3 government officials. Data were collected through in-depth interviews and documents provided by participants. These were inductively coded and then analyzed using a constant comparative technique. Findings revealed that participants perceived a lack of adequate collaboration among stakeholders and the application of inadequate management strategies of the IOCs and government having an impact on the degree and frequency of community violence. The implications stemming from this study include recommendations to the Nigerian government and IOCs to precede policy formulation with thorough consultation, engagement, and negotiation with the stakeholders for their acceptance before implementation of policy. This collaborative action may encourage corporate engagement and management that is positively viewed by the communities in the Niger Delta.

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## Dedication

This dissertation is dedicated to my mother, who encouraged me till her last moments in August, 2013. I also dedicate this study to the Niger Delta youths and their leaders who lost their lives while struggling to draw global attention to the ill effects of oil production in their environment.

## Acknowledgments

I am very grateful to my wife and four kids who were a wonderful source of inspiration and support throughout my MSc and PhD endeavor. Florence was very understanding and gave me the support I required to accomplish my academic goals.

I appreciate the Walden University community for ever encouraging one another. It is my pleasure to commend my academic advisors, the library and different residency program organizers; they were near perfect and very useful. I am grateful to my committee chair and content expert, Dr. Gabriel Telleria, who made me believe that, though, the dissertation is a tough race; I could make it with diligence. My thanks to my committee member and methodology expert, Dr. Michael Knight who provided powerful feedbacks throughout the dissertation process. Thanks to my URR, Dr. Mai Muoa for facilitating the perfection of every little detail in the review process.

I thank the participants who work extensively with me in one-on-one interviews to provide detailed information that enhance the understanding of community distrust and violence against the oil companies in the Nigerian Niger Delta region.

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## Chapter 1: Introduction to the Study

### **Introduction**

The World Health Organization (WHO) (2002) defined *violence* as a deliberate application of substantial force or influence that endangers oneself, other persons, or entities such as communities or companies and has a high capability to cause physical harm, emotional harm, death, dispossession or lack of development. Barber (1983) defined *distrust* as a letdown of corporate accountability, the reverse of trust (Rotter, 1971) but connected to trust (Lewicki, McAllister, & Bies, 1998). Distrust is (a) the lack of individual confidence that corporate bodies will be accountable and act in the best interest of host communities and the (b) community conviction that corporate bodies will not be capable and responsible in handling community welfare issues. Appearance of distrust in the partnership could be considered to show a worry concerning the: (a) dedication of the other partner, and (b) failure to defend and maintain interdependence while engaging in partnership (Alexander & Nank, 2009).

Host community distrust and violence against oil companies is a problem in Nigeria. The international oil companies (IOCs) are moving away to the more expensive deep water ventures, and oil company workers express fear of host community distrust and violence against the oil companies. The host communities suffer underdevelopment and are not empowered. The Nigerian government could not provide any solution, giant oil fields are still shutdown in Ogoni land, neither the government nor the oil companies could re-enter these fields due to fear of community distrust and violence against the oil companies, hence the need for a purposeful study to provide a lasting solution. This study

was organized to identify the main causes of host community distrust and violence against oil companies and to seek the elements that may be necessary to build and sustain suitable management strategies in addressing community distrust and violence against the IOCs in Nigeria. Frynas (2000) stated that village host community conflicts with the IOCs are important outside academic interest because the Nigerian state is the most densely inhabited and largest country in Africa. Frynas noted that the Nigerian government is facing a major challenge in resolving community violence in Nigeria. Shell replied to Frynas that it will not return to Ogoni land to produce oil unless the Ogoni people approve (Detheridge & Pepple, 1998). Shell has no choice but to wait for the approval from the people of Ogoni, which has not happened for more than 23 years. Frynas cited many host community litigations against the oil companies, including *Geosource v. Biragbara* (1997), *Shell v. Tiebo VII* (1996), *Shell v. Farah* (1995), and *Chinada v. Shell-BP* (1974). Shell admitted defeat in some of these cases in Nigerian Courts (Detheridge & Pepple, 1998).

Ojakorotu and Okeke-Uzodike (2006) and Obi (2009) stated that oil company host communities became violent against oil companies when the oil company activities resulted in high levels of destruction of fishing territories and farm lands. The livelihood of the host communities was destroyed from the loss of productive farm land, marine resources, and environmental degradation. Abide (2011) stated that the host communities saw the oil company activities as a threat against their development and became violent against the oil companies. Heiner (2013) stated that an issue becomes a social problem when it is unwanted or seen as inconveniencing to a considerable number of people who

mobilize to eliminate it. In recent years, host community distrust and violence against oil companies has become rampant in Nigeria. According to Ikelegbe (2001), the attempts of the oil companies and Nigerian government to use force to resolve community violence became fatal, as some soldiers, innocent citizens, and community members lost their lives to clashes between soldiers and the community people. Ojatorotu (2011) claimed that the once peaceful Niger Delta became a region of fear and insecurity due to community distrust and violence against oil companies, and this problem destabilized the operation of the IOCs and established the sense of insecurity in the host communities. Ojatorotu also noted that public media coverage of community distrust and violence against IOCs affects the business of the oil companies and the host communities involved and have security, social, legal, financial, and political implications. According to Ojatorotu, the poor management of community violence by the oil companies gave room for community violence to grow into a major international concern from this region due to increased tension and media coverage.

Wheeler and Boele (2002) avowed that host community distrust and violence against oil companies led to the shutdown of all oil-producing fields on the 750 million barrels Oil Mining Lease (OML) 11 for more than 20 years and neither the government nor the oil company could open up these fields for oil production. Eweje (2007) affirmed that government and oil companies often fight against community violence with the aim to promote oil production and did not actively engage the host residents to understand the reasons why the community violence against oil companies is persistent and consistent in the Nigerian Niger Delta region. Ikelegbe (2001) noted that the oil companies did all in

their power to encourage security forces, which brutally suppress community protesters. Michael (2010) acknowledged that the Nigerian oil prospecting companies relied on the Nigerian government and military forces for the daily oil production activities in their host communities and rarely considered mutual relationships with the oil-bearing communities as stakeholders in the oil business. Ibaba (2008) confirmed that the Nigerian Niger Delta oil bearing communities were never adequately compensated and were not engaged in development projects by the oil companies. McLennan and Stewart (2005) noted that oil companies in Nigeria are moving to the more expensive deep water development because these companies believe that there will be less of community violence and sabotage in the deep offshore environment.

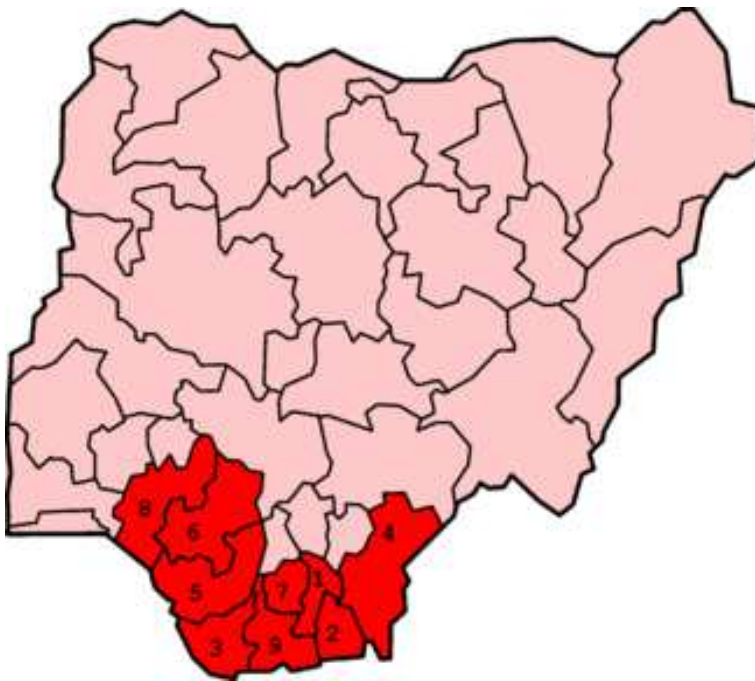
The current study applied the qualitative, instrumental single-case study approach to collect comprehensive, loaded and contextual account of the causes of community distrust and violence against oil companies and the elements that may be necessary to build and sustain suitable management strategies in addressing this phenomenon in the Niger Delta. This study drew on the research questions and interview data. Analysis was shaped by the interview questions within the context of the social exchange theory approach. This chapter discusses the study background, problem statement, purpose, social implications, research questions, theoretical frame work, nature of study and assumptions made in the study.

### **Background**

Nigeria is the most populated country in West Africa (Uyigüe & Agho, 2007). The oil company host communities make up the southern states of this giant African



country. These states are Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo, and Rivers states as seen in Figure 1. The Nigerian Niger Delta oil production host communities are made up of more than 24 ethnic nationalities, including Ijaw (the largest group), the Igbo, Itsekiri, Ogoni, Isoko, and Urhobo. The Niger Delta spans to 26,000 square kilometers in the southern part of Nigeria and possesses up to 10,000 square kilometers of the rain forest in this country (Uyigue & Agho, 2007, p. 1).



*Figure 2.* Map of Nigeria showing the nine Niger Delta states.

1. Abia, 2. Akwa Ibom, 3. Bayelsa, 4. Cross River, 5. Delta, 6. Edo, 7. Imo,  
8. Ondo, 9. Rivers

Ojakorotu (2011) acknowledged that the Niger Delta is among the richest in mineral deposits, diverse plants and animal resources in the world. This region generates more than 89% of the country's oil revenue, which makes up more than 79% of Nigeria's

income (Ojakorotu, 2011, p. 5). Ojakorotu also stated that daily oil production increased from 5,100 barrels in 1956 to more than 2 million barrels in 2011.

Nigeria was a British colony before October 01, 1960. The Nigerian oil industry has a colonial origin. According to Frynas (2000), the German Bitumen Corporation was the first company to conduct the search for oil in Nigeria in 1907 to 1914. This Company found oil in commercial quantities in 1908 but the Germans decided to continue the search for lighter oil; however, the frustrations from World War I forced the Germans to step back from Nigeria. The British authorities did not allow the Germans to continue the search for oil in Nigeria after World War I but favored investors such as the D'ARCY Exploration Company of British origin to continue with the search for oil. The D'ARCY Exploration Company was not successful and left in 1923. Shell D'ARCY was established in 1937 and continued with the search for oil in 1946. This company later became Shell BP and drilled 53 wells in 1959 (Frynas, 2000).

Shell BP (now Shell Petroleum Development Company-SPDC) was the first international oil company to start oil production activities in Nigeria. SPDC had the opportunity to establish a mutual relationship with the oil bearing communities before 1956 when commercial oil was developed in the Oloibiri community of Bayelsa. The company solely depended on the Nigerian government instead of establishing a sustainable partnership with the oil-bearing communities. Other international oil companies arrived when the Nigerian government liberalized the oil sector; the host communities gladly received the international oil companies (IOCs) in anticipation for a better life (Akpomuvie, 2011). The communities expected the IOCs to reason with them

and to work together in identifying problems due to damaging effects of oil spills and gas flaring in the environment. Oil facilities and pipelines were protected by the communities, there were no incidences of pipe bunkering or artisan refineries in the creeks, but the IOCs did not recognize interdependence as a fundamental factor in the success of sustainable partnership (Akpomuvie, 2011). Akpomuvie noted that Shell BP was the first oil company to arrive in the Nigerian Delta in the 1950s but was made to hand over one half of its original concession of oil blocks to the Nigerian government to create a more competitive oil sector between 1960 and 1963. According to Michael (2010), the oil companies that benefited from the reform were Mobil Producing, Esso, Agip, Strap ( now Total E & P), and Gulf (now Chevron Texaco). The daily production of crude oil then increased to the current 2 million barrels per day.

Ngomba-Roth (2007) declared that the colonial era constitutional requirement of 50% revenue allocation to develop the Niger Delta region was in 1975 cut short to 20% and eventually to 1.5% (p.192). Ngomba-Roth avowed that the host communities pressured the oil companies and the Nigerian nation to initiate corporate responsibility in empowering the people of the host communities, so the federal government increased the allocation to 3% and subsequently to 15% in 2005. Odemene (2013) stated that in practice, however, the individual oil companies give only the balance of 3% after deducting cost of their self-proclaimed social responsibility to their respective communities, the federal government contributes only a fraction of the required 15%, and the state government continually gives well below the expected amount. According to Odemene, the oil companies and Nigerian government failed to provide the allocation

due to corruption. Ibaba (2008) confirmed that the Nigerian Niger Delta oil-bearing communities were never adequately compensated and were not adequately engaged in development projects by the oil companies. According to Heike, Elizabeth, Alex, and Markus (2011), companies, government, and host communities need to work together to alleviate the ill effects of company business on the environment and health of all stake holders and to sustain profitability of the business.

Ogege and Ewruhjakpor (2009) stated that the people of the Nigerian Niger Delta oil producing host communities (NNDOPHCs) were not lazy people, but, people of great culture and pride. The people of the NNDOPHCs had the belief that the advent of the international oil companies (IOCs) will help ameliorate their harsh environment and help give them better living through better jobs and technology projects. Ibaba (2008) stated that the IOCs were at peace partly due to these expectation, the people freely accepted the IOCs and were not worried even when the IOCs took their land without adequate compensation in anticipation for better life and mutual relationship from the IOCs (Adeyemo, A.M. 2002).

Alexander and Nank (2009); Lompo and Trani (2013) argued that strong community involvement in developmental projects is a warranty of genuine and sustainable development. Lamentably, the lack of tangible and positive effect of corporate social responsibility (CSR) schemes in NNDOPHCs is a thing of great worry. Ibaba (2008) noted that a wide gap exist between the IOCs stated CSR objectives and the real results investigators saw in the oil producing communities. Ikelegbe (2001) noted that the NNDOPHCs reacted violently to the ill treatment of the IOCs when peaceful

protests were forcefully suppressed by the Nigerian federal government and the IOCs. The host communities became so harsh to the oil companies, the communities' distrust and violence against oil companies became a rampant, dogged problem within the Nigerian Niger Delta region. Consequences of host community treatment of oil companies resulted in oil company staff assaults, injuries, deaths, interruption in daily oil production activities, and destruction of oil facilities, loss of company revenue and loss of gainful employment. There is little to no government control over the unkind behaviors of host communities to oil producing companies. Wheeler and Boele (2002) stated that host communities' distrust and violence against oil companies led to the shutdown of all oil producing fields on the 750 million barrels Oil Mining Lease (OML) 11, for more than 20 years now and neither the government nor the oil company could open up these fields for oil production. Oil companies in the Nigerian Niger Delta region have tried to find solution to this problem by introducing more protective security approach and engaging the Nigerian military in trying to change the context of community violence against oil companies by introducing strict policies on access to company premises, staff, and implementation that shape the brutal nature of host communities. The impacts of the increasing tension between the oil companies and their host communities is one reason why this research seeks to explore communities' distrust and violence against oil companies through the social exchange theory perspective of reciprocity and fairness and aggression and approval.

### **Problem Statement**

The problem this study look forward to address is host communities distrust and violence against oil-producing companies in the Nigerian Niger Delta region. Ojakorotu and Okeke-Uzodike (2006) stated that the host communities, oil company workers, the multi-national business community and civil society go about their business in an insecure and uncertain business environment due to externality effects from community distrust and violence against oil companies in this region. This problem has caused fear, panic and uncertainty in the business environment of the Nigerian Niger Delta region. According to Ojakorotu (2011), the poor management of community violence by the oil companies gave room for community violence to grow into a major international concern from this region due to increased tension and media coverage. According to Frynas (2000), village host community conflicts with the international oil companies (IOCs) are important outside academic interest because the Nigerian State is the most densely inhabited and biggest country in Africa. Frynas (2000) affirmed categorically that the Nigerian government is facing a major challenge of resolving community violence in Nigeria. Shell avowed in a reply to Frynas (2000) that it will not go back to Ogoni land to produce oil except the people of Ogoni land approve of such intension (Detheridge & Pepple, 1998). Shell has got no choice but to wait for the approval from the people of Ogoni and that has not happened for more than 23 years now.

There is insecurity and bad global image of the Nigerian nation due to host community violence. Wheeler and Boele (2002) stated that host community distrust and violence against oil companies led to the shutdown of all oil producing fields on the 750

million barrels Oil Mining Lease (OML) 11, for more than 20 years now and neither the government nor the oil company could open up these fields for oil production . Ojakorotu and Okeke-Uzodike (2006) and Obi (2009) stated that oil company host communities became violent against oil companies when the oil company activities resulted in high level destruction of fishing territories and farm lands. The livelihood of the host communities was destroyed from the loss of productive farm land, marine resources and environmental degradation. The host communities are underdeveloped and not empowered. McLennan and Stewart (2005) noted that oil companies in Nigeria are moving to the more expensive deep water development because these companies believe that there will be less of community violence and sabotage in the deep offshore environment. The oil companies are moving away to the more expensive deep offshore venture due to the fear of community distrust and violence against them. Ikelegbe (2001) stated that oil company staff, members of the Nigerian military and even innocent citizens lost their lives due to community distrust and violence against oil companies.

Frynas (2000) cited many host community litigations against the oil companies, among such cases were: ‘‘Geosource v. Biragbara (1997)5NWLR (Pt.506)607, Shell V. Tiebo VII (1996)4NWLR (Pt.445)657, Shell v. Farah (1995)3NWLR (Pt.382)148, Chinada v. Shell-BP (1974)2 RSLRT’’ (Frynas, 2000). Shell as a company admitted that some of these cases were won against them in Nigerian Courts (Detheridge & Pepple, 1998). Heiner (2013) stated that an issue becomes a social problem when it is unwanted or seen as disturbing to a considerable number of people who mobilize to eliminate it. In recent years, host community distrust and violence against oil companies has become a

rampant, dogged problem within the Nigerian Niger Delta region. Oil company workers and the business community express fear of harassment and assault by host communities. Some workers lost their lives during unpleasant encounters with host communities.

Ukaga, Ukiwo and Ibaba (2012) stated that the oil companies mobilized to eliminate this problem by engaging federal troops who injure and kill community people and their leaders, however, the problem became worse as members of the Nigerian military, community and company workers all lost their lives.

Ikelegbe (2001) stated that the attempts of the oil companies and Nigerian government to use force to resolve community violence became fatal, as some soldiers, innocent citizens and community members lost their lives to clashes between soldiers and the community people. Ojatorotu (2011) stated that the once peaceful Niger Delta became a region of fear and insecurity due to community distrust and violence against oil companies, this problem destabilized the operation of the oil companies and established the sense of insecurity in the Nigerian Niger Delta region.

Frynas (2000) declared that the host communities charged many of the oil companies to court and in many cases the oil companies were at fault, yet the companies were reluctant in paying compensation to the host communities. Zalik, A. (2009) stated that many communities in the Delta states of Nigeria were displaced by oil prospecting activities which caused the host communities to fight among themselves. Abidde (2011), Ngomba-Roth (2007), Obi (2009, 2010 ), Obi and Rustad (1998) and Oriola (2011) confirmed cases of kidnapping of expatriates and locals by angry youths in host



communities and willful destruction of company facilities which led to loss of oil revenue as oil production from the host communities was disrupted.

The world health organization (WHO) define violence as a deliberate application of substantial force or influence that endanger oneself, other persons, or entities like communities or companies and has a high capability to cause physical harm, emotional harm, death, lack of development or dispossession (WHO, 2002). This type of phenomenon as demonstrated by the host communities is what Heiner (2013) described as unwanted and is seen as a social problem by national and international communities. Zalik, A. (2009); Frynas, J. G. (2000) ; Okeke-Uzodike (2006); Obi, C. (2009) ; McLennan and Stewart(2005); Wheeler and Boele (2002) ; Abidde, (2011); Ngomba-Roth, (2007); Obi, (2010); Obi and Rustad, (1998); Michael (2010) and UNEP (2011) clearly show that the business environment was charged with distrust, violence, lack of confidence and rejection. Host community distrust and violence against oil companies is a dreaded and unwanted phenomenon in Nigeria. The Nigerian government is not able to resolve this issue since 1992 when the giant OML 11 fields were shut down by host communities; this is an indication of little to no government control over host community violence. The host community distrust and violence against the oil companies has tremendous impact on the oil companies, the Nigerian nation, the business community and the host communities. Oil companies' exposure and fear of community distrust and violence has led to the movement of most companies from the host communities to the more expensive deep offshore exploration (McLennan & Stewart, 2005).

According to Asuni (2009) and Obi (2010), the Nigerian government and international oil companies (IOCs) use violence to manage the host communities and continued with oil operations. Mahler (2010), Obi (2009, 2010); Ikediobi and Marvin (2010) argued that the IOCs and the government did not engage or develop the host communities or its people. Howard, Gardner, and Thompson (2007), acknowledged that people in authority most likely take advantage of less privilege people, in particular, when they have no regard for such people.

Ojakorotu (2011) and O'Neill (2007) noted that the host communities believe that without the coming of the oil companies, the Nigerian government may or may not have developed the host communities but they certainly will not suffer the reckless pollution of the environment and devastation of their farm lands, portable water table and fishing rivers that has now led to bad health conditions and poverty in this region.

Asuni (2009) and Obi (2010) confirmed that peaceful complaints and protests of the host communities were forcefully suppressed by the IOCs. This failure of peaceful steps has resulted in distrust and violence of the host communities against the IOCs. Watts (2010), African program studies director at the University of California, stated clearly that the IOCs did not engage with the oil producing communities, but, gave money to selected people; such partnership with the communities cannot be effective.

Ukaga, Ukiwo and Ibaba (2012) avowed that the communities resisted the re-entrance of the oil companies to produce oil and gas from their territory. It is a dreaded problem for a host community to resist oil operations in their territory for over 20 consecutive years and the federal government of Nigeria and the oil companies could not

re-enter the oil fields to commence oil operations even with the use of force, it is certainly a dreaded problem that needs to be resolved from the social exchange theory perspective that provide exclusive understanding of human behavior as regards respect in partnership, negotiations and reward.

### **Purpose of Study**

This study seek to collate a comprehensive, loaded and contextual account of the root causes of community distrust and violence against oil companies and the elements that may be necessary to build and sustain suitable management strategies in addressing community distrust and violence against oil companies in the Niger Delta region.

The purpose of this research cannot be achieved without the extensive engagement of the host communities. This study extensively engaged the people in the host communities in order to provide the required data for analysis. According to Frynas (2000), village host community conflicts with the IOCs are important outside academic interest because the Nigerian State is the most densely inhabited and biggest country in Africa. Frynas stated categorically that the Nigerian government is facing a major challenge of resolving community violence in Nigeria. Shell stated in a reply to Frynas that it will not go back to Ogoni land to produce oil except the people of Ogoni land approve of such intension (Detheridge & Pepple, 1998). Shell has got no choice but to wait for the approval from the people of Ogoni which has not happened for more than 23 years. Frynas cited many host community ligations against the oil companies, among such cases were: ‘‘Geosource v. Biragbara (1997)5NWLR (Pt.506)607, Shell V. Tiebo VII (1996)4NWLR (Pt.445)657, Shell v. Farah (1995)3NWLR (Pt.382)148, Chinada v.

Shell-BP (1974)2 RSLRT'' (Frynas, 2000). Shell as a company admitted that some of these cases were won against them in Nigerian Courts (Detheridge & Pepple, 1998). Ojakorotu and Okeke-Uzodike (2006) stated that the host communities, oil company workers, the multi-national business community and civil society go about their business in an insecure and uncertain business environment due to externality effects from community distrust and violence against oil companies in this region. Watts (2010), African program studies director at the University of California, stated clearly that the IOCs did not engage with the oil producing communities, but, gave money to selected people; such partnership with the communities cannot be effective. McLennan and Stewart (2005) noted that oil companies in Nigeria are moving to the more expensive deep water development because these companies believe that there will be less of community violence and sabotage in the deep offshore environment. According to Fukuyama (2007) and Minor (1995), it is unworkable to resolve problems due to violence without planning to resolve the root causes. Das and Teng (1998) argued that partnership is sustainable when partners have the readiness to engage and acclimatize to or contain the needs of each other. Alexander and Nank (2009); Lompo and Trani (2013) argued that strong community participation in developmental projects is a warranty of indisputable and sustainable partnership. Ojakorotu (2011) stated that the poor management of community violence by the oil companies gave room for community violence to grow into a major international concern from this region due to increased tension and media coverage.

In trying to provide the elements that may be necessary to build and sustain suitable management strategies, this study looked at the management policies and implementation strategies engaged by the oil companies and analyze them against the industry best practices in Nigeria with the hope that such approach will help provide suitable management strategies that will bring about host community trust and acceptance for oil companies and restore peace, community empowerment, development , partnership sustainability, security, high level of certainty in business and assurance without fear of the unknown in this region as Watts (2010); McLennan and Stewart(2005); Fukuyama (2007) ; Minor (1995); Das and Teng (1998); Lompo and Trani (2013); and Alexander and Nank (2009) rightly noted.

According to Fukuyama (2007) and Minor (1995), it is unworkable to resolve problems due to violence without planning to resolve the root causes. Planning and providing a comprehensive understanding to the root causes will assist in providing suitable responses and establish the confidence of the host communities and the general observers. Weisbrod (1978) stated that the switch from distrust to trust would involve partners to engage in behaviours that could change the negative belief of their partners with the accomplishment of ideological collective agreement concerning the definition of the problem and how to tackle it. Das and Teng (1998) argued that partnership is sustainable when partners have the readiness to acclimatize to or contain the needs of each other and that, trust in a corporate-neighborhood community partnership could be established gradually, but, lost very quickly if one partner is not ready to acclimatize to or contain the other partner. Alexander and Nank (2009); Lompo and Trani (2013) argued

that strong community participation in developmental projects is a warranty of indisputable and sustainable partnership.

This research investigated the root causes of community distrust and violence against the oil companies, analyze them to give in-depth understanding and provide the key elements that could build and sustain suitable management strategies to address community distrust and violence against oil companies in Nigeria.

### **Significance of the Study and Social Change**

This research investigated the root causes of community distrust and violence against the oil companies, analyze them to give in-depth understanding and provide the key elements that could build and sustain suitable management strategies to address community distrust and violence against oil companies in Nigeria. This effort is expected to have (a) the implication of providing better management strategies of community distrust and violence in the Nigerian Niger Delta region , (b) substantial impact on the way oil companies carry out daily operation in the Niger Delta region, (c) improved policies and implementation strategies that will secure the host communities, oil company workers, the multi-national business community and civil society that go about their business in an insecure and uncertain business environment due to externality effects from community distrust and violence against oil companies. According to Frynas (2000), village host community conflicts with the IOCs are important outside academic interest because the Nigerian State is the most densely inhabited and biggest country in Africa. Frynas (2000) acknowledged that the Nigerian government is facing a major challenge of resolving community violence in Nigeria.

Ojakorotu and Okeke-Uzodike (2006) affirmed that the host communities, oil company workers, the multi-national business community and civil society go about their business in an insecure and uncertain business environment due to externality effects from community distrust and violence against oil companies in this region. Ukaga, Ukiwo and Ibaba (2012) avowed that the oil companies mobilized to eliminate community violence by engaging federal troops and did not actively engage the communities with a view to resolving this problem. Michael (2010) , Ibaba( 2008) , Eweje(2007), Frynas (2005), O'Neil (2007) Idemudia ( 2007 ), Odeme (2013 ), UNEP (2011)Eweje( 2007) ; Ogege and Ewhrudjakpor (2009) and Boele et al.(2001) noted that there is the need to understand the root causes of community distrust and violence against oil production companies. Ojakorotu (2011) argued that the poor management of community violence by the oil companies gave room for community violence to grow into a major international concern from this region due to increased tension and media coverage.

Idemudia (2007) and Frynas (2005) indicated that the oil companies now try to change their suppressive approach towards the demands of the oil producing communities due to the loss of profit and serious reduction in production as a result of community aggression. However, the present partnership approach used by the IOCs do not make any difference in the business case with the host communities, nor truly improve the plight of the people from the impact of oil spill and gas flaring on the environment and livelihood of the people. Frynas (2005) noted that the reluctance of the IOCs to promptly take responsibility and correct damaging effects that results from oil

production activities challenge the capability of their partnership idea to earn the trust of the oil producing communities.

Watts (2010), African program studies director at the University of California, confirmed clearly that the IOCs did not engage with the oil producing communities, but, gave money to selected people; such partnership with the communities cannot be effective. McLennan and Stewart (2005) noted that oil companies in Nigeria are moving to the more expensive deep water development because these companies believe that there will be less of community violence and sabotage in the deep offshore environment. According to Fukuyama (2007) and Minor (1995), it is unworkable to resolve problems due to violence without planning to resolve the root causes. Das and Teng (1998) argued that partnership is sustainable when partners have the readiness to engage and acclimatize to or contain the needs of each other. Alexander and Nank (2009); Lompo and Trani (2013) argued that strong community participation in developmental projects is a warranty of indisputable and sustainable partnership.

In trying to provide the elements that may be necessary to build and sustain suitable management strategies, this study looked at the management policies and implementation strategies engaged by the oil companies and analyze them against the industry best practices in Nigeria with the hope that such approach will help provide suitable management strategies that will bring about host community trust and acceptance for oil companies and restore peace, community empowerment, development , partnership sustainability, security, high level of certainty in business and assurance without fear of the unknown in this region as Watts (2010); McLennan and



Stewart(2005); Fukuyama (2007) ; Minor (1995); Das and Teng (1998); Lompo and Trani (2013); and Alexander and Nank (2009) rightly noted. Shell stated in a reply to Frynas(2000) that it will not go back to Ogoni land to produce oil except the people of Ogoni land approve of such intension (Detheridge & Pepple, 1998). Shell has got no choice but to wait for the approval from the people of Ogoni and that has not happened for over 23 years now. Frynas (2000) stated categorically that the Nigerian government is facing a major challenge of resolving community violence in Nigeria.

Wheeler and Boele (2002) stated that host community distrust and violence against oil companies led to the shutdown of all oil producing fields on the 750 million barrels Oil Mining Lease (OML) 11, for more than 20 years neither the government nor the oil company could open up these fields for oil production. This study plan to resolve the issue of community distrust and violence against oil companies by extensively engaging the people in order to provide comprehensive understanding of the root causes which may influence the right corporate responses in providing suitable management strategies.

Ukaga, Ukiwo and Ibaba (2012) stated that the oil companies mobilized to eliminate this problem by engaging federal troops who injure and kill the community youths and their leaders, yet the communities resisted the re-entrance of the oil companies to produce oil and gas from this territory. It is a dreaded problem for a host community to resist oil operations in their territory for over twenty consecutive years and the federal government of Nigeria and the oil companies could not resolve the long standing problem, it is certainly a dreaded problem that needs to be resolved from the

social exchange theory perspective that provide exclusive understanding of human behavior as regards respect in partnership, negotiations and reward.

Weisbrod (1978) stated that the switch from distrust to trust would involve partners to engage in behaviours that could change the negative belief of their partners with the accomplishment of ideological collective agreement concerning the definition of the problem and how to tackle it. According to Ojakorotu (2011), the poor management of community violence by the oil companies gave room for community violence to grow into a major international concern from this region due to increased tension and media coverage. The implication, therefore, is deeply rooted in the understanding of the causes of host community distrust and violence against the oil companies and the management strategies applied by the oil companies that worsen the situation as Ojakorotu (2011) noted. Ojakorotu (2011) stated that public media coverage of community distrust and violence against oil companies affects the business of the oil companies and the host communities involved and have security, social, legal, financial and political implications.

This study will recommend suitable management strategies that may impact community distrust and violence against oil companies and help reduce the security, social, legal, financial and political implications in this region. These changes can best be achieved through an extensive engagement with the community people and exhaustive analysis of the information to be retrieved as to propose a suitable management strategy in this region.

The Nigerian vanguard on October 15, 2013 stated that a former president of Nigeria, Dr. Good luck Jonathan who is also a son of the Niger Delta region called for a Sovereign National Conference in Nigeria to address issues affecting the Nigerian nation. Top on the agenda was the unfair treatment of the oil producing communities and empowerment in the Nigerian constitution. According to Idemudia (2007) and Frynas (2005), the IOCs change of strategy did not work, yet they were reluctant to take prompt responsibility, it is therefore in the interest of the IOCs to cease this opportunity to understand and practically implement partnership sustainability in the Nigeria oil sector to ensure mutual working relationship with the oil producing communities. McLennan and Stewart (2005) agreed that oil companies in Nigeria are moving to the more expensive deep water development because these companies believe that there will be less of community violence and sabotage in the deep offshore environment. The tension between the communities and oil producing companies in the oil reach Niger Delta region is not without some fundamental problems, it is therefore very pertinent to understand these problems and provide adequate solution to their root causes as Fukuyama (2007) and Minor (1995) noted.

### **Nature of the Study**

Creswell (2007) proposed that it is suitable to merge paradigms when necessary; both pragmatic and social constructivism world views are reflected by this qualitative case study. The social constructivism view cultivates particular meanings of host community distrust and violence experiences with implications that are diverse and numerous, which attracts the researcher to focus on the complexity of views instead of

narrowing the meaning to a few classifications or ideas. The participants' views and actions are only meaningful within the context of solving host community violence problem. It is the oil companies understanding of the participants' views and actions that will lead to better management of sustainable partnership between the oil companies and their host communities. Thus, the pragmatic approach combined a concern about the effectiveness of the key elements that may be necessary to manage partnership sustainability alongside the complexity of the In-depth understanding of the causes of host communities' distrust and violence against oil companies. Finally, the pragmatic paradigm is an essential part of the case study design since any number of data collection methods that address the research questions is suitable (Creswell, 2007; Merriam 2009).

This study is an instrumental single-case study. Case study was applied to provide a loaded, comprehensive understanding of host communities' distrust and violence against oil companies. The study is instrumental because it is investigating a case to provide an understanding that is more than what is obvious to the observer (Stake, 1995). The study is also exploratory or explanatory because it is used for causal investigation (Yin, 1993). It is a single case study because single case is used to confirm the social exchange theory and represent the unique or extreme cases of communities' distrust and violence against the IOCs in the Nigerian (Yin, 1994).

Case study provides important and rich understandings into human behaviors and events. Yin (1984) stated that case study "contribute uniquely to our knowledge of individual, organizational, social, and political phenomena" (p. 14). This methodology

suits my study model and the hypothetical structure of understanding community distrust and violence against oil companies through social exchange theory.

The principal data came from comprehensive interviews with community participants who live in the host communities and experience distrust and violence against the oil companies and other key players like government official, and oil company executives. Details of participants selection and how to get access to them are in Chapter 3. Quantitative research use random sampling to allow the findings to be generalized, however, this qualitative research provided comprehensive and contextual perception (Creswell, 2007; Maxwell, 2005; Miles & Huberman, 1994; Patton, 2002). The choice of snow ball and purposeful sampling in this study assisted in gathering relevant data that may otherwise not be obtained somewhere else. The use of triangulation to confirm and disconfirm data from the participants was be applied (Creswell, 2007; Patton, 2002). It is the believe of this study that participants who shared their experiences provided an in-depth meaning to distrust and violence within this context. In addition, public documents were used to supplement interviews, establish context, and provide a method to evaluate community distrust and violence against oil companies in the Niger Delta region. Examples of public documents are court cases between host communities and oil companies, UNEP reports on host communities and oil companies and records from public media. I formed categories, themes, and ideas during data collection and later as part of the in-depth analysis. Because of my pragmatic approach to the study, I was anxious about the In-depth understanding of the causes of host community distrust and violence against oil companies and the increased knowledge

about the effectiveness of the key elements that may be necessary to manage partnership sustainability to help solve the problem of host community distrust and violence against oil companies. This case study is an analysis of host communities distrust and violence against oil companies and the management strategies applied by the oil companies. Through the study, I was able to sought understand and present the meaning of host communities distrust and violence alongside the key elements that were necessary to manage partnership sustainability to the oil companies because arguably It is the oil companies understanding of the participants' views and actions that will lead to better management of sustainable partnership between the oil companies and their host communities. Furthermore, the use of instrumental single case study allowed me to capture the context of host communities distrust and violence against oil companies while exploring the efficacy of the key elements that were necessary to manage partnership Sustainability between the oil companies and their host communities. Chapter 3 provides additional detail about the design and approach of the study.

### **Research Questions**

The principal research question of this study is: What are the key elements that could build and sustain a suitable management strategy to address community distrust and violence against oil companies in Nigeria? To answer this question, the following secondary questions need to be addressed:

- How would you describe the relationship between the oil companies and their host communities?
- How has this relationship evolved over time?

- What characteristics would you consider most important in this process?
- The identified key stakeholders are the communities, the government, and the oil companies. What roles did these parties play in this relationship?
- How did these roles affect the relationship?
- What are sources of tension in this relationship?
- When these occur, how are they dealt with?
- How do the stakeholders define success in this relationship?
- How successful do you believe this relationship has been?
- What is the role of trust in this process?
- How has the oil company-host community relationship provided a forum for collaboration?
- How would you describe the policy and implementation strategies applied by the oil companies to manage the relationship?
- Are there documents, reports or other records in the public domain that would provide further information about the relationship or partners' efforts to address community distrust and violence against oil companies?

### **Theoretical Framework**

The phenomenon being investigated is human distrust and violence which are social behaviors best explained by the social exchange theory. Ukaga, Ukiwo and Ibaba (2012) stated that the oil companies mobilized to eliminate the problem of host community violence against oil companies by engaging federal troops who injure and kill the community youths and their leaders, yet the communities resisted the re-entrance of

the oil companies to produce oil and gas from this territory. It is a dreaded problem for a host community to resist oil operations in their territory for over twenty consecutive years and the federal government of Nigeria and the oil companies could not resolve the long standing problem, it is certainly a dreaded problem that needs to be resolved from the social exchange theory perspective that provide exclusive understanding of human behavior as regards respect in partnership, negotiations and reward.

People always evaluate different options available to them, so in choosing from the different options, people will be loyal and reciprocate good will to the partner if they see the partnership as rewarding and fair, but, will be aggressive to the partner if they see the partnership as a problem that does not benefit them, but, treats them with disrespect, so, they will disapprove of the partnership (Homans, 1958). The social exchange theory of George Homans was based on these two principles: the principle of “reciprocity and fairness” and the principle of “aggression and approval”. Homans (1974) argued that the principle of reciprocity and fairness is key to all partnership sustainability. People go into partnership for so many reasons. The rewards provided by each side of such partnership serve to keep and improve the bond. Zwingina.D.S (1992) has explained that with inadequate rewards, a relationship will weaken or break.

Weisbrod (1978) stated that the switch from distrust to trust would involve partners to engage in behaviours that could change the negative belief of their partners with the accomplishment of ideological collective agreement concerning the definition of the problem and how to tackle it. Collective agreement and trust building are key elements treated by the social exchange theory in resolving group or individual violence



against a partner. Zalik, A. (2009); Frynas, J. G. (2000) ; Okeke-Uzodike (2006); Obi, C. (2009) ; McLennan and Stewart(2005); Wheeler and Boele (2002) ; Abidde, (2011); Ngomba-Roth, (2007); Obi, (2010); Obi and Rustad, (1998);Michael (2010) and UNEP (2011) noted that the Nigerian government and the oil companies have tried many strategies including the use of military forces, intimidation, divide and rule among others to address community distrust and violence against oil companies . However, One clear option that is still not been exclusively explored by the Nigerian government and oil companies is the extensive engagement, negotiation, rewards and trust building with the host communities. This is why I choose the social exchange theory which gives the best explanation to social exchange from the perspective of individual and community engagement, negotiation, rewards and trust building between partners. This theory exclusively explains why communities become aggressive in relationship and also gives the key elements that could build and sustain a suitable management strategy to address community distrust and violence against a partner. This is why this theory is the best for this research.

This research is based on the social exchange theory frame work of George Homans in the 1960s which was expanded by Blau (1964). Social exchange theory provided context for understanding host community distrust and violence against oil companies as to better manage partnership sustainability in the Nigerian oil sector by serving as the theoretical approach for the change of host community violence with impact on public policy and the implementation strategies. The Social exchange theory defines behavior as a result of negotiated social exchange between parties. Blau (1964)

defines social exchange as a common agreement of an extensive social process that influence relationship between individuals and groups.

Das and Teng (1998) argued that partnership is sustainable when partners have the readiness to acclimatize to or contain the needs of each other and that, trust in a corporate-neighborhood community partnership could be established gradually, but, lost very quickly if one partner is not ready to acclimatize to or contain the other partner. Alexander and Nank (2009); Lompo and Trani (2013) argued that strong community participation in developmental projects is a warranty of indisputable and sustainable partnership.

The rewards provided by each side of such partnership serve to keep and improve the bond. Zwingina.D.S (1992) has explained that with inadequate rewards, a relationship will weaken or break. Blau (1964) also stated that when one party needs help from a partner, but, fail to receive a comparable reward in return, they can appeal to other people to help them. This is the case between the oil companies and host communities in the Niger Delta region of Nigeria. The oil companies need the oil of the Niger Delta communities and the communities need sustainable development, so, to keep the relationship going, the oil companies must give in return a sustainable and mutually beneficial partnership, otherwise, the relationship will weaken or break. This may be part of the reasons why the Niger Delta communities distrusted the oil companies and became violent against the oil producing companies. The phenomenon being investigated is human distrust and violence which are social behaviors best explained by the social exchange theory.

Eweje, G. (2007) and other researchers have used this theory in their studies. King (1981), Mikesell, J (2011), Feiock et al (2009), Jefferson (1990) and Shipp (2010) have all used this theory in their past studies. They used this theory to explain how some communities had violent business experience and others do not. Gains exist, but, no mutual agreement was reached on how these gains were to be distributed between the communities and operating companies, so, that led to weak relationships, while in the communities where common agreement was reached; both parties enjoyed very strong relationship and friendly business atmosphere. Ogege and Ewhrudjakpor (2009) used the social exchange theory to provide understanding of the sustained environmental resource crisis in Nigeria.

Feiock, R. C., Alexander et al.(2009, p.364) , Steinacker, A., & Park, H. J. (2009) demonstrated in their study that the profit made by the companies in the host communities did not benefit the host communities, because, there was disagreement on how to distribute the wealth between the companies and the host communities. Ibaba (2008) stressed on how the oil companies in the Niger Delta executed projects without considering the community proposals. The communities therefore do not approve such projects and there is problem in the relationship between the companies and their host communities. The social exchange theory supports a sustainable and respected memorandum of understanding between partners. AP; J (1992) used this theory to characterize the reasons why tourism host communities develop different acuity toward tourism. Oil production host communities assess oil production in terms of social exchange; they assess it in terms of advantages or disadvantages obtained as a trade off

for the good will of the communities. The communities need the oil companies to improve the source of their livelihood and not to punish them with unattended negative impacts of oil production. The communities will see the exchange as a disadvantage if the companies benefit from the oil production gains while the communities suffer from the pollution and oppression from the Nigerian military forces, so, the communities will no longer be loyal to the oil companies or motivated by their short-term programs. However, the communities will embrace the companies and work in harmony with them if the gains from the exchange is seen to improve their well-being and supports the environment to improve their livelihood , so, the communities may change from their initial opposition to oil production which was forced on them (AP,J.1992). Boele and Wheeler (2001) stated that Shell admitted, though, believing that it responded with honor, it recognized that the self-confidence that Shell was doing the expectation of the people is different from accomplishment of the expectation of the people and that was a very valuable message.

The social exchange theory main supposition is that human beings display consistency in their association. People always evaluate different options available to them, so in choosing from the different options, people will be loyal and reciprocate good will to the partner if they see the partnership as rewarding and fair, but, will be aggressive to the partner if they see the partnership as a problem that does not benefit them, but, treats them with disrespect, so, they will disapprove of the partnership (Homans, 1958). The social exchange theory of George Homans was based on these two principles: the principle of “reciprocity and fairness” and the principle of “aggression and approval”.

Homans (1974) argued that the principle of reciprocity and fairness is key to all partnership sustainability.

### **Definition List**

*Distrust*: Is a letdown of corporate accountability (Barber, 1983), a conception well thought-out to be the reverse of trust (Rotter, 1971); but connected to trust (Lewicki et al, 1998). The lack of confidence that a partner will be accountable or the believe that a partner is irresponsible.

*Host communities*: Area or Land or village settlement in which the international oil companies are carrying out oil production operations activities.

*International oil companies (IOCs)*: Foreign and multi-national companies like Shell, Mobil, Agip, Addax and Total E&P that are operating in Nigeria.

*Memorandum of understanding (MOU)*: a document of terms and condition, mutually agreed to by both the International oil companies and the host oil producing communities.

*Ministry of Niger Delta*: Nigerian government institution responsible for Niger Delta affairs.

*Mmbopd*: Million barrels of oil per day

*MOSOP*: Movement for the survival of Ogoni people. This is a movement of the Ogoni people that initiated the Niger Delta struggle.

*NDDC*: Niger Delta development commission. This is a government agency that is backed by law to develop the Niger Delta region.

*NNDOPHCs*: Nigerian Niger Delta Oil Producing Communities. These are the communities that host oil production companies in the Niger Delta.

*Oil-producing communities*: Settlement of village ethnic groups on lands rich in crude oil resources.

*OML 11*: Oil Mining Lease eleven. This is an oil block around Ogoni land in Nigeria; it was awarded to Shell Oil Company by the Nigerian government.

*OMPADEC*: Oil and mineral producing areas development commission. This government agency was replaced by NDDC.

*UNEP*: The United Nations Environmental Program.

*USEPA*: The United States Environmental Protection Agency.

*Violence*: Is a deliberate application of substantial force or influence that endangers oneself, other persons, or entities like communities or companies and has a high capability to cause physical harm, emotional harm, death, dispossession or lack of development (WHO, 2002).

*WHO*: The World Health Organization.

### **Assumptions**

The assumptions in this study are as follows:

1. Host community distrust and violence against oil companies as experienced by respondents will be freely communicated by respondents during the interview.
2. The study will provide in-depth understanding of how host community violence against oil companies rise beyond the control of those in authority and became a major problem.

3. People in different geographical locations may experience the same phenomenon in different ways. Different companies in different locations may experience violence in different ways while the respective communities may also experience environmental degradation in different ways. Different events may lead to same experiences in different locations.
4. The experiences to be related by the participants during the interview will be true description of real events that unfolded. Existing literature and documents will be used to corroborate the experiences.
5. The data collected will present the required experience and meaning from the respondents communicating the experience.
6. Data collected during the interview will represent the expression of the host communities, the oil companies and the government.
7. Answers to the study questions will not only identify the management policies and implementation strategies engaged by the oil companies that prompted the distrust and violent responses of the people of the host communities but  
also provide suitable management strategies that will bring about peace in this region.
8. The study will disclose how the distrust and violence elements of social exchange spread from villages to the entire Niger Delta communities as those in power  
took decisions and events unfolded.
9. This instrumental single case study will retell the story of host community and the oil company relationship in ways that will facilitate a better understanding of partnership

Sustainability by those in authority so that host communities distrust and violence against oil companies can be avoided in the region.

### **Scope and Limitations**

The case study approach applied in this study require collection of data from persons who had detail knowledge of the realities of oil operations in the oil producing communities and how the oil companies engaged the community members, participants were therefore those considered to have in-depth knowledge of the situation. The application of the case study approach enabled me to exploit the principles of “reciprocity and fairness” and “aggression and approval” from the past experiences of the oil producing communities. The Niger Delta is a very difficult terrain to access; so, to avoid non-representative data or experiences, two different locations were chosen: The dry land occupied by the Ogoni people and the coastal shores and swampy areas of the Ijaw, Itsekiri and other tribes in Rivers State, Bayelsa and Delta. Lagos state was also considered as the administrative head quarters of the oil companies.

The possibility of respondents not sharing their true feelings or not providing exhaustive information is also a limitation. To address this limitation, information from respondents was verified against existing literature and re-confirmed from the respondents.

Some participants attempted to decline interviews due to recording problems; more effort was made to educate the community members of the significance of the study believing that they may have a change of mind. Participants identity was protected and



not published when they so desired. More participants were also selected to serve as a buffer in case some respondents will not change their mind.

The Social exchange theory defines behavior as a result of negotiated social exchange between parties. Blau (1964) defines social exchange as a common agreement of an extensive social process that influence relationship between individuals and groups. This definition clearly shows that companies must go into genuine and thorough negotiation with host communities to achieve partnership sustainability. However, such engagement could be very slow and demanding. This study is expected to have the implication of providing better management strategies of communities' distrust and violence in the Nigerian Niger Delta region that will have substantial impact on the way oil companies carry out daily operation in the Niger Delta region, their policies and implementation strategies, the host communities, oil company workers, the multi-national business community and civil society that go about their business in an insecure and uncertain business environment due to externality effects from community distrust and violence against oil companies.

My role as a researcher was to carry out an unbiased interview into a well organized documentation and analyzed the data that explain the engagement between the IOCs and host communities against the backdrop of the industry's best practices of partnership sustainability and from a social exchange theory perspective that may result in the provision of suitable management strategies that could address the phenomenon of community distrust and violence against the oil companies. Wide range of materials were focused on due to unavailability of sufficient and current peer review journals on

partnership sustainability and the Niger Delta situation from the social exchange theory perspective, this study explored through researches carried out in the last ten years on partnership sustainability. Materials that provided a lid insight notwithstanding the time of publication were considered for this study.

### **Summary**

Critical elements like the problem statement of the study, purpose of the study, significance of the study, research questions, gaps in previous literature, nature of study and theoretical frame work of the study are all covered in Chapter 1. The background of this chapter described the advent of oil production in the Nigerian oil producing communities, the method of engagement between the international oil companies, Nigerian government and the local village communities and how the relationship between the oil companies and oil bearing communities degenerated over the years as the oil bearing communities either completely stopped oil production from their communities or persistently disrupted oil production. This chapter introduced the qualitative research design with a focus on the case study approach to be able to understand the nature of partnership that existed between the IOCs and oil producing communities.

The social exchange theory of George Homans was introduced to explore the violence that erupted from the communities which resulted in oil company staff assaults, injuries, deaths, interruption in daily oil production activities, destruction of oil facilities, loss of company revenue, loss of gainful employments and even indefinite shut down of oil production facilities in certain locations (Eweje, 2007; UNEP, 2011).

Chapter 1 also provided information on how the oil companies failed to negotiate and partner with the host communities, but, took over the farm lands and rivers of the oil bearing communities. Host community distrust and violence against oil companies was discussed as a policy issue because it is a brutal disruption of public peace and initiation of social disorder. The chapter discusses the significance to social change of understanding host communities' distrust and violence against oil companies as a step to improve management of partnership sustainability in the Nigerian oil sector and change of context of host community violence against oil companies with impact on public policy and the implementation strategies. Assumptions, delimitations and limitations of the study were also discussed.

Moving on to chapter two, a review of the literature on the complex relationship between oil companies and the host communities of the Nigerian Niger Delta region is carried out to describe and explain the process of engagement of the Nigerian government and the international oil companies (IOCs) with the host communities . Community reactions and consequences against oil companies were also highlighted in chapter two.

## Chapter 2: Literature Review

### **Introduction**

Partnership sustainability was examined to understand the approaches taken by individuals, organizations, communities, and the government when entering into partnerships. The objectives of the current study are to examine how the oil companies in the Nigerian oil industry and Nigerian government engaged the host communities, compared with the Nigerian oil industry's partnership sustainability best practices, from a social exchange theory perspective. I hope that the outcome of this study will improve understanding of partnership sustainability in the Nigerian oil industry and support the business case acceptance of corporate social responsibility (CSR) set results in a mutually beneficial situation for both the oil merchants and their stakeholders. The current study narrowed down to partnership sustainability in the social exchange theory perspective by focusing on community members, communities, organizations and the Nigerian government to understand how these have evolved with time. Finally, obtainable literature on the different accounts of events in the Nigerian Niger Delta were explored to understand the causes of unstable partnership and how the situation grew to the current community distrust and violence against the oil companies and government in the region.

Investigators on partnership sustainability suggested best practices in mutual relationships. A partnership sustainability Journal (2010) suggested that the technique depends on the situation in question. The first step in any relationship is the extensive engagement of all parties to establish a partnership agreement, a memorandum of understanding that document details of what the local people agree to do (Alexander &

Nank, 2009). It is important to understand that once a partnership agreement is established, people will be loyal and reciprocate good will to the partners if they see the partnership as rewarding and fair. However, people will be aggressive to the partners if they see the partnership as a problem that does not benefit them. Homans (1974) stated that the principle of reciprocity and fairness is fundamental to all partnership sustainability.

### **Literature Review Overview**

Existing literature has described the complicated relationship among the Nigerian oil industry, Nigerian federal government, and the host communities and spells out their differences, which makes it necessary and possible to choose what to concentrate on and what to overlook. When looking for materials to research, it is always useful to narrow down the subject of concern to a precise and concise topic, supporting theoretical frame work and clear targets which defines the type of materials to be used. Literature on partnership sustainability, partnership between oil companies and host communities, corporate social responsibilities (CSR) and sustainable development of the Niger Delta were all considered to understand how the partnership sustainability evolved in the Nigerian oil industry and how the communities responded with special focus on the experience of the Nigerian Niger Delta region.

The literature review was conducted via the Walden University online library, using a number of search databases including Academic search complete, dissertations and Theses, Education: A SAGE full-Text collections, Education Research complete, and SAGE premier 2010. ProQuest, EBSCO Host, SAGE journals online, and Google

Scholar were the most important search engines used. Key words such as: Partnership, Sustainability, Memorandum of Understanding, Social Exchange, Host community, Oil in Nigeria, Corporate Social Responsibility and Environmental Impact Assessment were used. The current research focused on resources dealing with community partnership, social exchange theory, and the Niger Delta crises. I focused on a wide range of sources due to unavailability of sufficient and current peer-review journals on partnership sustainability and the Niger Delta situation from the social exchange theory perspective. I explored research carried out in the last 10 years on partnership sustainability. Materials that provided a lid insight notwithstanding the time of publication were considered. I conducted a search using the United Nations official sites and Amazon for texts that dealt with the subject. Existing articles led to additional articles and ultimately the individual conclusion of instigators and articles.

I sorted literature into different main ideas: principles of social exchange theory, key factors of partnership sustainability, causes of unsustainable partnership, partnership sustainability best practices, partnership in the Nigerian oil industry, Nigerian Niger Delta partnership crises, community distrust for oil companies, failure of CSR and government initiatives, and partnership sustainability best practices in the Nigerian oil industry.

The resources that I found during the review of literature summarized most of the main ideas above. Arranging the literature into main topics was helpful in understanding the study and broadening the scope of literature used. Partnership is a relationship that influences the habit and reaction of parties involved, in a positive or negative manner, by

employing the management approach. Partnership could be seen as a social exchange that gives rise to an extensive social process, which influences the relationship between individuals and groups (Blau 1964). Homans (1958) asserted that the true nature and values of people, whether they are individuals or groups, are revealed by two principles of the social exchange theory: the principle of reciprocity and fairness and the principle of aggression and approval. Homans (1974) argued that the principle of reciprocity and fairness is a fundamental factor to all partnership sustainability.

### **Gaps From Previous Research and Coverage of Current Study**

Idemudia (2007) and Frynas (2005) argued that the oil companies now try to change their suppressive approach towards the demands of the oil producing communities due to the loss of profit and serious reduction in production as a result of community aggression. However, the present partnership approach used by the IOCs do not make any difference in the business case with the NNDOPHCs nor truly improve the plight of the people from the impact of oil spill and gas flaring on the environment and livelihood of the people . The reluctance of the IOCs to promptly take responsibility and correct damaging effects that results from oil production activities challenge the capability of their partnership idea to earn the trust of the oil producing communities (Frynas 2005). Michael (2010),Ibaba( 2008) , Eweje(2007), Frynas (2005), O’Neil (2007) Idemudia ( 2007 ), Odeme (2013 ), UNEP (2011),Eweje( 2007) ,Boele et al.(2001) and Ogege & Ewhrudjakpor (2009) lack information on the root causes and in-depth understanding of communities’ distrust and violence against oil production companies through the social exchange theory

perspective, this approach explores the reasons for repeated behavior in a relationship and best practices in partnership sustainability.

Ukaga, Ukiwo and Ibaba 2012 stated that the various regimes of Nigerian government and IOCs that operated from 1937 to date repeatedly failed to genuinely engage with their host communities to solve problems from the impacts of oil production, so, the IOCs and their government partners could not address the fundamental issues that resulted in the vicious behavior of the communities. This study will analyze engagement between the IOCs and host communities, against the backdrop of the industry's best practices of partnership sustainability, and from a social exchange theory perspective.

Ukaga, Ukiwo and Ibaba 2012 also argued that Nigerian government called agitating community youths "Militants" and created Amnesty Program to focus on their individual needs, neglecting the other community members and the fundamental issues that brought about the vicious behavior. This behavior of the federal government encourages other village youths to carry up arms to fight. Ukaga, Ukiwo and Ibaba (2012); Frynas (2005) stated that the Nigerian government established different institutions (OMPADEC, NDDC, Ministry of Niger Delta) to take care of development of the Niger Delta, but, the institutions keep on failing over the years because of serious corruption and the federal character issue where different zones of Nigeria are represented on the board and they take it as an extension of government to share more money. The village oil producing communities were never engaged in any thought process.



O'Neil (2007) stated that after half a century of oil production the IOCs and Nigerian government are still looking for ways to partner effectively with host communities. The livelihood of the Nigerian Niger Delta people and their serene environment is obliterated with abandoned projects the IOCs and their government partners started without adequately consulting the people. O'Neil (2007) also made reference to the statement of Watts (2010), African program studies director at the University of California, who stated clearly that the IOCs did not engage with the oil producing communities, but, gave money to selected people; such partnership with the communities cannot be effective. Ibaba (2008) stated that oil producing communities were not adequately compensated by the oil companies. The current study will completely focus on the oil producing communities with the aim of exhaustively exploring their experiences with the oil companies' operations, expectations from the oil companies, reactions to the oil companies' inadequate compensations, how they want the oil companies to relate with the communities and what the communities can offer as an exchange in a mutual relationship to sustain the partnership with the oil companies.

### **The Social Exchange Theory**

Blau (1964) defined the social exchange theory as a comprehension of social structure based on the analysis of social practices that preside over the relationships between individuals and groups. People get attracted to themselves for various reasons which make them to set up social alliance. Once such alliances are formed; the gains that they give to themselves serve to maintain and augment the relationship. To give notional understanding to the partnership crises in the Nigerian oil industry, the operation of social

structure in the region must be understood between the members of communities and the oil companies. Social structure is established from relationships, but once established, such structures serve to govern the established partnership between the parties involved. Relationship first exists in social groups. The level of the rewards in groups makes people to choose between different groups. Aspiring leaders also offer good rewards to group members as to be preferentially accepted over other leadership aspirants. Reward is the driving factors for a mutually beneficial relationship.

The partnership is sustained between the group members and leaders when expected rewards are provided and accepted (Michael, 2010). Host communities who are provided with rewards from investor and community will most likely see such partnership as beneficial, but communities that do not get rewards, or see the partnership as more costly than beneficial to them are most likely to see the relationship as negative and not needed. This is why it is imperative to weigh the partnership between the end results of the exchange and nature of exchange. It is also imperative to weigh partnership between the likelihood of a partner to engage in future exchange activities and the end result of the exchange (AP, J.1992). It has been confirmed that the way actors in partnership see the effects of an exchange is connected to the behavior of the other partner in the relationship and the possibility of a partner to participate in future exchange activities is directly connected to the impression resulting from the existing relationship (AP, J.1992). Social relationship always results in two outcomes-the negative and the positive emotions. These emotions depend on the expectations of the actors concerned and the behavior they put in the relationship. If an actor's expectations are met, it attracts

a positive emotion and vice versa (Ogege & Ewhrudjakpor, 2009). Homans (1974) argued that unfulfilled expectation breed aggression.

### **Principle of Reciprocity and Fairness**

The principle of “Reciprocity and Fairness” stresses on the importance of receiving expected kindness or reward, it is believed that people who receive expected rewards in a relationship tries their best to reciprocate such kind gesture towards the person who provided the reward (Ogege & Ewhrudjakpor, 2009). The Niger Delta communities had the conviction that the advent of the oil companies in their communities will result in better economic development where the residents take on occupation. These were the expectations that gave room to the peaceful atmosphere and relationship witnessed by the residents and the numerous investors in the Nigerian oil industry .When a partner receives the benefit he expected, or gets more benefits than he expected or gets leniency in place of punishment, the partner will unsurprisingly be motivated. He instinctively repeats that behavior which develops into a more valuable habit for him (Ogege & Ewhrudjakpor, 2009).

The partnership that existed between the oil companies and the host communities harshly violates the principle of “reciprocity and fairness”. The community willingly gave their assets to the IOCs for oil production activities and expected to receive rewards like: improved standard of living, better occupation, social and structural development etc. Instead of these rewards, the IOCs punished them and destroyed their traditional live lines with harmful impacts of oil production activities (Ogege & Ewhrudjakpor, 2009).

**Principle of “Aggression and Approval”**

The aggression and approval principle stresses on the consequence of not receiving expected rewards or receiving unexpected punishment. A partner becomes angry if he is denied of an expected reward or receives an unexpected punishment, such anger then grow into hostile behavior which is repeated and becomes a more valuable habit to such actor (Ogege & Ewhrudjakpor, 2009). Illogically, the IOCs twisted development out of the reach of the oil bearing communities instead of improving the condition of these people. The trend became worse with the increase in oil production activities. The result became the pains and bitterness the oil bearing communities experienced rather than relieve and joy.

The adversative effect of oil production activities to the serene and native environment of the people and their economic knowhow placed the people more importantly the youths in an underprivileged position, so, the people had no other choice than rejecting the anticipated mutual relationship with the oil companies (Ogege & Ewhrudjakpor, 2009). The old and young people lost confidence in the capability of the IOCs and Nigerian State to help improve their economic state. The unfulfilled expectations exasperated the people. The young people now value violent habit against the Nigerian State and the IOCs and use such crude means in rectifying their underprivileged destiny of anguish in the means of amply resources. The absurd behavior of oil company operation disruption, damage to oil facilities and taking captive of oil workers became more valuable to the youths as a cogent reaction to the injustice and underprivileged position (Ogege & Ewhrudjakpor, 2009.). It is important to point out that

social exchange theory perspective of partnership sustainability encourages rewards from both parties. It is the benefits that the concerned parties provide to themselves that bond the relationship together. The communities expects the oil companies to be accommodating and committed to the mutual agreement in the MOU, it is also necessary to note that the companies will be more pleased –if the communities protected oil installations and staff of the companies. This is been driven by the way the companies and government engaged with the communities and the level of trust the communities may have in the partners’ readiness to care for them and their environment (Michael, 2010).

### **Partnership Sustainability**

Partnership sustainability is the continuous recognition of interdependence on an effective mutual relationship between partners based on extensive negotiation, mutual agreement, trust, commitment and accountability. The partners deliberately establish a mutual relationship and remain committed to the partnership. Partners in a mutual relationship always engage in an extensive dialogue to arrive in mutual terms of agreement and act in ways that nurture trust while remaining committed and accountable to such actions(Alexander & Nank,2009).

Individuals are confident that corporate bodies will be accountable and act in the best interest of host communities and the communities also expect that corporate bodies will not only be capable, but also responsible in handling community welfare issues (Barber, 1983). It is therefore very important to generate bonds of trust and accountability with individuals in a partnership. Denhardt and Denhardt (2007) argued that partnership

sustainability come into view when corporate investors place themselves at the heart of communities and work as a team with the citizens; identifying social problems and initiating services that will meet the expectation of the communities. August 01, 2010 Roanoke Times and world news on partnership sustainability has it that sustainability means taking a holistic view of growth and development. It means paying attention to economic growth, living homes, energy, community health and the environment together. Sustainability means recognizing the fact that all these needs must work together. The way to enhance this process will be to sign a partnership agreement as a first step and a memorandum of understanding that document what the local people agree to do. Trust is the most important and defining element in a corporate partnership with a neighboring community (Bryson, Crosby, & Stone, 2006; Seppanen, Blomqvist, & Sundqvist, 2007; Van Slyke, 2007). Dependability on a mutually agreed memorandum of understanding is the protection companies offer partners who must be loyal to them, commitment is a legally binding liability of companies in a partnership (Stone & Ostrower, 2007). Two critical factors identified to be fundamental to partnership effectiveness are trust and distrust (Alexander & Nank, 2009). If a corporate partnership with a neighboring community is successful, the corporate entity must have produced a system of support for families where most systems of public and institutional support had failed. Neighboring corporative would be empowered to raise and protect their members, however, if corporate-government partnership develop disproportionately, serving the needs of the public agency at the disadvantage of the neighborhood community, the corporate entity

risks becoming a surrogate for the agency of the government. This is how companies lose their identity and purpose in the community they operate (Alexander & Nank, 2009).

Factors known to effectively promote partnership sustainability are: mutual recognition of independence (Saidel, 1994), communication behaviors that enhance information exchange (Milward & Provan, 2003), commitment to a shared purpose (Anderson & Narus, 1990), stable leadership (Milward & Provan, 2003), and mechanisms for conflict resolution that allows for joint problem solving (Anderson & Narus, 1990). However, the factor most often identified and most critical is trust (Bryson et al, 2006; Seppanen et al., 2007; Van Slyke, 2007).

Trust is the key factor in all social relations; it is the essential component of all enduring partnerships. Trust is confidently regarded in international partnerships because it is associated with producing maturity and independence , entrustment of power, productivity increase or outcomes(Mohr & Spekman,1994),reducing transaction costs(Van Slyke,2007), making better communication, distribution information, resolution of conflict (Zald&McCarthy,1997), and increase in contractual flexibility (Lewicki,McAllister,&Bier,1998).

Writers in Rational choice view trust as component of tactical judgment making, a calculation of possibilities (Boon & Holmes, 1991; Ruscio, 1997). Sociology Scholars emphasize common values and ideas (Hardin, 2002). The stress on common values and ideas is the most relevant and most logically aligned with the idea and inspiration of corporate-neighborhood community partnerships. Behaviors believed to promote trust include opportunities to build relationship, participating in dialogue, collective decision

making, shared experiences, repetitive patterns of interaction and predictability (Carnevale,1995), preservation of equity and fairness (Korsgaard, Schweiger, & Sapienza,1995), protective information sharing (Macneil,1980), and a readiness to acclimatize or contain the needs of the partner (Das &Teng,1998). Carnevale (1995) noted that trust is a necessary facet for self-disclosure, feedback, and the dialogue that promote learning. Das and Teng (1998) noted that trust in corporate-neighborhood community partnership is developed gradually, but, lost quickly if not well nurtured.

Alexander and Nank (2009) made it known that to maintain trust in a relationship, the actors must engage in big risk taking conducts, the entrustment of power, sharing of different decisions and responsibilities, and a readiness on the side of the more influential partner, the companies to contain the needs of the host communities. Trust becomes most noticeable when partners actively engage in common venture of defense and wellbeing in a way that show common interest of values and a change in point of view concerning the exhaustive abilities of the companies.

### **Possible Indicators of Community Distrust and Violence in Partnership**

Distrust is a conception well thought-out to be the reverse of trust (Rotter, 1971); but connected to trust (Lewicki et al, 1998). Barber (1983) explained that distrust is a letdown of corporate accountability. The lack of Individual confidence that corporate bodies will be accountable and act in the best interest of host communities and the communities' conviction that corporate bodies will not be capable and responsible in handling community welfare issues is a dreaded component that causes unsustainable partnership. Appearance of distrust in the partnership could be considered to show a



worry concerning the: (a) dedication of the other partner, and (b) failure to defend and maintain interdependence while engaging in partnership (Alexander & Nank, 2009).

The switch from distrust to trust would involve partners to engage in behaviors that could change the negative belief of their partners with the accomplishment of ideological collective agreement concerning the definition of the problem and how to tackle it (Weisbrod, 1978). Sustainable partnership is expected to arise when possible benefits exceed the operational costs of negotiating, monitoring and enforcing an agreement. While the possible benefits from partnership in economic development can be large, the operational costs seem to be equally high, making economic growth one of the most difficult cases for sustainable partnership. As in all partnerships, inducements to free-ride are present, in as much as the deliberate change from common agreements. However, the failure to agree on a “fair” distribution of the benefits and costs from economic growth and vagueness are the most likely causes of communities’ distrust and violence against oil companies (Feiock & Richard, 2009). This explains why some communities engage in sustainable partnership and others do not or put a stop to an existing partnership in line with the principles of the social exchange theory.

### **Partnership in the Nigerian Oil Industry**

Nigeria was a British colony before October 01, 1960. The Nigerian oil industry has a colonial origin. According to Fynas (2000), the German Bitumen Corporation was the first company to conduct the search for oil in Nigeria in 1907 to 1914, this company found oil in commercial quantities in 1908 but the Germans decided to continue the search for lighter oil, however the frustrations from the First World War forced the

Germans to step back from Nigeria. The British authorities did not allow the Germans to continue the search for oil in Nigeria when World War-I ended but favored investors like D'ARCY Exploration Company of British origin to continue with the search for oil. D'ARCY Exploration Company was not successful and quit the scene in 1923. Shell D'ARCY was established in 1937 and continued with the search for oil in 1946. This company later became Shell BP and drilled 53 wells in 1959 (Frynas, 2000).

Shell BP (now Shell Petroleum Development Company-SPDC) was the first international oil company to start oil production activities in Nigeria. SPDC had the opportunity to establish a mutual relationship with the oil bearing communities before 1956 when commercial oil was developed in Oloibiri community of Bayelsa State. The company solely depended on the Nigerian government instead of establishing a sustainable partnership with the oil bearing communities. Other international oil companies arrived when the Nigerian government liberalizes the oil sector; the host communities gladly received the IOCs in anticipation for better life. The communities expected the IOCs to reason with them, and work together in identifying problems due to damaging effects of oil spills and gas flaring in the environment. Oil facilities and pipelines were protected by the communities, there were no incidences of pipe bunkering or artisan refineries in the creeks, but the IOCs did not recognize interdependence as a fundamental factor in the success of sustainable partnership (Akpomuvie, 2011). Das and Teng (1998) argued that partnership is sustainable when partners have the readiness to acclimatize to or contain the needs of each other and that, trust in a corporate-neighborhood community partnership could be established gradually, but, lost very

quickly if one partner is not ready to acclimatize to or contain the other partner. Strong community participation in developmental projects is a warranty of indisputable and sustainable partnership (Alexander & Nank, 2009; Lompo & Trani, 2013). The IOCs did not involve or engage with the communities, but, decided on behalf of the communities (Ibaba, 2008). Evidence show that there is a wide gap between the IOCs stated CSR objectives and the real results investigators saw in the oil producing communities. Most of the factors that effectively promote partnership sustainability were violated by the IOCs. The communities protested, but, were seriously suppressed by the IOCs and the Nigerian government (Ibaba, 2008; O'Neil, 2007; Akpomuvie, 2011; Ogege & Ewhrudjakpor, 2009; Michael, 2010; Ikelegbe, 2001; Ukaga, Ukiwo & Ibaba, 2012; Frynas 2005).

### **The Nigerian Niger Delta Partnership Crisis**

The oil companies came into a region fractured by ethnic contention. More than twenty four ethnic nationalities occupy the Niger Delta, among them are the: Ijaw (the largest group), the Igbo, Itsekiri, Ogoni, Isoko, and Urhobo. These tribes have a history of fighting over the rewards of the region, going from the colonial slave era to oil palm boom and now, petroleum. The oil companies destabilized the serene and delicate land that sustained fishing and farming. Construction experts developed pipelines and company infrastructures that transverse the swamps, streams and mangroves, in the course of such Constructions Rivers were diverted, fisheries and livestock breeding grounds were destroyed and made the villagers to be underprivileged in feeding their families (O'Neil, 2007). Reports by the United Nations Development and International

Crises Group identified some of the doubtful tactics engaged by the oil companies, settling village heads for drilling rights, carrying out company structural projects along canals or streams without adequate environmental impact assessment, complicating compensation cases-having to do with damages to resource or land acquisition- for many years in court, engaging security forces to suppress protesters, clamping oil pipe leaks without remediation or site cleanup.

The oil companies are still finding ways of partnering with oil bearing communities after over eighty years of operation in Nigeria (O'Neil, 2007). The community youths are no longer afraid of the oil companies or their Nigerian government partners, over a hundred members of the movement for emancipation of the Niger Delta (MEND) and their loyalties were seen around a morgue in the Warri city of Delta state gathering for the burial ceremonies of nine of their members killed in an ensnare by the Nigerian Navy in the Niger Delta Creeks. The leadership of MEND invited journalists to go along with boats conveying the bodies of the dead militants to their home settlements for burial. MEND men waved flags and weapons from jetties. The militants put on visible red bands with white patches on their arms. The bands were symbols of Egbesu, the powerful Ijaw god of War. The militants put on the bands as defense against death, with the conviction that no weapon made of metal can kill them since they had sworn an oath to Egbesu, company helicopters could visibly see camps and war stations maintained by militants in the creeks. It is a dreaded problem. The IOCs became more concerned about the protection of their staff and the production of oil. The Nigerian armed forces instructed to suppress the militants patrol the creeks and cities. The militants match the

tactics of the Nigerian military with powerful and dreaded guerrilla assaults, which they believe will force the government to negotiate when many armed men were dead and oil production disrupted (O'Neil, 2007). The Nigerian government did negotiate with the militants and set up Amnesty Program for the militants to focus on their needs, paying them a monthly token, neglecting the fundamental issues that fuel the hostility (Ukaga, Ukiwo & Ibaba, 2012).

### **The Host Communities**

The Nigerian Niger Delta states are nine in number: “Abia, Akwa-Ibom, Bayelsa, Cross Rivers, Delta, Edo, Imo, Ondo and River state” (O'Neil 2007). The Ijaw people occupy Rivers, Bayelsa, Delta and Ondo States. The Ogoni people live in Rivers State in south-eastern Nigeria, the Ogoni are farmers and fishermen, their land extends in area to an estimated 100 square kilometers. The Ogoni population is about 500,000 people that inhabit six Kingdoms (Boele & Wheeler, 2001). Palm oil production, farming, fishing and hunting are the major skills of the NNDOPHCs. These skills were influenced by the natural environment the people found themselves in. Those of them that inhabit the dry lands became farmers, hunters and oil palm cultivators while those who inhabit the coastal shores and swamp lands became fisher men (Ogege & Ewhrudjakpor, 2009). The People in the Niger Delta Communities are minority tribes in the Nigerian Nation and are very resilient people.

The harsh environment of these people made them to be very hard working and invented tools to maneuver their way through the difficulties in their natural environment; their resilience was as a result of the combination of the consciousness of a very harsh

environment and the struggle to survive the threat from wild life. These people were not lazy people, but, people of great culture and pride (Ogege & Ewhrudjakpor, 2009). The people of the NNDOPHCs had the belief that the advent of the IOCs will help ameliorate their harsh environment and help give them better living through better jobs and technology projects . Ibaba (2008) stated that the IOCs were at peace partly due to these expectation, the people freely accepted the IOCs and were not worried even when the IOCs took their land without adequate compensation in anticipation for better life and mutual relationship from the IOCs (Adeyemo, A.M. 2002).

The federal government of Nigeria in 1937 authorized the search for oil and gas in Nigerian territory, though; it was discontinued in the wake of World War II. The quest for oil in the Niger Delta continued in 1946. The first Nigerian exploration oil well was drilled in Ihuo Community in Owerri in 1951 while the first successful commercial oil well was drilled in Oloibiri community in 1956. Afam, Ebubu and Bomu oil fields were discovered between 1956 and 1958 in Rivers State. The daily production gradually increased from 12,000 barrels per day (bpd) (Akpomuvie, 2011). Shell BP was made to hand over half of its original concession of oil blocks to the Nigerian government as a way of creating a more competitive oil sector between 1960 and 1963. The IOCs that benefited from the reform were: Mobil Producing, Esso, Agip, Strap ( now Total E & P) and Gulf (now Chevron Texaco).The daily production of crude oil then increased to the present day 2 million barrels per day (Michael 2010).

The policies and practices made by the IOCs and Nigerian majority government made life very difficult for the NNDOPHCs .These regulations placed the people in

abject poverty and destroyed their ecosystem (Ikelegbe, 2001). The NNDOPHCs carried out peaceful protests against the harsh practices of the IOCs, inadequate compensations and failure to sustain high standards of pollution controls and reluctance to carry out effective remediation of polluted land and rivers in and around the NNDOPHCs (Ikelegbe, 2001). The bulk of the oil facilities in the NNDOPHCs have outlived the test of time, poorly maintained and often give way to gas emission and oil spills (Boele & Wheeler 2001). Acid rain resulting from the release of green house gases at the tips of numerous flare stacks in the Niger Delta led to corroded roofs and crop failure and breathing diseases in the oil producing communities. The Nigerian government and their joint venture partners continue to shift the dead line of gas flaring and refused to put a stop to gas flaring irrespective of the very damaging effect it has on the health of the people and their environment. O'Neil (2007) has it that the Nigerian government documented over 6,817 oil spills within ten year period from 1976, though, investigators believed that there were many more spills than government documented. The IOCs blame such spills on the criminality of community youths for the quest to claim compensation.

The United Nations Environment Program (UNEP) released a report in 2011 on the Ogoni environment which justified the claims of the NNDOPHCs on the damaging effects of oil production on the Niger Delta environment. The negligence of safety procedures and standards by SPDC exposed the oil producing communities to very high safety, environmental and health risks as emphasized by UNEP (2011) and Ukaga (2012). The method of gas flaring adopted by the oil companies in the Niger Delta is very dangerous as the open pipe flare stacks produce very long, noisy, radioactive and black

horizontal or vertical flames that result in the worse environmental pollution (Ibaba 2008).

SPDC oil well 13 fire in the Ogoni Yorla field had to burn for more than two months before Shell responded to quench the fire. The gas emission and oil spill from that oil well polluted kilometers of rivers and lakes in Ogoni land (O'Neil 2007). The building of pipe line network, landing jetty, roads to operating facilities and life camps resulted in dredging of rivers or destruction of water source, making the environment very harsh for the livelihood of the local people and sacking them from their ancestral lands which led to the death of many local people and prostitution of their women (Frynas 2005). Finima town in River State was relocated from its ancestral settlement to a new location early in the 1990s, a move that made the local people loose grip of their livelihood and not able to support their families any longer (O'Neil 2007). Oloibiri, the first Nigerian village to host commercial oil production is without development, but, deserted with disused oil facilities after over half a century of oil and gas production in the community. If the oil companies and Nigerian government had a mutual relationship with the people, Oloibiri should look like oil producing communities in Texas, but, Oloibiri lack the basic amenities of life (O'Neil, 2007). The IOCs had the opportunity to create a system of support for people in the NNDOPHCs, but, the IOCs chose the part of risk and became a surrogate for the Nigerian government to frustrate the people of the oil producing communities. In many instances, the IOCs have publicized projects which did not exist on ground, a practice easily adopted in Nigeria due to the insensitivity of government and independent investigators of verifying such claims. O'Neil ( 2007) stated



that the SPDC in August 1996 published rural electrification projects it executed in the Bayelsa state Kolo Creek community, but, independent investigators discovered that Shell lied, there was no such project on ground and the gas was still been flared in 1997. The IOCs only listen to villagers they think can disrupt oil and gas production activities and provide budget to carry out image making projects that will help them secure freedom to operate whenever the company has a sensitive construction job. Ikelegbe (2001) argued that analysts believed that the oil companies may have contributed to the failure of the Nigerian government due to commercial benefits the companies derived from government failure. The IOCs referred to very stringent government regulations on compensation without negotiating with the people on the existing realities (Ikelegbe, 2001).

The NNDOPHCs were fed up with the suppressive and repressive behavior of the Nigerian government and their joint venture partners, the IOCs .The youths from the region had no other options left, but, to engage in arms struggle for resource control, the youths started militancy against the IOCs. Oil production was reduced drastically, some of the youths started criminal acts of pipeline bunker and running of local artisan refineries which further complicated the damage to the environment from oil spill and gas flaring (Ikelegbe, 2001; Ibaba, 2008; UNEP, 2011).

Disagreement over the gains of oil production is getting bigger in the Nigerian Niger Delta, because, IOCs and Nigerian government has stronger bargaining power than the oil producing communities. The oil companies and Nigerian government took all the gains and left the communities with no adequate compensation to overcome the ill effects

of oil spill and gas flaring, so, the communities were left with no other options than to fight the IOCs in order to survive from the ill effects of oil and gas production. The people believe that the unkind treatment of the oil companies was the only way to get the attention of the IOCs and government to engage the communities for a way forward. (Ukaga, Ukiwo & Ibaba, 2012).

Ogege and Ewruhjakpor (2009) has it that Isaac Jasper Adaka Boro of the Bayelsa state Kaiama village was the first to introduce militancy against the federal government of Nigeria and IOCs on the Niger Delta oil production activities; he was a student of the University of Nigeria Nsukka then. The youths were decisive in their struggle, though, overran by the Nigerian federal government troops on February 24, 1966 and Adaka Boro hastily killed by the federal government in a widely condemned execution. The 1966 execution of Adaka Boro increased the awareness and momentum of arms struggle of the Niger Delta youths. The attack on oil facilities, blockade of access roads became increasingly violent. The IOCs still did not stop the engagement of federal troops to injure and kill the youths and their leaders (Ukaga, Ukiwo & Ibaba 2012). Typical illustration was the 1991 massacre of 20 folks in the Rivers State Umuechem community by the SPDC engaged police force. The peoples' complaint of destruction of their farm lands and fishing rivers was met with the joint venture partners' brutal destruction of over 495 living properties of the villagers and massacre of the people (Ukaga, Ukiwo & Ibaba 2012). The Ogoni Bill of Rights which was announced in 1990 by the movement for the survival of Ogoni people (MOSOP) became the strongest quest after the Umuechem massacre, again the federal government and their IOC joint venture

partners responded with brutality which ended in the killing of the MOSOP leader, Dr. Ken Saro Wiwa in 1995. This was the last straw that broke the Carmel's back.

Organizations like the : Asari Dokubo led Niger Delta Volunteer Force(NDVF), Ateke Tom led Niger Delta Vigilante (NDV),Ijaw national congress, Ijaw youth council(IYC) among others were formed to combat the ill treatment of the IOCs and Nigerian federal government(Ukaga, Ukiwo & Ibaba 2012).

The December 1998 Kaiama declaration was made by the IYC to demand the removal of the Nigerian military presence from the Niger Delta and end to oil production in the Niger Delta communities by the IOCs (Ukaga, Ukiwo & Ibaba 2012; Ikelegbe 2001). The SPDC was prohibited from entering Ogoni land for any oil production activity since the death of Dr. Ken Saro Wiwa in 1995 and till now not even the Nigerian government could dare the Ogoni land. The Nigerian government set up Amnesty Program for the Niger Delta militants (the violent youths) to focus on their individual needs, neglecting the fundamental issues that hurl up the hostility (Ukaga, Ukiwo & Ibaba 2012). Ukaga, Ukiwo and Ibaba (2012) argued that the IOCs and the Nigerian government continually used the wrong approach to resolve issues with their host communities, so, they could not address the fundamental issues that resulted in the unfriendly operating environment. Shell operations were not possible unless brutal military raids were undertaken for short term economic activities to commence, slaying community members and their leaders (Boele & Wheeler 2001). The Ogoni youths and leaders stood the oppression and repression till Shell officially stopped oil and gas production in Ogoni land in 1993 January.

Ikelegbe (2001) has it that the top pan Niger Delta groups like MOSOP, INC and IYC called for the state and IOCs to enter into real exchange of ideas with the NNDOPHCs in order to fully understand partnership sustainability in the Nigerian oil industry. The irate groups look forward to NNDOPHCs stake in the oil economy by mutual participation in the IOCs, such engagement; it is believed, would make them have joint ownership spirit and beneficiaries of the oil production gains and could possibly limit the aggression towards the IOCs (Ikelegbe 2001). Idemudia (2007) stated that relationship that is not rooted on an acquiescent corporate-community global view, and give no adequate thought to the emotional indenture between oil producing communities and the IOCs, will not improve corporate community clash. Host communities must have a favorable view of oil production on their land for oil production to be successful without interruption, as the likelihood of the oil producing communities to engage in future exchange behavior is a positively related perception of oil production impacts (AP, J.1992). Nigerian oil well 001 serves as a mark of destruction of the Oloibiri community, for more than half a century, the people of Oloibiri and Ogoni land have expressed their discontent with the negative impacts of oil production activities on the environment and lack of benefits they have received (Lompo &Trani 2013). The environment and socio-economic status of these people were completely destroyed by the oil companies. Eugene (2005) defined Environmental Impact Assessment (EIA) as a procedure that take into account and guarantee the understanding of the important impacts of new projects on the environment before the commencement of the project. The right continuous monitoring and control measures are then put in place to prevent or reduce pollution to as low as

practicable (Akpomuvie 2011). The oil companies in the Niger Delta region carry out EIA without community involvement, this is not proper. The communities and an independent observer need to participate in the EIA.

### **Host Communities and oil Companies Conflicts**

Frynas (2000) investigated the conflict that existed between the International Oil Companies and the host communities in Nigeria. According to Frynas (2000) the conflicts started and continued for decades and grew very fast in 1990s with large coverage by international media. According to Frynas (2000), village host community conflicts with the IOCs are important outside academic interest because the Nigerian State is the most densely inhabited and biggest country in Africa. Over half of the government revenue and 95 % the country's dollar proceeds come from oil production. By interrupting oil operations, the host communities make oil production in Nigeria more difficult and decrease the value of gas and oil investment in Nigeria. Community violence directly endangers economic capability of the biggest country in Africa. Frynas stated categorically that the Nigerian government is facing a major challenge of resolving community violence in Nigeria. The conflict continued even when the leader of the Ogoni people was brutally killed by the Nigerian state. The Ogoni struggle reduced but different tribes in the host communities stepped up their protests from 1995 and disrupted oil production with new dimensions in oil facility abduction and kidnapping of oil company personnel and some company staff deaths resulted. Despite the increase in protest and abduction of company facilities, the causes of violence such as host

community neglect by oil companies and bad company operating principles were not effectively deal with by the IOCs and the Nigerian government.

Frynas (2000) stated that there were strong suggestions that Shell Oil Company refused to pay for damages in the past with the excuses of sabotage. Shell as a company admitted that six such cases were won against them in Nigerian Courts (Detheridge & Pepple, 1998). Frynas (2000) also stated that there were valid suggestions that the damage oil companies made to the environment in host communities was the major reason why the host communities protested. Shell stated in a reply to Frynas (2000) that it will not go back to Ogoni land to produce oil except the people of Ogoni land approve of such intension(Detheridge & Pepple, 1998). Shell has got no choice but to wait for the approval from the people of Ogoni which has not happened for over 23 years now.

### **Ligations Against oil Companies**

Frynas (2000) cited many host communities court cases against the international oil companies, among such cases were: “Geosource v. Biragbara (1997)5NWLR (Pt.506)607, Shell V. Tiebo VII (1996)4NWLR (Pt.445)657, Shell v. Farah (1995)3NWLR (Pt.382)148, Chinada v. Shell-BP (1974)2 RSLRT”. Frynas (2000) stated that the host communities or their representatives sued the oil companies in all these cases and not folks. The communities had difficulties in accessing the courts; poverty was the major problem of community access to courts in Nigeria. Frynas (2000) noted that oil related cases in Nigerian courts do not qualify for any lawful support like other civil or criminal cases. Host communities struggle to hire the required experts and attorney which is expensive and taxing, most times village communities lack money to offset the court

bills while the oil companies easily hire the best experts in Nigeria. The communities managed to reach the end of some of the pursued court cases because some lawyers took it upon themselves to pursue the cases without initial payment. Shell as a company admitted that some of these cases were won against them in Nigerian Courts (Detheridge & Pepple, 1998). The low income of the local people is a major problem of community access to the court and this may one of the reasons why the communities resort to violence as the cheapest option (Fynas, 2000).

### **Violence**

The world health issued a report on violence and health to create public awareness and also give recommendations to prevent it. The world health organization (WHO) recognized violence as a global problem and encouraged the use of appropriate resources to resolve the issue. The world health report on violence and health gave an in-depth understanding of violence and the implication on society; it shows the different forms of violence from the less visible child abuse to the heavily devastating societal conflicts. This effort by WHO has since promoted attention in different aspects of life including the legislative, communities, academic and media. Who define violence as a deliberate application of substantial force or influence that endanger oneself, other persons, or entities like communities or companies and has a high capability to cause physical harm, emotional harm; death, dispossession or lack of development (WHO, 2002). This definition illustrates elements of possible as well as real harm and numerous results of harm. Nelson Mandela gave a speech in this report. According to him, individual suffering and the ideology of hate new technology promotes are part of the causes of

violence. He added that many groups suffer from violence; among them are children from their guardians, women by their partners, elderly by care givers, youths by their peers and others who mete out self violence. This respected world leader argued that violence is promoted when there is no democracy, no good governance and no respect for the right of people. He added that different type of violence spread in communities where the government encourages violence by acting in violent ways and this type of phenomenon frustrates economic and social development. According to Mandela, violence can be prevented and culture of violence can also be changed by individuals, governments and community efforts. Mandela concluded by saying that violence must be addressed from the root causes in order to transform past trends from devastating effects to a deterrent lesson.

Violence hurts the victims, communities, families and friends. Violence has resulted in deaths, disabilities, and illness and affects the quality of life...This phenomenon affects the health and welfare budgets, devalues properties, reduces productivity, upsets essential services and destabilizes the structure of society.

### **Causes of Violence**

The world health organization (WHO) demonstrated that violence can grow in different ways. Many kids show problem manners at tender age that gradually escalates to more serious forms of violence before and during adulthood. WHO argued that several researches have shown that childhood hostility is a good forecaster of violence in teenage years and early parenthood. This may be the reason of the violence behavior of the Niger Delta communities. The decade of violent activities of the international oil companies



(IOCs) and government of Nigeria in host areas may have oriented the children to grow up to be violent against the oil companies.

Frynas (2000) stated that small tribes in the host communities are marginalized by the government and oil companies. The increased violence and court case in the Niger Delta was partly due to uneven allotment of communal costs and profit occurring from oil production in the Nigerian nation. The study shows that the partnership between the village host community and oil companies was an unbalanced deal, oil companies had superior government support and often used economic power against the host communities. The Nigerian government was not willing to encourage litigation against the IOCs because the government felt that court cases could upset oil production and limit the proceeds to the government and business people, Frynas (2000) stated that evidence from the analysis of the legal system in Nigeria support the state prejudice against the host communities. According Frynas (2000), the Nigeria law system is well structured and classy; however, the state is inclined against the host communities in support of the IOCs and gives minimal protection for the host communities. It is argued that the coalition of the government and personal business interest impede the progress of lawful solutions for the unpleasant consequence from oil production, so, the laughable legislative condition and lack of lawful enforcement may thus be some of the root causes of community distrust and violence against the IOCS. Frynas (2000) stated communities who sue the IOCs face higher limitation than other litigants. Frynas (2000) noted that poverty and ignorance are some of the problems of community access to the Nigerian

legal system and it is disturbing because the oil related litigations do not qualify for any form of lawful support from the Nigerian government.

### **Prevention of Violence**

Three types of prevention were recommended, the primary prevention which involves the prevention of violence before it arise, secondary prevention which involves the focus on direct responses to violence, treatment of victims and emergency services. The tertiary in involves long term attention to violence. The world health organization (WHO) advocates priority to the provision of support to victims and punishment to offenders in addition to the types of preventive measures. A comprehensive approach to addressing violence is the application of a model that combines the protection and support of victims with the promotion of non-violence by reducing the act of violence and changing the situation and environment that resulted to the violence.

The world health organization (WHO) concluded by recommending steps to preventing violence, these steps include: (1) the reduction of collective violence by implementing standards of international treaties including the ones relating to the right of people,(2) the reduction of poverty, (3) Leaders and Partners to be more responsible and accountable,(4) Inequality to be reduced between groups in society and (5) the reduction of access to weapons. WHO stated that the preventive measures are achievable only if : (1) an in-depth information and understanding of the violence is obtained, (2) political action is taken to predict, prevent and respond to violence and (3) peacekeeping activity is encouraged in such environment at all times.

### **Failure of CSR and Government Initiatives**

There is a common agreement among authors, national and international, that lack of participation and growth of the people of the Niger Delta area, harsh government policies, and pollution of the environment are the main factors behind the Niger Delta partnership crisis (Odemene, 2023). Ikediobi and Marvin (2010), Mahler (2010), Obi (2009, 2010), Ojakorotu (2011), O'Neil (2007), and Watts (2010) believed that the people of Niger Delta do not consider the presence of oil and gas resources in their region as a blessing. As a matter of fact, the Niger Delta people blame oil production for their misfortune. The people may or may not have benefited from the federal and local government of Nigeria regarding development but they definitely will not live in a devastated environment that is the cause of deforestation, destroyed marine life, deprivation of the livelihood of the people and ill health of the Niger Delta people. The presence of the oil companies encourage migration of people to the rural and the surrounding urban centers coupled with poor social amenities and poor health facilities, this trend makes life unbearable for the Niger Delta people who could not compete favorably with the more enlightened strangers (Odemene, 2013).

Authorities in corporate social responsibilities (CSR) now argue that it is very necessary and inevitable for companies to understand that social responsibility must be part of their policies in host communities due to issues of ethics, past misbehaviors of corporate organizations and the ever rising government failure in meeting their fundamental responsibility to society. It is recommended by the business case that business recognition of social responsibility consistently results in mutual gains for both

companies and their stakeholders. This is why the business case effectively moved CSR to the area of selflessness or morality to the area of cogent economic resolution (Odemene, 2013).

The Nigerian federal government established the Niger Delta development Board (NDDB) in 1961, but, the institution failed due to corruption. The Oil and Mineral Producing Area Development Commission (OMPADEC) was established in 1993, Niger Delta Development Commission (NDDC) in 2000 and Ministry of Niger Delta in 2009, but, they all failed or were ineffective due to corruption. These entities were mere political solutions that never worked. The NDDC board is made up of representatives of the Niger Delta states, non-oil producing states, oil companies, and government agencies selected from different states. NDDC is managed by a group headed by a chairman appointed by the federal government. The NDDC act requires the federal government to donate 15 percent of oil income to the board, while oil companies are to donate 3 percent of the annual expenditure to the board in addition, oil producing states are to donate 50 percent of the federal government allocated ecological fund. In practice however, the individual oil companies give only the balance of 3 percent after deducting cost of their self acclaimed social responsibility to their respective communities, the federal government contribute only a fraction of the required 15 percent, and the state government continually give well below the expected amount (Idemudia, 2007).

The villagers are worried and often ask where all the oil money disappeared to, every town, city and village in the Niger Delta continue to ask this question. The answer is so vague, spreading from the oil company to an all elusive Nigerian government. The

government controlled the oil revenue accruing to the Nigerian National Petroleum Corporation (NNPC) since 1971 when the Nigerian oil industry was nationalized and the IOCs persuaded to carry out the oil business in a joint venture agreement or production sharing contract agreement. The government through the NNPC owns 55% of oil revenue while the oil companies own five percent. The revenue grew from a few million US dollars in 1971 to more than 60 billion US dollars in 2005. There is this “cancer of corruption” that eats deep into the veins of the Nigerian federal government, officials of the government loot the federation account. The head of the Nigerian anticorruption agency stated that more than 14 billion US dollars was stolen in 2003 alone (O’Neil 2007). Court cases established extravagant use of money by public office holders who hoard huge sums of dollars in overseas bank accounts with which they maintain their families in the US and London. The over 30 million people of the Niger Delta that are living below a dollar per day and seeing this kind of money stolen by government officials and taken by oil companies from their soil has resulted to the ugly partnership crises in the region (O’Neil 2007).

The Nigerian government officials often turned blind eyes when companies violate the law of the land, this is done for personal gains and the people of the Niger Delta suffer for the Corruption and institutional decay. It is interesting to cite the case of Halliburton, an American oil servicing company that accepted to have paid bribes worth \$2.4 billion to corrupt officials of the Nigerian government for tax evasion relating to its operation in Nigeria (Idemudia, U., & U. E. 2006). A staff of another American company, Jim Bob Brown of Willbros Group Inc acknowledged in a US court to have

paid bribes worth \$1.5 billion to officials of the NNPC in order to win contracts and to influence tax figures for Willbros (This day News 2006a). The Nigerian government complete dependence on oil has made the officials to focus its policy towards eliminating loss of oil revenue at the cost of environmental protection and protection of the rights of the Niger Delta people. As a matter of fact, Ikporukpo (1985) argued that given the weight of crude oil to the Nigerian economy, the negligence in enforcing legislature seems to be a deliberate strategy to encourage direct investment of the IOCs in the Nigerian oil sector. These are the conditions that mostly encourage the oil companies to neglect CSR responsibilities in host communities, since penalties of violations could either be negotiated or waved, meaning that consequences and cost if any are low. Chevron noted in 1980 that conformity with the gas re-injection law would claim \$56 million US dollars of Chevron's budget, while it will only cost \$1 USD each year of violation of the same law (Frynas 2000). The senseless corruption and institutional decay in Nigeria implies that the oil companies and all class of business are at liberty to maximize profit without constraints (Idemudia, 2007).

The oil industry has amended its approach to CSR. The Oil companies now attach greater attention to the negative effects from their operation and engage more with the host communities than before. The shift was as a result of the reports in the social media concerning the irresponsible behavior of corporate bodies towards their host communities. However, the efficacy of CSR initiatives is still below expectation, evidence show gap between the schedule intensions of company executives and the impact from the actual implementation of CSR initiatives in the real world.

Some oil company staffs are also very angry about the politics around the CSR initiatives, Frynas (2005) stated that oil company employees expressed their displeasure with the way their employers go about CSR initiatives. Three company insiders told an investigator that corporate social responsibility as practiced in the Nigerian oil industry is a waste of time, CSR is a way companies in the Nigerian oil sector advertise themselves and tries to impress staff and outsiders, companies advertise projects that are not even on ground (Frynas, 2005). The act of oil companies advertising projects which are not on ground is made easier in Nigeria by the complexity in confirming such claims. The SPDC, for example, claimed in an August 1996 brochure and public paper, that oil flow station in the Kolo Creek village of Bayelsa state was supplying gas to a remote electrification scheme; It was discovered when investigators visited the site in 1997 that SPDC was still flaring gas and there was no such scheme in Kolo Creek (Frynas, 2005). Compensation issues, building of local capacity in the event of oil pollution and partnership aimed at effectual implementation of environmental laws by oil companies are presently not considered in the community development programs (CDPs) in Nigeria. Present and future loss due to pollution is not adequately paid for , so, farmers and fishermen suffer for the reckless act of the oil companies (Frynas, 2000; Idemudia, 2007). For example, Mobil Producing Nigeria Limited (MPN) refused to comply with a Lagos court judgment that awarded ten million USD to three oil producing communities that were polluted with over 40,000 barrels of crude oil spill in 1998, the ruling was argued and appealed while the Niger Delta people suffered in pains introduced by MPN's operation in the area. (CNN World 2003; Idemudia, 2007). A similar ruling by the

federal high court in Port Harcourt against the SPDC was also argued by SPDC and the Ijaw aborigines were not paid the \$1.5 billion damages for environmental devastation, SPDC was advised by the Nigerian national assembly to pay the court fines, but, SPDC refused to pay the fines, SPDC neither paid or negotiated with the people of the affected villages for alternative solution (This day news, 2006c).

The World Bank and Oxfam stated that community participation and self help are the best way to economic growth. The communities need to be the drivers and actively help themselves and not the companies to decide for the communities (Frynas, 2005). If the people of the Nigerian Niger Delta are empowered to help themselves, the Niger Delta would have long been developed. It is not the best for expatriates or local contractors who lived in foreign lands and hardly know the dilemma of the local people to move in and make decisions for the local people. Contrary to best development practices championed by World Bank, CSR initiatives are developed by expatriates or people who hardly know the local conditions and decisions are taken in beautiful company offices and environment without involving the local people (Frynas, 2005).

The alignment between the reason of mutual gain and the understanding that society, oil companies and the federal government must jointly solve the protracted social and environmental problems, give room for host community engagement and partnership formation as a means for corporate bodies to meet their social responsibility expectation (Idemudia, 2007).

The provision of “ Amnesty Program” by the Nigerian federal government to focus on the individual needs of the Niger Delta militants do not engage or encourage the



hard working and unemployed youths of the Niger Delta, therefore, such program do not resolve the basic issues that brought about the partnership crisis (Ukaga, Ukiwo & Ibaba, 2010).

BPD (2002) stated that an all involving partnership among government, business and the public that draws on a balanced foundation skills of any one partner will produce better outcome for villages and for companies than any other approach (Warhurst, 2001; Hamann et al, 2001). The unfriendly relationship between business and the host communities in the Niger Delta has led to remarkable loss in oil revenue and oil company profit, this harsh event has made the oil companies to make policies that focus on CSR initiatives and trying to mend their already dented corporate image. However, irrespective of the focus on company policies on CSR initiatives and community partnership, the real implementation of the core elements of sustainable partnership have yet to be fully explored and understood.

### **Nigerian oil Industry Partnership Sustainability Best Practices**

According to Frynas (2005), it is a thing of worry, that despite the level of environmental degradation going on in the Nigerian Niger Delta, there are only but scanty oil company initiated projects which could be seen as industry best development practice in line with standards recommended by international institutions like the World Bank. Nigeria has only one such project which was initiated by Statoil in the Akassa locality of Bayelsa state. Statoil provided the fund, but, executed the project through ProNatural, an NGO that is highly experienced in community development, the NGO implemented the development plan without the intrusion of company managers, BP also

provided fund to the Akassa project initially and later followed by Chevron Texaco. The Akassa project executed in the south Eastern Nigerian Niger Delta stand out as a positive symbol of the actual mutual benefits of oil company partnership sustainability in host communities. This project serves as a standard for the rest of the oil companies and foreign donors in the Nigerian Niger Delta region.

The different approach taken by the NGO in the Akassa project was the complete focus of the project on grass root concerns, the project was driven by the local people and decisions on the particular initiatives to be implemented was made by the local people. This approach is very different from the make believe consultation the oil companies carry out with the communities. The NGO conducted a thorough appraisal of the community needs over a time period. The staff of ProNatural relocated to the village communities and extensively interacted with the local people, discussed their problems and the how the problems came about, before beginning to plan any initiatives.

ProNatural ensured that the project was fully led by the community, it was not only the village chiefs that were involved, men, women and youths were also involved. ProNatural empowered the people by helping to build up their capacity so the local people can help themselves, in addition, proNatural set up among other ways by helping to set up new foundation for development and provided training and professional advice to the community. The Akassa project was made to focus on the entire host communities in the Akassa clan which are the homes of over 30,000 local people, not just a developmental plan for one village .This project is what is now seen as a standard for partnership sustainability best practice in the Nigerian Niger Delta (Frynas, 2005).

Companies must see development and partnership in the community perspective which aligns perfectly with the social exchange theory perspective of partnership sustainability in the Nigerian oil industry. The problem with oil companies trying to frame community development in scientific terms is that it is contrary to the beliefs and perception based view held by the local communities (Wheeler et al, 2002; Jenkins 2004). The Niger Delta people believe that their relationship with oil companies are solely founded on the values of local memes and customary forms of relationships, from the village viewpoint, IOCs are seen as subjects of the host communities that are expected like other community members to naturally take into consideration the concerns of the community in their decision making process and place community matters as priority matters without community agitation. The world view of the IOCs is completely different from that of the host communities, the companies tend to be neoliberals and focused completely on market logic. Profitability is the driving factor of the companies and the basic expectation to benefit from oil production activities (Jenkins, 2004). The oil companies expected the resident government to be responsible for developing the host communities and distribute the benefits government got from oil production. These difference in view points and expectations between the IOCs and host communities regularly breaches the effective expectation from both sides , the differences remains behind the scene of their relationship and is often active in nature, changing all the time, but often unacknowledged (Burke 1999). This is the strongest reason why Oil companies are always not given the benefit of doubt in times of crisis or catastrophe, while oil

company –host community partnership remain highly controversial and sustainable development programs have little impacts on community development (Idemudia, 2007).

### **Empirical Research That Support This Study**

From 1937 when the international oil companies came to Nigeria, the peace and fortune of the Niger Delta people may have been heated up with unrest and suppression. The discovery of the first oil in Oloibiri territory of Bayelsa state in 1956 and drilling of all other wells in Afam, Ebubu, Bomu, and Alakiri all in Rivers State between 1956 and 1960 resulted in the disruption of the normal life style of the resilient people of the Niger Delta. The relationship between the oil companies and host communities degenerated over the years. The Niger Delta environment and livelihood of the people were completely devastated by pollution from oil spill and gas flaring coming from the reckless operation of the oil companies. The Nigerian government rather than protect the people, went ahead to punish the people for crying out. The Nigerian Niger Delta communities were never adequately compensated by the oil companies , the government never saw the need to build the capacity of these people and reposition them for an alternative livelihood, these people were economically paralyzed and called militants for crying out(Michael,2010;Ibaba,2008;Eweje,2007; Frynas, 2005; O’Neil,2007; Idemudia , 2007; Odeme, 2013). These authors recommended community engagement in problem solving. There was no mutual relationship and the oil companies did not engage with or involve the people in development projects.

Frynas (2000) investigated the conflict that existed between the International Oil Companies and the host communities in Nigeria. According to Frynas (2000) the

conflicts started and continued for decades and grew very fast in 1990s with large coverage by international media. According to Frynas (2000), village host community conflicts with the IOCs are important outside academic interest because the Nigerian State is the most densely inhabited and biggest country in Africa. Frynas (2000) cited many host community ligations against the oil companies, among such cases were: “Geosource v. Biragbara (1997)5NWLR (Pt.506)607, Shell V. Tiebo VII (1996)4NWLR (Pt.445)657, Shell v. Farah (1995)3NWLR (Pt.382)148, Chinada v. Shell-BP (1974)2 RSLRT” (Frynas, 2000). Frynas (2000) stated that the host communities or their representatives sued the oil companies in all these cases and not folks. The communities had difficulties in accessing the courts; poverty was the major problem of community access to courts in Nigeria.

The world health organization (WHO) carried out a research and issued a report in 2002 on violence and health to create public awareness and also give recommendations to prevent it. WHO recognized violence as a global problem and encouraged the use of appropriate resources to resolve the issue. The world health report on violence and health gave an in-depth understanding of violence and the implication on society; it shows the different forms of violence from the less visible child abuse to the heavily devastating societal conflicts. This effort by WHO has since promoted attention in different aspects of life including the legislative, communities, academic and media. WHO define violence as a deliberate application of substantial force or influence that endanger oneself, other persons, or entities like communities or companies and has a high capability to cause physical harm, emotional harm; death, dispossession or lack of development (WHO,

2002). This definition illustrates elements of possible as well as real harm and numerous results of harm.

Ojakorotu (2011) argued that the Nigerian Niger Delta youths took up arms struggle against the maltreatment of the Nigerian federal government and the oil companies in order to secure their means of livelihood even if it was criminal. The job positioning of oil companies do not favor the host communities who suffer the devastating effects of pollution from oil and gas production, foreign nationals and people from other regions seem to take up most of the jobs. It is therefore required that these people be considered in job employment by oil companies (Ighodaro & Chowdhry, 2001).

Ikediobi and Marvin (2010) ascribed the existing poverty and dispossession in oil producing countries to corruption of regulatory officers and officers in charge of fund mismanagement. According to Uyigue and Agho (2007) various developmental efforts by the government such as the Niger Delta Board, Niger Delta Basin and Rural Development Authority, OMPADEC, NDDC and Ministry of Niger Delta were all frustrated by corruption. The Niger Delta people are in need of development and mutual understanding from the government and oil companies.

The Nigerian oil industry completely relied on the military and police forces of the Nigerian state for the daily oil production activities in their host communities and hardly ever considered sustainable partnerships with the communities. This corporate approach was repetitively expressed as irresponsible and heart breaking (Eweje, 2007; Michael, 2010; Boele et al.2001, and Ogege & Ewhrudjakpor, 2009).

The UNEP (2011) report clearly stated that artisanal local oil refineries were seen all over the Nigerian Niger Delta Creeks and acknowledged that revenues to the federal government and profit to oil companies was affected by the illegal act of some community youths. This report also stated that soil and ground water was heavily contaminated, vegetation was devastated, aquatic life destroyed, and public health under serious threat as benzene and other carcinogenic chemicals are in concentrations higher than WHO and USEPA reports as corresponding to a 1 in 10,000 cancer risk. Hydrocarbon concentration in drinking water samples are at least 10,000 times higher than the Nigerian drinking water standards of 3ug/l, benzene concentration at levels over 900 times above WHO guidelines. The people of the Niger Delta communities know about the pollution of their portable water and its dangers but had no options than to use the water for drinking, bathing and cooking as they have no alternative. The UNEP (2011) report stated that the level of contamination found in the Niger Delta warrants emergency action ahead of all other remedial efforts, but, nothing has been done by the oil companies or Nigerian government, not the least efforts of consulting with the people up till now.

Michael (2010) employed the social exchange theory to explain the reason why women engage in protests in order to redress injustice in the Niger Delta. AP, J (1992) used the social exchange theory to characterize the reasons why tourism host communities develop different perception toward tourism, the author explain that communities assess business in terms of social exchange, they assess it in terms of advantages or disadvantages and decide to show good will or not. Ogege and

Ewhrudjakpor (2009) adopted George Homan's social exchange theory in explaining how the Niger Delta youths resorted to violence when their expected rewards were not forthcoming from persistent hydrocarbon extraction in their region ; the violent behavior of the youths was described by these authors as a rational response to the monumental deprivation and marginalization by the IOCs and their accomplice in the Nigerian State , the authors used the social exchange theory in providing understanding for the sustained environmental resource crisis.

### **Summary**

Chapter 2 provided a detailed explanation of partnership sustainability, causes of unsustainable partnership, the evolution of host community-oil company relationship from beginning to the point of community distrust and violence against oil companies, the social exchange theory perspective of partnership sustainability, partnership in the Nigerian oil industry and the Niger Delta partnership crisis. This chapter also explains the failure of CSR, Nigerian state initiatives and Nigerian oil industry's partnership sustainability best practices. The literature provided an explanation on how oil production activities destroyed the serene environment of the Niger Delta communities and their livelihood, coupled with inadequate compensation from the oil companies. The process of engagement of the host government and the international oil producing companies with the host communities is a major issue in this chapter. This chapter highlighted how the communities reacted to the hostility of the IOCs and Nigerian State and how oil production in the communities was completely stopped or persistently disrupted .The operation of illegal oil refineries all over the Niger Delta Creeks and the reduction of



revenue generated from oil production to the Nigerian State and profit to the IOCs was also discussed.

A review of the literature in Chapter 2 has demonstrated that CSR and government initiatives did not benefit the people of the Niger Delta due to the approach used to execute these initiatives. It is very clear from this chapter that the best approach to resolving the age long partnership crisis in the Niger Delta could be in the extensive consultation, involvement and engagement of the Niger Delta people in the oil business in a mutually beneficial manner described by the social exchange theory of George Homans (Homans, 1974).

Moving on to chapter three, a brief introduction of the problem statement is made with a clear theoretical framework and detailed step by step processes for conducting the study. Chapter three also discussed the purpose of study, methodologists that support qualitative methods and the data collection strategies for this study.

## Chapter 3: Research Method

### **Introduction**

Prior studies have not exclusively explored the causes of community distrust and violence against oil companies to provide suitable management strategies to address this phenomenon in the Nigerian Niger Delta region. The social exchange theory provide context for addressing community distrust and violence against oil companies by serving as the theoretical approach for executing and assessing interventions. Existing research on the Nigerian Niger Delta region applying the social exchange theory approach to address community distrust and violence against oil companies is limited. Therefore, I applied the qualitative, single-case strategy to collate comprehensive, loaded, contextual account of the causes of community distrust and violence against oil companies and the elements that may be necessary to build and sustain suitable management strategies in addressing this phenomenon in the Niger Delta.

Michael (2010), Ibaba( 2008), Eweje(2007), Fynas (2005), O’Neil (2007), Idemudia (2007), Odeme (2013), UNEP (2011), Eweje(2007), Boele et al.(2001), and Ogege and Ewhrudjakpor (2009) acknowledged host community distrust and violence against oil companies as a rampant problem within the Nigerian Niger Delta region. However, these studies did not explore the causes of community distrust and violence against oil companies or apply the social exchange theory approach to address community distrust and violence against oil companies.

Ojakorotu and Okeke-Uzodike (2006) acknowledged that there is problem in the relationship between the oil companies and their host communities in Nigeria, this

relationship degenerated over the years due to oil and gas production activities that may have negatively affected the general welfare of the host communities. The host communities reacted by becoming violent against oil companies (Wheeler & Boele, 2002). Social exchange theory provided context for understanding host community distrust and violence as to better manage this phenomenon in the Nigerian oil sector by serving as the theoretical approach for the change of host community violence against oil companies that impact public policy and the implementation strategies.

The purpose of the study is to investigate the root causes of host community distrust and violence against the oil companies in the Nigerian Niger Delta region in order to provide (a) general understanding of host community violence against oil producing companies, (b) social change implication of improved management of partnership sustainability in the Nigerian oil sector and change in the context of host communities violence against oil companies and (c) impact on public policy and the implementation strategies. The qualitative, instrumental, single-case research approach was therefore applied to explore the real life experience of community members using detailed interview sections to disclose meanings and provide comprehensive perception of community violence.

I begin Chapter 3 by explaining the single-case study design and criteria for choosing the case. I then present the method for information gathering and investigation. The main source of information is participants' interviews and the information was used to corroborate the facts in documents, texts, and other reliable sources to verify and

improve data quality and validity. Lastly, a brief discussion of the proposed dissemination of findings was made.

## **Research Design and Approach**

### **Paradigm**

Creswell (2007) proposed that it is suitable to merge paradigms when necessary. Both pragmatic and social constructivism world views are reflected by this qualitative case study. The social constructivism view cultivates particular meanings of host community distrust and violence experiences with implications that are diverse and numerous, which attracts the researcher to focus on the complexity of views instead of narrowing the meaning to a few classifications or ideas. The participants' views and actions are only meaningful within the context of solving host community violence problem. It is the oil companies understanding of the participants' views and actions that will lead to better management of host community violence against oil companies. Thus, the pragmatic approach combined (a) a concern about the effectiveness of the key elements that may be necessary to manage partnership sustainability with (b) the complexity of the in-depth understanding of the causes of host community distrust and violence against the oil companies. Finally, the pragmatic paradigm was a crucial element of this research plan because many data collection methods that address the research questions are suitable (Creswell, 2007; Merriam 2009).

### **Design**

This study is an instrumental single-case study. The case study format was applied to provide a comprehensive understanding of host community distrust and

violence against the oil companies. The study is instrumental because it investigated a case to provide an understanding that is more than what is obvious to the observer (Stake, 1995). The study was also exploratory or explanatory because it was used for causal investigation (Yin, 1993). It is a single case study because single case was used to confirm the social exchange theory and represent the unique or extreme cases of community distrust and violence against oil companies in Nigerian (Yin, 1994). A case study provides important and rich understandings into human behaviors and events. Yin (1984) stated that case studies “contribute uniquely to our knowledge of individual, organizational, social, and political phenomena” (p. 14). This methodology suited my study model and the hypothetical structure of understanding community distrust and violence against the oil companies through social exchange theory.

The logical applications of Merriam (1998) supports this method, enlightened through the objectivity of Yin (2005) and augmented through innovative elucidation illustrated by Robert Stake (2008). Stake defined the boundaries of this approach, whose work has informed many qualitative studies in the implication of experiences within a bounded setting. Yin (1981, 1984, 1994, 1999, 2003a, 2003b, 2005) recognized the significance of the interpretive viewpoint, whereas Merriam (1998) offered an all-inclusive synopsis of case study as an application of qualitative research. Merriam (2009) has it that many data collection methods that address the research questions are suitable for a case study and focuses on holistic explanation and description.

The in-depth focus on communities’ distrust and violence against the oil companies surrounded within an enclosed structure provides a comprehensive and

humanistic outlook to the circumstances. The outlook takes into account the framework and facts of a single case. This approach provides a comprehensive perception of intricate circumstances. I collated original data by conducting 21 individual interviews with participants. Live data was collated from the research site. Creswell (2007) stated that case study approach is a “methodology, a type of design in qualitative research, or an objective of study, as well as product of inquiry” (p.73). Merriam (2009) portrayed case studies as a comprehensive insight and analysis of a restricted system (p.43). I see case studies as a combination of the purpose of study and a complete research strategy to explore, explain, and analyze the case. Host community distrust and violence issue in the Niger Delta region required a thorough understanding, which demands a case study.

The literature review distinguished two proposals. First, host community distrust and violence against the oil companies is a problem that developed during several years of oil and gas production activities that negatively affected the host communities. Second, oil companies duly understand the social exchange theory perspectives of host community distrust and violence against the oil companies and the partnership sustainability process be analyzed to make public the complex dependency necessary for success. The review of literature highlighted custom-made holistic activities by community participatory partnership and the oil companies’ accommodation of in-depth understanding of community distrust and violence against them.

Other study approaches are distinguished from this approach since this approach concentrates on an enclosed structure or circumstance. Community distrust and violence against the oil companies as explained by social exchange theory forms a defined frame

work that supports this study. This approach appeared to be the most normal method to apply, going by the strong yearning to provide understanding of the root causes to community violence against oil producing companies. My clarification of community distrust and violence against the oil companies will lead to holistic and humanistic perception to the particular part in this circumstance, while providing convincing facts which may prove very difficult to get hold of (MacNealy, 1997).

**Other Qualitative Designs** .Other qualitative designs researchers use qualitative designs to enable them discover detail meaning of a quandary of customs, or phenomenon. The research question needed the consideration of a case study, narrative approaches and phenomenology .This study investigated each possible design as explained below and concluded in favor of the single case study. Creswell (2009) illustrated the similarities of ethnography, case study and narratives in their ability to focus on a single participant. The story of a principal participant is highlighted in narrative approach; the story is related to culture in ethnographic approach, while case study concentrates on selected aspects of the theme under enquiry. Phenomenology explores the experiences of people and new theories are developed from field data in grounded theory (Creswell, 2007; Merriam, 2009; Patton, 2002).

It is widely known that narrative approach could give a deep or sequential approach to describe the Niger Delta experience. This approach may have been the most appropriate for a deep view on the Nigerian Niger Delta partnership dilemma. For instance, a narrative from the viewpoint of a long-time inhabitant in a Niger Delta Community could have given helpful insight into transformation due to community

action through time. Likewise, a narrative from the viewpoint of company or government executive relating experiences of partnership struggle in the host communities. The use of narrative approach to address the research question could have provided an account of partnership from the viewpoint of one or few participants.

Partnership, as experienced in the Niger Delta region could be defined as the joint relationship between organizations and their host communities with a risk in the success or failure of active challenges due to company operations in the communities.

Partnership, in this perspective, involves participants from government agencies, the oil companies and the host communities. Partnership is an active experience that might be acknowledged and expressed exclusively by each respondent. The distinctive experience and viewpoint is important to understanding partnership sustainability, but in order to make possible sustainable partnership and not stop it, a full, loaded account of community distrust and violence within the perspective of an environmental approach to sustainability required numerous viewpoints and experiences. Many researchers (Buys & Bursnall, 2007; Huxham & Vangen, 2005; Sargent & Waters, 2004; Squarez-Balcazar et al, 2005), discovered that connections, associations, procedure, organization, framework, and effectiveness are important to understand partnership. A single participant's story may not effectively answer the research question.

The single case study approach will be used because respondents' viewpoints are essential to addressing the research question. However, the enquiry of this study surpasses the fundamental nature of the experiences to respondents as the context of host community distrust and violence against the oil companies must be explained to widen



stakeholders understanding. The single case study methodology permits an account of not only the nature of host community distrust and violence against the oil companies, but an illustration of how to manage partnership sustainability, insight of people not directly involved in the Niger Delta partnership problems, effectiveness of dependency, and the social exchange theory perspective of how host community distrust and violence against the oil companies became a problem. In summary, a single case study would permit additional concentration on the program and setting of understanding host communities' distrust and violence that will lead to effective management of partnership sustainability in the Nigerian Niger Delta region.

Creswell (2007) and Merriam (2009) defined case study in two different ways. First, they suggested that case study takes a total approach by concentrating on the connection of features that are significant to the case or phenomenon. Second, the focus of the research is strictly within an envelope, defined by time, specified population of respondents, geography, setting or program. Rudestam (2007) argued that case study is known for focusing on a single participant, program, process, organization or event (p.50). Case study is more extensively used in qualitative designs, where an exhaustive understanding of a single unit of research or investigation is required within an intricate situation. There is only one goal in case study, irrespective of the nature of the research question, to achieve an all-inclusive understanding of the case. This agrees with the words of Stake (2007) when he advised investigators to focus their greatest intelligence on the fat of the main events and utilize observational and wistful talents to generate meanings (p.449). A case study is more ideal to create an all-inclusive understanding of

the meaning of partnership sustainability in the Nigerian oil industry from the perspective of George Homans' social exchange theory. Rudestam (2007) argued that numerous data collection strategies can be incorporated in a quality case study. Which means that participants interview, observation, documentation, and the assessment of archival records could be included in this study. A case can be referred to as a program, event or any component of study which may not be the same as the subject of study, but an inherent purpose of the study (Yin, 2009). In the case of this study, the objective is to achieve an all-inclusive understanding of how the partnership between the international oil companies (IOCs) and their host communities within the Nigerian Niger Delta region could be sustained for a purpose. This requires not only a phenomenological focus on the participants in the partnership, but also an analysis of the context, changes in policies, structures and programs which were not direct results of the partnership. For instance, each community engaged different means of drawing the attention of the IOCs and mutual agreement aimed at helping the communities to have sustainable development that could positively impact the lives of the local people during the partnership experiences and the IOCs also responded in their unique ways that may have undermined the expectation of the communities. While these strategies form part of an environmental approach to resolving the dilemma, they may not have been a fundamental responsibility of the partnership. More so, each community and company is required to comply with regulatory standards by adopting policies and enacting mutual programs aimed at meeting industry best practices. So, investigation of these types of events needed to be incorporated to answer the research question. The single case study approach permits the

collection of numerous data for establishing context, a complete approach to the problem, and effectiveness of partnership.

### **Aligning Theory With the Case Study Approach**

The theoretical frame work of the study is based on the social exchange theory of George Homans. Social exchange theory provided context for understanding host community distrust and violence against the oil companies as to better manage partnership sustainability in the Nigerian oil sector by serving as the theoretical approach for the change of host community distrust and violence against the oil companies with impact on public policy and the implementation strategies. The theory gave an in-depth identification of how people reason and respond in partnership circumstances. This theory explained different behavioral patterns to reward and aggression in partnerships. The theory illustrates how people deem different circumstances and show how the guiding decisions and actions are formed. So far as the exchange theory is helpful for identifying human reactions to different circumstances in partnership, its ability to reveal how the decisions are formed makes it adequate for the research. However, by applying the case study methodology the study will not only be able to provide insight to human responses to partnership, it also will reveal the different patterns of actions so that an in depth understanding will be achieved on how the people of the Niger Delta region perceived the partnership in their environment, how their decisions led to the actions they took, the consequences, and how those consequences could have resulted in host community distrust and violence against the of oil producing companies in the region. It is believed that the research will provide a crystal image of what happened among the

Niger Delta people, the IOCs, and the federal government of Nigeria. This study should reveal the management strategies that led to the aggressiveness of the people and focus on repeated trends of responses from the people against the IOCs management strategies as a way of testing the suggestions of the exchange theory. It is my hope that the findings will help in the recommendation of alternative management options that may be able to aid human trust and decision making processes in order to minimize the unpleasant reactions and consequences. Data gathering and examination was planned to support the suggestions of the theory in a way the stakeholders will better understand how the Niger Delta people view and react to the circumstances they were exposed to as a result of oil and gas prospecting and production activities in their environment.

### **Research Questions**

The principal research question of this study is: What are the key elements that could build and sustain a suitable management strategy to address community distrust and violence against oil companies in Nigeria? To answer this question, the following secondary questions need to be addressed:

- How would you describe the relationship between the oil companies and their host communities?
- How has this relationship evolved over time?
- What characteristics would you consider most important in this process?
- The identified key stakeholders are the communities, the government, and the oil companies. What roles did these parties play in this relationship?
- How did these roles affect the relationship?

- What are sources of tension in this relationship?
- When these occur, how are they dealt with?
- How do the stakeholders define success in this relationship?
- How successful do you believe this relationship has been?
- What is the role of trust in this process?
- How has the oil company-host community relationship provided a forum for collaboration?
- How would you describe the policy and implementation strategies applied by the oil companies to manage the relationship?
- Are there documents, reports or other records in the public domain that would provide further information about the relationship or partners' efforts to address community distrust and violence against oil companies?

### **The Case and Setting**

The chosen location of the case is the south-south region of Nigeria; this region is vast in oil and gas resources. According to Ojakorotu (2011), this region of Nigeria contributes over 89% of the daily crude production in Nigeria (p.5). Wheeler and Boele (2002) stated that Ogoni communities distrust and violence against the Shell oil company led to the shutdown of all oil producing fields on the 750 million barrels Oil Mining Lease (OML) 11, for more than 20 years neither Nigerian government nor the Shell oil company could open up these fields for oil production. Many lives and business opportunities were lost, insecurity is the order of the day and the Ogoni communities distrust and violence against the Shell oil company has extensive international coverage,

a search on the internet will prompt unimaginable detail on this issue. There is also extensive damage of the shell oil company corporate image due to this problem in Ogoni land. Ibaba (2008) stated that a good part of the fishing and farming settlement of the Wakirike oil bearing communities were acquired by the Shell oil company and the community was never adequately compensated and were not engaged in development projects by the oil company. According to O'Neil (2007), the Ogoni people expressed their desire to participate in purposeful engagement that may bring about mutual relationship between the Ogoni people and oil companies in this region.

This research engaged the Ogoni, Okrika and neighboring communities as representatives of the Niger Delta oil company host communities. Oil was discovered in the 1950s in Ogoni land and the Ogoni community partnership crises dates back to the inception of oil production in Nigeria and have an international awareness (Ikelegbe, 2001; Ibaba, 2008; UNEP, 2011). This is one region where all aspects of oil company abuse of host communities and communities' distrust and violence against oil companies played out extensively.

O'Neil (2007) stated that Shell oil well 13 fire in the Ogoni Yorla field had to burn for more than two months before Shell responded to extinguish the fire . The gas emission and oil spill from that well polluted kilometer of rivers and lakes in Ogoni land. Frynas (2005) has it that the building of pipe line network, landing jetty, roads to operating facilities and life camps resulted in dredging of rivers or destruction of water source, making the environment very harsh for the livelihood of the local people and sacking them from their ancestral lands which led to the death of many local people and

prostitution of their women. Finima, a settlement very close to Ogoni land in River State was relocated from its ancestral settlement to a new location early in the 1990s, a move that made the local people loose grip of their livelihood and not able to support their families any longer (O'Neil 2007). Ibaba (2008) stated that the method of gas flaring adopted by the oil companies in the Niger Delta is very dangerous as the open pipe flare stacks produce very long, noisy, radioactive and black horizontal or vertical flames that result in the worse environmental pollution in the host communities.

According to Uyigue and Agho (2007) various developmental efforts by the government such as the Niger Delta Board, Niger Delta Basin and Rural Development Authority, OMPADEC, NDDC and Ministry of Niger Delta were all frustrated by corruption. The Niger Delta people are in need of development and mutual understanding from the government and oil companies. Ukaga, Ukiwo & Ibaba (2012) stated that the Shell oil company engaged police force that massacre 20 folks in the Rivers State Umuechem community in 1991. The peoples' complaint of destruction of their farm lands and fishing rivers were met with the joint venture partners' brutal destruction of over 495 living properties of the villagers and massacre of the people. The Ogoni Bill of Rights which was announced in 1990 by the movement for the survival of Ogoni people (MOSOP) became the strongest quest after the Umuechem massacre, again the federal government and their IOC joint venture partners responded with brutality which ended in the killing of the MOSOP leader, Dr. Ken Saro Wiwa in 1995 (Ukaga, Ukiwo & Ibaba 2012).

Oloibiri, the first Nigerian village to host commercial oil production is without development, but, deserted with disused oil facilities after over half a century of oil and gas production in the community (O'Neil, 2007). O'Neil (2007) also stated that community youths match the tactics of the Nigerian military with powerful and dreaded guerrilla assaults, which led to deaths of company staff, military men and oil production disrupted. Boele & Wheeler (2001) stated that Shell operations were not possible unless brutal military raids were undertaken for short term economic activities to commence, slaying community members and their leaders. The Ogoni youths and leaders stood the oppression and repression till Shell officially stopped oil and gas production in Ogoni land in 1993 January. Wheeler & Boele, (2002) and O'Neil, (2007) stated that the Ogoni communities' distrust and violence against the Shell oil company in Ogoni land led to the shutdown of all oil producing fields on the 750 million barrels Oil Mining Lease (OML) 11, for more than 20 years now and neither the government nor the oil company could open up these fields for oil production.

Frynas (2000) and Idemudia (2007) stated that present and future loss due to pollution is not adequately paid for, so, farmers and fishermen suffer for the reckless act of the oil companies. For example, Mobil Producing Nigeria Limited (MPN) refused to comply with a Lagos court judgment that awarded ten million USD to three oil producing communities that were polluted with over 40,000 barrels of crude oil spill in 1998, the ruling was argued and appealed while the Niger Delta people suffered in pains introduced by MPN's operation in the area (CNN World 2003; Idemudia, 2007). A similar ruling by the federal high court in Port Harcourt against the SPDC was also argued by SPDC and



the Ijaw aborigines were not paid the \$1.5 billion damages for environmental devastation, SPDC was advised by the Nigerian national assembly to pay the court fines, but, SPDC refused to pay the fines, SPDC neither paid or negotiated with the people of the affected villages for alternative solution (This day news, 2006c). O'Neil, (2007) argued that the oil companies are still finding ways of partnering with oil bearing communities after over eighty years of operation in Nigeria.

The most significant reflection, when choosing a case, is the capability to produce rich evidence pertinent to the research questions (Stake, 1997). According to UNEP (2011), the Ogoni and neighboring communities are so devastated that the environmental pollution has affected the portable water table, people know the risk of drinking and cooking with polluted water, but they have no choice other than to continue using the deadly water source. The Ogoni and their neighboring Wakirike communities will be good representatives for this study.

Miles and Huberman (1994) stated that the choice of research site and respondents is derived from the research questions. These authors also established the fact that the population size in a research depends on the level of information needed to complete the study successfully. So, I will consider 21 participants, 10 from communities, three government officials and eight company executives that were policy makers between 1990 and 2012 that the struggle between these communities and the Shell Company led to the exit of Shell operations from Ogoni land.

### **The Role of Researcher**

Maxwell (2005) affirmed that there is no perfect way to carry out a qualitative research study; researchers however use critical instrument in preparation, execution and organization of the entire research process including the analysis of the data collected. I as a researcher was exclusively accountable for the data collection and analyzed. My role as a researcher was to ensure a primary means of data collection by maintaining close interaction with the participants through interviews, telephonic discussions, e-mails and corroborate findings with texts and documents that relate the experience. In analyzing the data, I presented patterns, links, themes and concepts where the literature was effectively applied to support my arguments in the findings. My knowledge of the people, events and location added to the prospect that the selected approach provided to get involved in the study. My experience as a senior petroleum engineer with the oil companies and a native of the Niger Delta region boosted data collection and consequently the quality of the study.

I have lived and worked in the Nigerian Niger Delta area for more than 30 years, with over 17 years as a trained petroleum engineer with the international oil companies (IOCs) in Nigeria. Presently, I work as an expert senior oil and gas production optimization engineer in Abu Dhabi of the United Arab Emirates. I have been involved in joint investigation visits (JIV) to oil spill sites and negotiations of memorandum of understanding (MOU) in different host communities for more than 15 years during my job experience. I am also very much aware of the various management policies and implementation strategies used by different IOCs to manage their host communities

because I have worked with three international oil companies and one indigenous oil company during my 17 years career. Yin (2009, p. 161) advocates that the researcher's prior practical knowledge authenticates their understanding of the topic. Having first-hand knowledge of the procedure and phenomenon under study is useful in designing probing questions, having good knowledge of the participant's experiences, and an understanding of the issues. On the other hand, it is very crucial for the researcher to eliminate bias all through the study and analysis. Yin (2009) stresses that a case study researcher should keep one's "ideologies or preconceptions" from confining the research. Additionally, "contradictory evidence" should not be ignored (p.69). I recognized these special issues before starting the research.

### **Data Collection**

#### **Community Heads**

I am familiar with most of the village heads of the Niger Delta region .I solicited and received cooperation from village heads while asking them to allow access to potential participants. Informal contact with the village heads indicated that these elders were willing to cooperate, some of them did promised to provide list of community members that suit the selection criteria I already discussed with them and opted to contact some of these participants.

Efforts were made to contact and discuss with the participants before the field study. The research proposal was sent to each of the participants with the expectation for approval of the research and a confirmation of willingness to cooperate. Many of the participants consented on time and promised to provide space for the interviews, public

information and records upon request after presenting the Walden IRB approval for the research.

### **Participant Selection**

I accepted the list of potential participants from few village heads and followed up with contacting the potential participants myself. I encouraged each participant to provide additional suggestion for more participants. This snow ball approach formed the initial pool of potential participants. Purposeful sampling was then used to form the final list of experienced participants.

Katz (1983) noted that participants need to meet inclusive and exclusive criteria which could represent a study and that the average of 10 respondents is adequate for a qualitative study. According to Miles and Huberman (1994), location and participant selection are based on the research questions. Rudestam (2007) proposed 5 to 20 for a case study. Mason studied 560 PhD dissertations and came up with the most common sample sizes as 20 and 30 (followed by 40, 10 and 25). In view of these basic ideas, this research considered 21 participants, the age of the participants was based on people who were already 16 years in 1990. People who Live and work in the Ogoni and Wakirike communities and experienced both the damage done to the environment due to oil production activities and the impacts of the community distrust and violence against the oil companies. 1990 is chosen because the tension in Ogoni land and the surrounding villages was worse around this period and Shell was stopped in 1992, so people who are youths during this period are be better equipped to relate the case. Eleven participants were selected from the host communities, four from the government and nine from the oil

companies. The reason is because the communities have the highest number in the relationship, followed by the oil companies and few delegates from the government. All participants considered were thirty nine years and above based on the calculation from 1990.

I contacted the potential participants through phone call and e-mail, spoke with them and made a short list of the most qualified participants that represented the number of each category of stakeholders I required for the interview. The government and oil company officials were in office between 1990 and 2015 and have been involved in handling community conflicts in course of their duty. I kept one stake holder in each category as a buffer participant.

In expectation of conducting interviews, effort was made to speak and keep in touch with representatives of the stakeholders. It was the aim of this study to ensure that participants from all three categories of stakeholders review the research proposal and agree to confirm their readiness to collaborate and approve of the research. More so, the people were required to allow access to their residences and space for interviews during the field trips. Order wise, they were asked to choose alternative venue that may be more comfortable for them to grant this interview. In the event that any participant was not able to attend the interview due to business schedules and is happy to grant telephonic interview or Email response, then the interview for such participant was conducted as required. In addition, participants were encouraged to grant access to public information and documents that may give additional weight to their experience and account.

Formal application was made to the Institutional Review Board (IRB) to seek approval for the start of the research. Consent forms were sent for participants to approve as proof of agreement to participate in the research. The Walden IRB approval number for this study is: 05-22-15-0308540

Interviews with stakeholder's participants in the partnership were documented to generate the main data. Selected participants represented each category of the stakeholders. The documentation included the interview with chosen members. List of prospective participants, with information to contact them was provided. In this way, direct communication with participants was made easier and data collected was more reliable (validity wise). I observed that the initial list of participants provided more than the needed prospective interviewees. Serious effort was made to come up with an extensive pool of participants to represent the Niger Delta communities from which the most qualified residents were chosen for the research. This means a mixture of snow ball and purposeful sampling approach. The snow ball sampling approach was used initially to establish the pool of possible participants and the purposeful sampling approach was applied to obtain the potential and most qualified participants that were invited for the interview. A valid short list of most experienced participants or people with related experience was generated and a formal invitation given to people to partake in the study while leaving out residents that declined the interview and went ahead with participants agreeing to be interviewed. There were some recommended residents that did not have the experience of oil company activities in host communities for several years. Such inactive residents were dropped. Finally, the saturation point was determined, when

participants started repeating same answers, then it was obvious that further interview will not be necessary. In conclusion, interviews were conducted with eleven community representatives, three government representatives, and eight oil company representatives summing up to 21 participants.

### **Participants**

Initial interactions were made with selected participants to advise them that the study was set to begin. Prospective participants were contacted, via email and telephone, bond was formed, and interviews were scheduled over three; one-day trips to the host communities. When an initial date was fixed for the interviews, an informed consent form was sent through email that defined : (a) the reason for their involvement, (b) the study, (c) responsibilities of residents (d) the condition of their participation as voluntary (e) the danger and profits, (f) no payments, (g) how confidential the study will be, and (f) how to contact the researcher and IRB approval Email from Walden.

Two methods were engaged to guarantee respondents' privacy. First, the research data base was stored under a protected password on a personal laptop. Again, the research data base was only accessed by the researcher and the dissertation committee. Second, I presented the results of the study in the form of themes and concepts to avoid sensitive individual identity in the final report. Statements of interviews were paraphrased where necessary to further protect the source. The participants signed the informed consent form by electronic means in a return mail or in person before the interview commenced.

### **Interviews**

This study allowed issues and themes to emerge in a semi structured, open-ended interview procedure aimed to answer the research questions. This research relied on the literature to guide the study in grouping the interview questions in a way that they represented a structure of initial themes. The participants were duly informed of the interview duration of ninety minutes, though; sixty minutes was expected to be the exact duration. The participants were allowed to choose the venue of the interview. The interview was printed on hard copy and placed in A4 type envelope and was brought out of the envelope shortly before the interview was started. To ensure that participants were relaxed, say their views without limitations and to capture critical information; the interview questions were made to be conventional, open-ended and started from the introductory phase. Interview questions were well structured and made available for expert and dissertation committee review to ensure the quality of the instrument. To ensure that all field notes are taken and adequate analysis made, enough spaces were created in each protocol with codes provided to identify participants. This made the whole interview process easier and less complicated. This whole process made comparison of answers from different participants much easier.

### **Other Data**

Data can be collected in many ways, this study utilized interviews, digital audio and video recorders to record interviews, diary or journals to record impressions, reactions and other significant events that occurred during the data collection period of the research.



Face-to-face interview was the priority. However; the wide disparities in business time of respondents and the study allow one Email interview. The interview was face-to-face and was recorded; alternative arrangement was however made for one Email interview of a captain of industry that went on a business trip abroad during the interview period. The interview was audio recorded with few field notes taken. Public documents were collated to supplement the interviews, establish context, and provide a method to evaluate community distrust and violence against oil companies in the Niger Delta region. Examples of public documents are court cases between host communities and oil companies, UNEP reports on host communities and oil companies and records from public media. Information from other data source including reliable sources like texts and documents were collectively processed with the interview data in developing the single case study report. The literature was used to guide information provided by other participants .I ensured quality and validity of findings by triangulation of information that was verified using many other sources and methods including repeated confirmation from participants (Rudestam & Newton, 2014).

### **Case Data Base**

Yin (2009) advocated the formation of case study data base, interviews and audio recording will be written out and transcriptions combined with other data to form an electronic research data base using appropriate computer software. The research data base was assembled into a structured compilation of all the case data together with the research notes which was saved as a detach copy of the interview procedure for every respondent, notes or memos , communications record and other data were also recorded.

The research data base served as a quick access point of data that provided readily available sequence of evidence and easy recovery when necessary.

### **Inconsistent Cases**

The study aimed to interview twenty to twenty four participants as follows: (1) three representatives of the Nigerian government, (2) eight representative of the international oil companies (IOCs), and ten representatives of the host communities.

This was done for the different representatives to provide their first hand experience on the relationship that existed among the government, oil companies and the host communities and how the relationship degenerated to the point of community distrust and violence against the oil companies. Mason (2010) studied 560 qualitative dissertations and came up with the most common sample size required for a successful completion of a case study as 20. Creswell (2007) and Rudestam and Newton (2014) also gave similar ranges of samples for a qualitative study. The information collected from these representatives would have been adequate for the completion of the study. The interview of the IOCs representatives and the host communities would have been adequate for a successful case study; however the government representatives were included to present the basis for data comparison between the IOCs and host communities as a way of ensuring data validity. Data collected from the participant's interview will be compared with the literature and other public documents in Chapter 5.

I planned for one extra participant in each category since participants are free to withdraw at any time due to the voluntary nature of the study. Twenty four participants were therefore recruited for the study. Eleven participants were recruited as community

representatives, four participants as government representative and nine participants as IOCs representatives.

One of the government officials declined the interview because he was very busy with inaugural activities of the house of senate during the interview period and one community participant was hospitalized during the interview period and could not grant the interview.

The ninth IOCs representative travelled to a deep offshore platform to oversee a deep offshore installation and was to return in August 2015. I requested for an Email response to the interview questions but the participant declined the request stating that he will only grant a face –to –face interview and not an Email response. His interview was therefore cancelled after an agreement between both of us.

The decline of the ninth IOCs participant was not of any concern because the eight IOCs participants considered for the study eventually participated. Equitable representation of each stakeholder category was achieved by replicating similar numbers in the relationship. The community is always more in number, followed by the IOCs and then the government that only sends few representatives to observe events between the IOCs and the host communities. The information from each representative will shape the findings and analysis, so a balance in the representation was of high priority to this study.

### **Software**

I managed the thought process, concepts and data using Microsoft office. Word processor was used for managing the data. Field notes, interview transcripts and other documents required were processed in word. This helped the revision, coding, analysis

and editing of the study and in preparing the final report. Data processed was stored in a Dissertation folder. Different files were created under the dissertation folder and were clearly given the names: Field notes, transcripts and other relevant data. Files were saved with concise dates for easy identification. This study relied more on Microsoft office for convenience and flexibility in generating categories and themes that enhanced the researcher's ability to establish code relations and graphically illustrate complex connections. In line with the recommendation of Creswell (2007) for data up to 500 or above in qualitative study to be processed by a computer program, I used the Microsoft office processor, though, there are many other software like: NVivo, AQUAD,NUDIST, QUALPRO, MECA, MAXqda ATLAS/ti, and many more. There are advantages and disadvantages of software and different capabilities in handling data, however, it is the data gathered in the research that is the basic determining factor of the type of software to be used (Miles & Huberman, 1994). Microsoft office processors are preferred because they are user friendly and easier to be understood and use.

### **Data Analysis**

Merriam (2009) noted that due to the huge volume of data during a case study, concurrent data collection and examination could be made as the between interviews. This study started data analysis while the data was being collected and during interview breaks. This study applied analytical techniques to ensure that high discipline is maintained to keep focus on the study, logical question were developed, data collection was planned around preceding interview sessions, and all data collected were organized

into a document form in a data base. Memos were made at every given opportunity, and discussed the research with participants whenever an opportunity is found.

Strategies like high discipline was applied to remain focus, developing document form of various data to be collected, developing memos in the best possible way and often discussing the study with respondents (Merriam, 2009). While there may be limitations of simultaneous data gathering and analysis, the strategy enhanced the development of initial themes and assisted in avoiding the gathering of vague data. According to Yin (2009), data analysis can begin by juggling the data to form patterns, displays and groups for investigation. This study used the case data base to establish links and patterns before developing the initial set of codes. This study concentrated on relationships, distrust, violence, management strategies, disappointments, communal experience and personal experience to shape the analysis. Considerable time was give for transcribing each interview and grouping of data into categories during which the research questions and interview protocol were drawn to form the frame work to analyze the collected data within the context of the social exchange theory approach. This study identified initial themes and trends in an opening evaluation and track with the development of codes during subsequent reading. This study combined all codes to eliminate repetition of codes and differentiate codes, establishes relationships between codes, and simplifies the codes to develop themes and improved the final analysis. Themes resulting outside the guided analysis were permitted to occur.

Pre-determined subject categories that were not supported by field interview information were discarded and the supported themes were developed further. The theme

categories linked the theoretical frame work, purpose of study, research questions, findings and conclusions. The benefit of the qualitative instrumental single case study design is the variety of options it gives to analyze multiplicity of data and allow the appearance of themes within a realistic evaluation of the problem. I brought in the literature to support my argument of patterns, links, themes and concepts in the final analysis.

Creswell (2007) and Patton (2002) recommended that analysis of qualitative data be carried out simultaneously as the gathering is ongoing to ensure proper management of data. The aim is not to alter the evidence of participants but to allow the use of testimonies to reveal the causes of the problem and pick up the factors required to propose a suitable management strategy. The analysis involved all the data sources in order to represent a strong support in the conclusion were made.

Data was processed to form categories, themes, and ideas during data collection and later as part of in-depth analysis. These organized formats were saved for easy retrieval. Codes were generated and polished till the required set of codes are fully captured and well arranged. Data collection and coding progressed simultaneously.

The research data base was used for a preliminary search for trends that connect activities before developing actual codes. Yin (2009) suggested that the researcher can start by juggling the data to arrange information in various ways and chart for analysis. For instance, a word count will be concluded so as to consider the data more quantitatively. In this case study, the common strategy used was to consider initial conceptual framework to give focus for data examination. So, the researcher focused on

individual's experience, partnership purpose, process, relationships, leadership and support, tension and disagreement, and sustainable partnership to direct analysis. The study relied on the research question and interview procedure for a structure to analyze the data. Experts in the field recommended that data analysis should be carried out simultaneously with the collection of the data in order to avoid the sometimes dreadful mismanagement of critical data (Creswell, 2007; Patton, 2002). This is why initial analysis of the data was carried out in the field while still gathering data and while the researcher's memory was still fresh.

The reason of analysis is not to twist the statements of participants as this is not encouraged in qualitative studies. Instead, the aim was to use evidence to reveal exactly what happened in the Niger Delta. The target of the analysis consequently was to work with the various data gathered from the different sources in addition to other valid evidences collected in the course of the study, to support every conclusion that was reached. Triangulation from other data sources was used to compare and test the reliability of participants' statements; this was the strategy used to achieve reliability and validity of the data.

The processing of each day information after field work reduced the volume of the data that was processed and made the work to become easier in unit time. The simultaneous analysis of data with field interview made it easier to identify irregularities that were not noticed during the planning process for proper closure. New concerns that likely enhanced the quality of the research, identified in course of the analysis, were pursued effectively while still at the data gathering stage.

Microsoft office word processors were the Program utilized for the management of data during the study. Microsoft Word processor was the main tool used in processing field notes, interview records, and other significant information. This tool assisted in revising, categorizing, analyzing, editing and preparation of the final report. Most of the data was processed in good time using the word processor; otherwise the volume of data expected during the field work could have resulted in confusion if left to accumulate in time. Finished data products were stored in a Dissertation folder data base; clearly labeled files were then created under the Dissertation folder to handle materials like transcripts, field notes and other significant information. Names and dates were properly used on these files, so, retrieval and identification was easier when the need arises. Category prediction list was introduced from the theoretical frame, research questions and purpose of study before starting off the field work, this exercise was necessary as categorizing is a very important step of data analysis in qualitative study (Miles & Huberman, 1994). The grouping exercise gave clues which were developed further during the analysis of data..

### **Reliability**

To establish reliability of data, the information from different participants was cross checked against each other and compared to existing literature on the Niger Delta for similarity and quality. Focus was made on different viewpoints of the same events for potential conflicting information. Such conflicts was resolved in the field as follow up questions were raised as the interview progresses . This is one advantage of simultaneous data gathering and analysis during the field work. Clarification and correction of conflicting information in the field enhanced reliability and consistency.



**Validity**

Maxwell (2005) suggested that validity does not mean same thing as a good plan, he argued that validity is a relevant link between the reality and results of a study. The relevant facts a research can bring to the table is what illustrate validity and not the plan of the research itself (Creswell, 2007). This study therefore ensured that validity is guaranteed in course of this study by taking the following steps below.

**Dealing With the Challenges of Case Study Research**

Case study is more than field data gathering and analysis, many authors wrote about the fact that findings from field work and participants' information may be invalid because people can sometimes fabricate stories about past events in their own views, but, it is left for the target audience to decide if the study findings were correct after reading the findings (Czarniawska, 2004). It is therefore important to cross check the information gathered during my field work to be sure that the data is valid. This does not mean that participants lie during interviews, but, things can go wrong during the interview process, the participants may not be willing to provide some sensitive information or may even forget some facts or may present details they way they understood them, (Czarniawska, 2004). The interview was seen as a medium of interaction where questions were answered to the best knowledge of the respondents rather than the researcher's expectations. It is a duty to ensure that information is thoroughly cross checked and validated before getting to publishing research findings.

It is known that different people estimate time events differently, which may be unintended, but, could possibly lead to information twist, some participants can even

change their mind and refuse the interview. To avoid such twist, this study ensured that thorough checks are carried out to avoid problems during the interviews; the research emphasize more on experiences and events rather than times. The study accommodated more participants and time frame during the interview, because, the unexpected could happen during the data gathering process.

Czarniawska (2004) accepted that interviews could be of two forms, strictly, as a report of events or as a relaxed discussion that gives insight to events. The strict report of events make it look very exacting and official while the relaxed discussion mode makes it possible for the interviewer and interviewee to provide relevant information in a relaxed and mutually respectful environment. The conduct of interview for strict report of events is therefore discouraged by Czarniawska. This research ensured that participants are relaxed by structuring the interview questions to begin with conversational style easy openings to warrant participants relieve during the interview. Interviews took place only in mutually established venues and tools for data gathering were set up and tested before the main interview started to avoid interruptions during the interviews that may cause participants' discomfort. To avoid disappointments from some participants who were not able to attend the interview, this study made use of both the face-to-face and e-mail interview processes including phone calls to extend the data gathering and verification strategy, because, the type of responses that come out of "email interview" will differ from those that may come from person to person interviews. Email interview questionnaires will yield very good, thorough and specific responses that will add much

insight to the data; while personal interviews will yield less specific data but are great for validity purposes as they reflect the spontaneous thought process of the individual. Participants may not be comfortable with a particular subject or question and or may not address questions accordingly. There are the possibilities of misunderstanding questions, not providing the needed responses. To be sure that the views of respondents are captured as much as possible in notes and transcripts, this study had no need to seek the permission of participants to engage them again for clarity after findings were documented after the interview because there was clarity. To avoid creating misunderstanding that could devalue data quality, the interview questions we reframed in very simple languages and expressions with no multiple questions at a time, so that the participants can understand the questions and give quality answers. The words of respondents and an interpreted version of such words are probably not the same; a general world view saw it as an interpreted version of the respondents' actual statement. However, it does not mean that researcher's are not permitted to use judgment during transcription. It is the researcher's duty to represent the information retrieved from the participants with no compromise of integrity and professional ethical codes (Czarniawska, 2004). The participants words were represented as they stated them during the interview, few of the participants' statements were paraphrased where necessary, but, in such situation verification was made with them to be sure that the meaning was not changed. The conclusion and final findings may be acceptable to participants or not, but, it will be left to the audience to judge with the evidence to be provided in the report.

### **Verifying Validity and Reliability of Case Study Research**

Brophy (2009) stated that validity is an essential part of qualitative research. He suggested many methods of ensuring validity in qualitative studies; some of these measures will be adopted to ensure validity in the research findings;

- Many participants in a research could give information that could give rise to negative cases that could disagree with the research findings. I addressed such negative cases by solely being responsible for data gathering and management. Findings that are contradictory were compared with available evidence to confirm the facts and consistency of the available information.
- The study was made accessible for review and critique by case study experts in the field .A further review by the research committee, colleagues and other interested parties will enhance the validity of this study and enrich the research findings.
- Triangulation of information from interviews, observation, methods, and all sources of data was carried out to be able to check possible bias in method and from participants. Different data gathering methods were also used.
- Check of information by participants. An agreement was made with participants for periodic check of processed data like interview scripts and notes. The confirmation of information by participants guarantees exact data and gives strong validity to the findings of the study (Brophy, 2009).
- Collective validation. The final findings of the study was compared with information in existing literature for similar trends .However, narrow mindedness

was avoided and not allow to get in the way of unusual findings, strange findings were documented and treated equally (Brophy, 2009). Contradictory data were investigated further to establish the cause of variation.

- The credibility and validity of research findings is highly enhanced by the quality and volume of relevant evidence that drove the research to a logical conclusion .Exhaustive and convincing evidence were provided to drive the case home to my readers and target audience.
- The researcher ensured internal validity by proof reading my work several times and thoroughly analysis the information gathered using best description of concepts, suitable interpretation of trends and establishing satisfactory themes.
- The researcher subjects the study report to an audit trial. This means a comprehensive and exhaustive critique of the research methodology, sampling, data gathering data analysis and findings by the dissertation committee and experts from Walden. It is expected that gaps if found will be closed and the validity of the research results will be very strong.
- External validity was enhanced by adhering to the designed methodology for easy replication of results. Reviews of the dissertation committee and Walden writing centre were updated in the final report.

There is the likelihood for participants to tell untrue stories. This is checked with information provided by other participants in the same category and the literature review as to corroborate validity. Researcher's bias was acknowledged as a validity issue in this research, this was place under check, first by applying re-evaluated and approved

instruments, and secondly, themes and findings evolving from the participants' information were incorporated without objecting to anyone. The researcher remained nonaligned during the interview period. The views of the researcher were not considered during the interview or analysis of the result; evidence presentation was solely based on participants' information. The methodology of this study, including the interview protocol was strictly followed to establish validity and reliability while giving way for suppleness and emerging themes to develop. Triangulation was accomplished using various interviews of different participants from same and different categories in the relationship. Recommended public documents were incorporated as part of the research database. Transcribed interviews were sent back to the participants for confirmation and comments. All findings were buttressed with evidence and also compared with the existing literature, theoretical frame work. The quality case study data base compiled during the study and the case study report will enhance reliability of this research.

The proposal of this study was reviewed and approved for the final study by the research supervisory committee, URR and the IRB. The final findings and report will also go through reviews and approvals by qualitative study experts, the dissertation committee, the institution reviewer and the writing center to ensure that all recommended standards are complied with.

### **Researcher's Bias and Ethical Consideration**

The researcher's biases and influence on respondents can introduce threats of validity in this study. The researcher's knowledge and experience of a subject could lead to bias in the study (Czarniawska, 2004). Bearing Czarniawska's suggestion in mind, the

researcher carried out the interviews as forums for information gathering from the participants rather than exchange of ideas between the participants and the researcher. Consideration was on extracting maximum information from the participants. The participants were regarded as the experts on the subject and interfering or influencing of interview outcomes was avoided, the researcher's task was restricted to that of a mediator who led the discussion in the path that gave a high confidence level to available information. The research data will be protected for 5 years before destroying it safely.

Ethical reflection is fundamental for the accomplishment of a study schedule. This study will sort the approval of the Walden Institutional Review Board (IRB) and comply fully with their requirements before, during and after the field research as to meet the standards of the research expectations. Prior and exhaustive information was given to participants concerning their level of involvement, duration of the interview, possible consequences and benefits of participating in the research, purpose of the research and freedom to give or refuse informed consent before or during the interview was made clear. Verbal and documented pledge was made to participants on the confidentiality of the information they provided during the interview and continually remind them of the ethical reflection of the research work. Participants' identity was protected in the report by giving a pseudonym to each participant to avoid audience linking them to the study and all respondents recruited were experienced adults. I did not deliberately recruit people that are in danger and always reminded participants of their freedom to exit the interview at any time.

## **Reflection and Implication**

### **Reflection**

The information gathering and analysis process required by this study was an enlightening experience away from my practical knowledge with oil production related conflicts. The host communities, oil companies and the Nigerian government explored deep into the relationship that brought them together. My previous understanding of what was production related conflict was easily placed aside. It was obvious from my first discussions about the relationship and the literature that there was no single answer to community distrust and violence. Nevertheless, my prior experience with oil production and associated conflicts was valuable in understanding the roles, structures, systems, and access to data. I do not expect my situation to influence the data collected, though I once worked in the Nigerian oil sector as a principal petroleum engineer, I was not a boss to any of the participants and had not been in a position that could influence any of the participants. I presently work in the United Arab Emirates and had no influence whatsoever on the data collected in Nigeria.

### **Dissemination**

All the participants in this study expressed interest in the findings. Presentation will be made to selected oil companies, host communities and government agencies. Executive summary will be written for publication to the Nigerian public through the Nigerian media. The findings are expected to be valuable to the oil companies in Nigeria. Best practices from the findings will therefore be suggested to the oil companies and their host communities. The results will be presented at the annual international conference



and exhibitions of the society of petroleum engineers and Nigerian society of engineers. Finally, the dissertation will be compressed to a publishable journal article.

### **Summary**

This methodology chapter explains the reasons for choosing the qualitative case study design over other study approaches. Creswell (2007) and Merriam (2009) defined case study in two different ways. First, they suggested that case study takes a total approach by concentrating on the connection of features that are significant to the case or phenomenon. Second, the focus of the research is strictly within an envelope, defined by time, specified population of respondents, geography, setting or program. A case study is more ideal to create an all-inclusive understanding of the meaning of community distrust and violence to oil producing companies from the perspective of George Homans' social exchange theory. The number of participants and selection strategies were highlighted, location of the interviews and different methods of gathering and processing data were also explained. Ethical consideration of the study and participants' protection were given great consideration in this chapter. This study focuses on improving the level of understanding of communities' cruelty to oil producing companies by sharing quality information that is expected from the study and brings about social change in the activities of the IOCs and their host communities in the Niger Delta region. It is of the greatest hope that the recommendation of this study will result in the social change implication of understanding host communities' distrust and violence to oil companies is improved management of partnership sustainability in the Nigerian oil sector and change in the context of host community distrust and violence with impact on public policy and

the implementation strategies; also increase in the understanding of host communities' violence to oil producing companies and provision of alternative management options that may be able to aid human trust and decision making processes in order to minimize the unpleasant reactions and consequences, as the result is expected to bring about peace, safety, environmental protection and corporate responsibility in the region. The aim of this study is not to recycle information already found in the news and literature, but, to use the greatest intelligence on the fact of the main events and utilize observational and wistful talents to generate meanings from the exhaustive data that was gathered in the field to create an all-inclusive understanding of the meaning of partnership sustainability in the Nigerian oil industry from the perspective of George Homans' social exchange theory. Ethical considerations were made, the IRB permission was sort and the study complied with all the requirements. Participants were informed of their level of involvement, the purpose of the research, the duration of the interview with possible benefits and consequences of participating. Participants' right to give or refuse informed consent before or during the study was emphasized. Data gathered in course of the field work was considered adequate to answer the research question and fulfill the objectives of the study; details are posted in Chapter 4.

## Chapter 4: Results

### **Introduction**

This study is an instrumental single case study designed to address the principal research question: What are the key elements that could build and sustain a suitable management strategy to address community distrust and violence against oil companies in Nigeria? This chapter starts with the setting and case that described the three categories of participants and data collection. Subsequently, I introduce the case study report, which is written to present a methodical explanation of the case to provide the background for the investigation of the roles played by the stakeholders. The results from the interviews are then presented. Finally, I presented the summary of Chapter 4 with a brief transitional statement to Chapter 5.

### **The Setting**

#### **The Case**

The case examined the relationship between the oil companies and their host communities in the Nigerian Niger Delta region with the intention of finding and addressing the root causes of community distrust and violence against the oil companies. The case considered the Ogoni and neighboring communities distrust and violence against the international oil companies (IOCs) that operated in and around the Nigerian Niger Delta region as a representative case comprising many of the complexities of host community distrust and violence against the oil companies. Three key stakeholders that played different roles in the relationship between the oil companies and their host

communities were identified: the government, the oil companies and the host communities.

### **The Participants**

Merriam (1998) affirmed that a purposeful sample is based on the belief that the researcher chooses participants that are very knowledgeable of the case under investigation from whom the most can be learned about a particular situation. Individuals are chosen based on certain criteria. According to Creswell (2012), purposefully selected participants help the researcher understand the problem and answer the research questions.

Three categories of participants were identified: government representatives, oil company representatives, and host community representatives. Representatives were considered for this study based on the following selection criteria: (a) an adult who is not from the host community but lived and worked in the Niger Delta areas and has witnessed or participated in community distrust and violence against oil companies in Nigeria, (b) a member of the Niger Delta communities who witnessed or participated in community violence against oil companies, (c) an employee of the oil and gas companies operating in the Niger Delta who worked in the areas or was in charge of community relations or security during oil and gas production activities in this area, (d) a government official whose administrative powers were over the Niger Delta communities and who served at the time when community distrust and violence against oil companies was a major problem, and (e) individuals who were at least 16 years of age in 1990.

The participant selection was focused on the three categories of stakeholders as addressed earlier. I performed public research to find qualified participants and contacted qualified participants in the different categories. The participants I contacted then recommended other participants in the different categories through a snowball technique. Rudestam and Newton (2014) stated that relying on previously identified respondents to recommend potential participants is a way of raising an initial list of sufficient number of participants (p.91). An initial long list of 40 participants was short listed to 30 participants using purposeful sampling, of which 24 participants were successfully recruited. I contacted all the recommended 40 participants on phone to discuss the research. Thirty participants were short listed after the telephone conversation. Six of the 30 participants declined the interview, whereas the remaining 24 participants provided their e-mails for e-mail notification.

I sent an initial interest e-mail to all the 24 participants with the participant consent form attached. I was able to recruit twenty four participants who met the above criteria, of which four were government officials, 11 were from the host communities who witnessed or participated in host community distrust and violence against the oil companies, and nine were senior management staff of the oil companies. Of the 24 initial participants, three dropped out of the research study. One government official declined the interview because he was busy with inaugural activities of the house of senate, one community participant was hospitalized during the interview period, and one of the oil company participants declined the interview due to a call duty to an offshore rig. Twenty-one participants were interviewed; the qualification and relevant experiences of the

participants interviewed for information on community distrust and violence against the oil companies in the Nigerian Niger Delta region are stated below. The credentials of the participants are enlisted to show both the level of their awareness and how endemic the phenomenon in this case has become with time.

### **Community Representatives**

Ten community people participated in this category: Community Participant 1 was a practicing lawyer and lived and worked in one of the host communities in the Niger Delta area for more than 23 years now. This barrister was and is still involved in so many litigations against the international oil companies (IOCs) concerning oil wells in the host communities. He has a master degree from the University of Calabar. Community Participant 1 was part of the community representatives that signed the 1957 and 1994 agreement with one of the IOCs in the host community and witnessed many payment cheques and compensations from the IOCs to the host communities. The Barrister also had many meetings with the IOCs on how to resolve the issue of militancy in the host communities. The interview with the barrister took place in his house on July 07, 2015. The interview was video recorded and lasted for about one hour twenty minutes.

Community Participant 2 was the chairman of one of the war canoe (autonomous) houses that host one of the biggest IOCs in Nigeria. He worked closely with the oil companies as a community representative and has lived and worked in the Niger Delta region for more than 30 years. Participant 2 has been involved in several negotiations with the oil companies and led so many protests against the IOCs. His interview took

place in his house in the host community on July 07, 2015. The interview was video recorded and lasted for about one hour twenty minutes.

Community Participant 3 was a PhD in industrial physics and is a senior lecturer in the River State College of Arts and Science in Rumuola of Rivers State and also the head of science department in Solarites consultancy companies. He has worked for more than ten years in consultancy jobs between the oil company and the Ibuluya –Ama host community that host the pipe lines of the Port Harcourt refinery. The oil products pipe lines run from the refinery to the Okrika jetty where the international marketing of the various products from crude oil takes place. Participant 3 was interviewed in his house in Okrika on July 6, 2015. The interview lasted for one hour ten minutes and was audio and video recorded.

Community Participant 4 was a lecturer in the mechanical engineering department of the Bori Polytechnic in Rivers State. He is from one of the oil producing communities in Rivers State and has lived and worked in these communities for more than 20 years. Participant 4 trained as a mechanical engineer and has a master's degree in mechanical engineering. Participant 4 worked in Ogoni land in all the years of his lecturing career and has witnessed community distrust and violence against the oil producing companies over the years. This participant who is also from an oil producing community was interviewed as community representative. The participant was interviewed in his house on July 07, 2015. He signed the consent form shortly before the interview started. The interview lasted for one hour ten minutes and was audio and video recorded.

Community participant 5 has more than 20 years experience in the oil industry, he is an employee of an American oil company for more than 25 years. Participant 5 is also from oil producing host communities and lived and worked in the Niger Delta region for more than 20 years. This participant hails from two oil bearing communities, one in Okrika in Rivers State which is his maternal home and another in Ogbe-Ijaw in Delta State which is his paternal home. Participant 5 was interviewed as community representative. The participant was interviewed in his house in Port Harcourt on July 07, 2015. He signed the consent form shortly before the interview started. The interview lasted for one hour fifteen minutes and was audio and video recorded.

Community Participant 6 was a leader of a well-known militancy group in the Niger Delta area. This participant was one of the militants that fought against the government and oil companies due to the ill effects from oil and gas production in the host communities. The ex-militant has lived in the host communities all the days of his life. He led one of the dreaded and leading militancy groups that brought the oil companies to their knee in the 2000s. Participant 6 has only secondary school education and earn living through fishing and doing menial jobs. Participant 6 was interviewed as community representative. The interview was audio taped because the participant objected to video interview. The participant was interviewed in his house in the host community on July 07, 2015. He signed the consent form shortly before the interview started. The interview lasted for one hour five minutes and was audio recorded.

Community Participant 7 was from the Itsekiri oil production host communities in Warri of Delta state in Nigeria. This participant trained as a petroleum engineer from the



University of Benin and worked with the Shell oil company in Port Harcourt and Warri offices as a production engineer. Participant 7 later left Shell oil to an indigenous oil company as the petroleum engineering team leader and was virtually in charge of operations in the fields. Participant 7 has lived and worked in the host communities for more than 25 years and witnessed all forms of issues in the relationship between the oil companies and their host communities. This petroleum engineer was interviewed as a community representative. The participant was interviewed in his house in Warri on the July 09, 2015. He signed the consent form on June 12, 2015. The interview lasted for one hour six minutes. The interview was video recorded with few notes taken.

Community Participant 8 was a PhD holder in mass communication and is a senior lecturer with the Rivers State University of Science and Technology. Participant 9 has over 25 years of community leadership experience in Niger Delta communities. He has done and published study on militancy in the Niger Delta region. This participant is also a consultant to most public media on mass communication. Participant 8 was interviewed as a community representative. The first scheduled date of July 5, 2015 was cancelled because the participant travelled out of the country, the interview was therefore held in his house in Port Harcourt on July 11, 2015. He signed the consent form shortly before the interview started. The interview lasted for one hour three minutes and was audio and video recorded.

Community Participant 9 was a PhD holder in microbiology and is a senior lecturer of the department of microbiology in the faculty of biological and chemical sciences of the college of natural and applied sciences in the University of Port Harcourt.

This participant has lived and worked in the Niger Delta for more than 18 years and is from an oil producing community. The participant 9 is a consultant with one of the international oil companies (IOCs) in their oil spill cleanup services; he has worked with the IOC for more than 15 years in various host communities. The participant was interviewed as a community representative. The first scheduled date of July 13, 2015 was cancelled because the participant had a field trip to a spill site. He was later interviewed in his apartment in the University of Port Harcourt on July 11, 2015. He signed the consent form shortly before the interview started. The interview lasted for one hour three minutes and was audio and video recorded.

Community Participant 10 has a PhD in aquatic Ecology and is a senior Lecturer in the Faculty of Agriculture, Department of Fisheries of the University of Port Harcourt. This participant is an Ogoni citizen by birth who is also an Ogoni representative in the negotiation of sustainable expectation of natural resources in the Niger Delta. Participant 10 has worked with the Nigerian government and the Shell oil company for more than 20 years on community distrust and violence against the Shell oil company. He is presently among the Ogoni representatives that are negotiating with Shell corporate headquarters on the devastating oil spills in Ogoni land. Participant 10 was interviewed as a Community Representative. The participant objected to video recording but agreed to allow the researcher to be focused on the video while the video record his interview as audio. This interview was therefore audio tapped and the researcher video tapped, so the audio of the video was used to record the participant while the researcher was on video. The first scheduled date of July 13, 2015 was cancelled because the participant had to

attend to his sick wife in the hospital .The interview was later granted on July 14, 2015 in the human rights activists office at the D-Line of Port Harcourt .He signed the consent form shortly before the interview started. The interview lasted for one hour five minutes and was audio recorded.

### **Government Representatives**

Government Participant 1 was a government recognized traditional council chief, a clan chief, a war canoe chief and a member of the Rivers state divisional council of chiefs. He has a first degree in geology and masters in engineering and hydro-geology. Former mayor and elected council chairman of an oil producing local government area council for 2004 to 2007. He was an executive secretary of a ruling political party in Nigeria and recently appointed as State Commissioner of an oil related government ministry in Nigeria. Chief was interviewed as government representative. The participant was interviewed in his house in Port Harcourt on July 13, 2015. He signed the consent form shortly before the interview commenced .The interview lasted for one hour nine minutes .The interview was video recorded with few notes taken.

Government Participant 2 was a state government civil administrator, head of local government administration (Grade Level 17) and had worked with various council chairmen close to the Onne oil free zone and most of the oil bearing local government areas in Rivers State of Nigeria. The participant has more than 25 years of experience in working with various state governors in the region. Participant 2 also served as executive secretary to various local government councils in course of his career. He has lived and worked in the Niger Delta for more than twenty years. The participant was part of the

commission of inquiry that recommended the amnesty program during the late president Yaradua's government; he has worked with the youths, oil companies and different government delegations to community and oil company crisis. He has a master degree in public administration. Participant 2 was interviewed as government representative. The participant was interviewed in his house in Port Harcourt on July 06, 2015 .He signed the consent form shortly before the interview commenced. The interview lasted for one hour ten minutes. The interview was video recorded with few notes taken.

Government Participant 3 was a university graduate of public administration, he was two terms elected councilor of an oil producing local government area council from 2004 to 2007 and 2008 to 2011. He is presently a local government area chairman of the ruling political party in Nigeria. Government participant 3 has been a government delegate in negotiations between the oil companies and the host communities during his 8 years in office as a councilor. He has lived and worked in the Niger Delta area for more than twenty years. The honorable participant was interviewed as government representative in his house in Okrika on July 13, 2015. He signed the consent form shortly before the interview commenced. The interview lasted for one hour twenty minutes. The interview was video recorded with few notes taken.

### **International Oil Companies (IOCs) Representatives**

IOCs Participant1 was a former head of department in the Chevron oil company. He left Chevron after twenty two years of service and joined an indigenous oil company. He trained as a mechanical engineer in first degree and petroleum engineer at the master degree. He had several international assignments with Chevron before leaving Chevron

for an indigenous oil company. IOCs participant 1 is one of the chief officers of an indigenous oil company that started operation in late 2011 in an OML in onshore area of the Niger Delta, currently producing 32, 000bbl/d from three fields. The asset was acquired from Shell, a legacy asset which is about 40 years old in the 2011 divestment. This company is in the middle of the swamp host communities, all production assets and facilities are next to the host communities. The IOCs participant 1 worked with the Nigerian government and host communities as a captain of the oil industries for more than 20 years on community distrust and violence against the oil companies. He has managed community development budgets for more than 15 years and has a good control over company policies. This executive manager was interviewed as IOCs representative. The participant was interviewed in his house in Lagos on July 04, 2015 .He gave his consent in a reply mail to my invitation weeks before the interview. The interview lasted for one hour .The interview was video recorded with few notes taken.

IOCs Participant 2 was a former vice president of the Shell oil company. He left Shell after 40 years of service and joined an indigenous oil company. He trained as a mechanical engineer in the first degree and had a PhD before leaving Shell. IOCs participant 2 is one of the chief officers of an indigenous oil company that started operation in late 2000s in an OML in swamp area of the Niger Delta. The asset was acquired from Shell, a legacy asset which is over 40 years old in the late 2000s divestment. This company is in the middle of the swamp host communities, all production assets and facilities are next to the host communities. He had several years of international assignments with Shell before retiring from Shell to join an indigenous oil

company. The IOCs participant 2 worked with the Nigerian government and host communities as a captain of the oil industries for more than 40 years on community distrust and violence against the oil companies. He has managed community development budgets for more than 30 years and has a good control over company policies. He was on different occasions in charge of the joint task force of military personnel assigned to the Shell oil company. He also controls operational issues and community budgets in the indigenous company where he is presently an executive manager. This executive manager was interviewed as IOCs representative. The participant went on a business trip abroad July 09, 2015 which was scheduled for his interview. He later granted an E-mail interview. He gave his consent in a reply mail to my invitation weeks before the interview.

IOCs Participant 3 was a marine professor of toxicology and a dean of faculty in one of the Nigerian universities. This professor is a consultant and a slot staffer to one of the biggest international oil companies in the Nigerian Niger Delta area. He has carried out environmental impact assessment (EIA) as a heavy component of social impact assessment for this company for more than 20 years. IOCs participant 3 is one of the very popular oil spills clean up and EIA experts used by the IOCs in the Niger Delta creeks and in-land water ways. The Professor had for more than twenty years negotiated with the host communities for the freedom to operate (FTO) in the communities. The IOCs participant 3 worked with the Nigerian government and host communities as an environmental expert in joint investigation visits (JIV) to different pollution sites in the host communities for more than twenty years now. This professor was interviewed as

IOCs Representative in his house in Port Harcourt on July 11, 2015. He signed the consent form shortly before the interview commenced .The interview lasted for one hour twenty minutes .The interview was video recorded with few notes taken.

IOCs Participant 4 was a project manager of one of the biggest IOCs operating in the Nigerian Niger Delta area. He has more than eighteen years of working experience with the host communities on community development projects and installation of production facilities in the host communities. He has been involved in different collaborating forums with the host communities for more than eighteen years. The IOCs participant 4 has conducted many town hall meetings with the host communities in the presence of government delegates for many years. He trained as a mechanical engineer and has a Russian master degree in production engineering. This engineer was interviewed as IOCs representative in his house in Port Harcourt on July 11, 2015. He signed the consent form on June 01, 2015 .The interview lasted for one hour .The interview was video recorded with few notes taken.

IOCs Participant 5 was a Health, Safety and Environment (HSE) manager of one of the biggest IOCs operating in the Nigerian Niger Delta area. He has more than twenty years of working experience with the host communities on environmental pollution and HSE standards. He has been involved in creating awareness in the host communities for more than eighteen years. The IOCs participant 5 has conducted many town hall lectures with the host communities in the presence of government delegates for many years. He trained as microbiologists and has a master degree in toxicology. This engineer was interviewed as IOCs representative in a hotel venue in Lagos on July 04, 2015. He signed

the consent form shortly before the interview commenced. This was the longest interview I had and lasted for one hour twenty five minutes. The interview was video and audio recorded with few notes taken. The video crashed due to electric power fluctuations during the interview, the audio was fine.

IOCs Participant 6 was a community liaison manager with one of the indigenous oil companies operating in the swamp location of the Nigerian Niger Delta area. He has more than twenty years of working experience with the host communities. He has been involved or led virtually all the negotiations the oil company had with the different host communities in the swamp operating areas. The IOCs participant 6 has conducted joint investigation visits (JIV) with the host communities and government delegates on different oil spills in the environment of the host communities. He has a bachelor degree in mass communication. Participant 6 was interviewed as IOCs Representative in a hotel venue in Warri on July 09, 2015. He signed the consent form shortly before the interview commenced. The interview lasted for one hour. The interview was video and audio recorded with few notes taken. The audio malfunctioned when relayed, the video was fine.

IOCs Participant 7 was an asset development manager with one of the indigenous oil companies operating in the swamp location of the Nigerian Niger Delta area. Participant 7 has worked with two international oil companies before joining his present company as an asset development manager. He has more than eighteen years of working experience with the host communities. He trained as a petroleum engineer and has M.Sc in petroleum engineering. Participant 7 has over 18 years of oil and gas operations



management in the Niger Delta communities. He has worked and lived in the Nigerian Niger Delta for more than 18 years. Participant 7 was interviewed as IOCs Representative in a hotel venue in Lagos on July 04, 2015. He signed the consent form shortly before the interview commenced. The interview lasted for one hour and was video and audio recorded with few notes taken.

IOCs Participant 8 was a senior production engineer with one of the indigenous oil companies operating in the swamp location of the Nigerian Niger Delta area. He had twelve years of working experience with Shell petroleum oil company (SPDC) before joining his present company. Participant 8 has lived and worked in the Niger Delta area for more than eighteen years. He trained as a petroleum engineer and has M.Sc in petroleum engineering. Participant 8 was interviewed as IOCs Representative in his house in Lagos on July 04, 2015. He signed the consent form shortly before the interview commenced. The interview lasted for one hour and was video recorded with few notes taken.

### **Data Collection**

According to Yin (2003), “the protocol is a major way of increasing the reliability of case study research and is intended to guide the researcher in carrying out the data collection from a single-case study” (p. 67). Stake (1995) recommended a data collection arrangement which should include “definition of research questions, identification of data sources, allocation of time and intended reporting” (p. 51). The research questions and interview protocol were drawn to form the frame work to collate data and analyze the collected data within the context of the literature and the social exchange theory

approach. The interview questions were therefore phrased into sentences that could guide and inform the intended reporting of findings in this chapter : (1) the relationship between the oil companies and their host communities, (2) how the relationship evolved over time, (3) roles played by the different parties in the relationship ,(4) how the roles affect the relationship ,(5) the role of trust in the process,(6) how the oil company-host community relationship provided forum for collaboration,(7) the policies and implementation strategies applied by the oil companies to manage the relationship, (8) how the stakeholders define success in this relationship ,(9) how successful the relationship has been,(10) the characteristics considered most important in this process and (11) sources of tension in this relationship and how they were dealt with. Yin (2003) described some of the attributes of a good researcher as “being adaptive and flexible, having a firm grasp of issues being studied and being unbiased by preconceived notions” (p. 59). Yin (2003) also argued that the researcher should build up a general description that best explains the case under study. The interview questions were transformed into sentences without changing the meaning and context of the questions in order to form the structure as explained by Yin and Stake.

The participants were interviewed about their views on the relationship between the oil companies and their host communities, the root causes of community distrust and violence against the oil companies and the management policies and implementation strategies that could improve the relationship. Yin (1984) stated that documents play a particularly important role in case studies. “Their most important use is to corroborate and augment evidence from other sources” (Yin, 1984). Each participant was requested

to recommend public documents, reports or records that may lead to further information about the relationship between the oil companies and their host communities. I checked the stories told and documents provided by the participants with information provided by other participants in the same stakeholder category and the literature review as to corroborate validity. The literature was used to guide information provided by participants. Checking bias and triangulating data is an important piece of qualitative case study (Rudestam & Newton, 2014). As such, I checked bias from the participant perspective, quality and validity of findings by triangulation of information that was verified using many other sources and methods including repeated confirmation from participants (Yin, 2004, p. 9; Stake, 1995, p. 112; Merriam, 1998, p. 206)

The interviews were conducted in Nigeria between July 3, 2015 and July 20, 2015. All the participants cooperated and responded to every question. No one participant declined to answer any question and no one prohibited the interview from going forward. Seventeen of the interviews were conducted in the living rooms of the participants; one was through e-mail and three in a hotel setting. The interview space for each participant was good for recording and privacy, though the Nigerian environment was characterized with noise from church worships and busy traffic. Interviews took place at the 21 participant's choice of meeting space and most participants signed the consent form shortly before the interview commenced; all participants signed the forms prior to the start of their interviews. The interviews were digitally recorded and soon thereafter downloaded onto my personal computer. The average timing for the interviews was 70 minutes with the shortest being 60 minutes and the longest being 80 minutes. The

interview protocol is reproduced in Appendix B. Copy of the initial consent E-mail is found in Appendix A. Merriam (1998) and Stake 1995 placed so much emphasis on taking field notes as credible source of data. Merriam described field notes as equivalent to the interview transcript (p.104), while Stake described field notes as the main source of data (p. 71).I kept a notebook to facilitate note taking, observations, and reflections of the experience.

### **The Case Study Report**

Merriam (2009) stated that case study analysis and reporting consists of coding data pieces, alignment of the codes and selecting the codes into main categories. Yin (2003) stated that data analysis and reporting consists of examining, categorizing and recombining the evidence to address the initial propositions of the study. According to Merriam (1998), themes or categories reflect the purpose of the research study. The major and minor themes, which emerge from the data, will support answering the research questions. Stake (1995) stated that data analysis should be grounded in “detailed description” and “categorical aggregation”. The task of compiling the categories, codes and themes that were emerging during the study seemed enormous. Considerable time was given for transcribing each interview and grouping of data into categories in accordance with the interview questions. This study identified initial themes and trends in an opening evaluation and track with the development of codes during subsequent reading. This study combined all codes to eliminate repetition of codes and differentiate codes, establishes relationships between codes, and simplifies the codes to develop

themes and improved the final analysis. Themes resulting outside the guided analysis were permitted to occur.

Pre-determined subject categories that were not supported by field interview information were discarded and the supported themes were developed further. The theme categories linked the theoretical frame work, purpose of study, research questions, findings and conclusions. The benefit of the qualitative instrumental single case study design is the variety of options it gives to analyze multiplicity of data and allow the appearance of themes within a realistic evaluation of the problem. I brought in the literature to support my argument of patterns, links, themes and concepts in the final analysis.

Stake (1995) recommended step-by-step procedures in case study which should include: data management, reading, memoing, description, classification, interpretation and representation. Interview transcripts and notes from the research were processed using Word Processor and NVivo, and were stored in the Dissertation database folder on my personal computer. Merriam (1998) emphasized that data collection and analysis should be a simultaneous process in case studies. This analysis method synthesizes information in an iterative way to make sense of the data. This process reflects the emergent nature of qualitative research methods. According to Merriam (1998), themes or categories reflect the purpose of the research study. The major and minor themes, which emerge from the data, will support answering the research questions. Data analysis was preceded by code labels, identification of emerging themes and primary concepts. These were established before, during and after the interviews thus making the work load

easier. Emerging trends from the categories and codes of the processed data were identified during content analysis. Further analysis of the emerging categories and codes revealed the required themes that shaped the essence of the research.

### **Results and Discussions**

Stake (1995) and Yin (2003) strongly recommended the use of the interview protocol and questions to guide the research findings and intended reporting. Merriam (2009) also argued that the phenomenon in a case study is better understood from the expression of the participants' interest and experiences. Stake 1995 stated that "every researcher needs through experience and reflection, to find the forms of analysis that work for him or her" (p. 77). This section is organized according to the interview questions; this was done to allow the questions to illuminate the phenomenon in the case study and concepts developed from the social exchange theory. What is presented and discussed here is the data collected from all the participants. The research findings were grouped into same structure as the interview questions: (1) the relationship between the oil companies and their host communities, (2) how the relationship evolved over time, (3) roles played by the different parties in the relationship ,(4) how the roles affect the relationship ,(5) the role of trust in the process ,(6) how the oil company-host community relationship provided forum for collaboration,(7) the policies and implementation strategies applied by the oil companies to manage the relationship, (8) how the stakeholders define success in this relationship ,(9) how successful the relationship has been,(10) the characteristics considered most important in this process and (11) sources of tension in this relationship and how they were dealt with. Findings number 11 and 12

were merged because the answers given by the participants under those questions were very similar.

According to Yin (1984), open-ended questions allow participants to respond to facts as well as give opinions about events. This approach has the added benefit of making participants feel their opinions are valuable. According to Merriam (1998), themes or categories reflect the purpose of the research study. The major and minor themes, which emerge from the data, will support answering the research questions. The structured but open ended interview questions prompted responses that sometimes overlapped the different questions giving way for emerging themes to augment the findings. I grouped the themes into primary and secondary themes. The secondary themes present explanation to the primary themes. Thirteen primary themes that emerged from my analysis were: (1) relationship, (2) collaborative processes, (3) performance, (4) trust, (5) policies (6) distrust, (7) violence, (8) corruption, (9) unemployment, (10) mutual respect, (11) suspicion, (12) partnership and (13) poverty. Following what Merriam (1998) stated, the themes are reflective of the causes of host community distrust and violence against the oil companies found within the relationship and are therefore discussed under the interview questions as follows.

### **The Relationship Between the oil Companies and Their Host Communities**

The participants answered one question under this heading that relates their experiences and views about the relationship between the oil companies and their host communities: “how would you describe the relationship between the oil companies and their host communities?”

**Relationship .** All participants described the relationship as initially cordial as the oil companies kept to agreements. They noted that misunderstanding started cropping up in the relationship when the companies no longer saw the host communities as stakeholders and partners because the companies felt that they pay taxes and royalties to the government. Some stated that starting from the inception of oil exploration and exploitation in the 1950s, the relationship has evolved and developed up to the point that it is a business. As a result, the communities know that the companies are making money and the communities also want to make money. The majority of participants felt that the frame work by which this is achieved is subject to further discussion. An example of this is illustrated by IOC Participant 1, who stated that the oil companies are all out there to make money. Furthermore, he said, “They purchase asserts, they investing money, producing oil, make money every day, and make additional development.” This participant felt that from a strategic view, companies will constantly assess their resources, look at the long term, and leave their locations when they do not see a long term base to remain where they are; that is, when they happily divest. “As long as an oil company is still within the producing area, it is most likely that they are still making money.”

According to IOCs Participant 2, all the stakeholders need to recognition the fact that they need dependency and acceptance of each other to survive in the relationship. The oil companies selectively relate with the community people and do not properly engage with the community. This statement was brought to light when community participant 4 said that “the oil companies operate in alliance with some elites from the



host communities and create a peripheral relationship with the elites without involving or engaging the bulk of the host community.” This act of the oil companies encourages community distrust and violence against the oil companies. The relationship between the oil companies and their host communities was initially friendly, but gradually degenerated when expectations of the communities were not met by the oil companies. Community participant 3 gave an illustration to this point when he stated that “the relationship between the oil companies and their host communities was originally not complex, was simple and cordial.” This participant further stated that the relationship gradually became very complex, grave, violent and could be described as strained industrial relationship because “it became very challenging and many at times disrupting the operation of the companies and the host communities feeling cheated.” According to government participant 1, the relationship between the companies and the host communities is unfriendly in several of the oil bearing communities, this participant stated that “there is a physical tension in the relationship between the companies and their host communities, there is lack of infrastructural and other basic social amenities.” Government participant 2 explained why the communities become violent against the oil companies, according to this participant, “the relationship was initially cordial. However, the host communities had great expectations from the oil companies, the relationship started deteriorating when these expectations were not met by the oil companies and the communities started agitating.” The oil companies and Nigerian government are not involving the host communities in the oil business, this was illustrated by Government participant 3 when he stated that “the government should involve the host communities

as co-owners of the oil wealth or stakeholders in the oil business so the communities can mutually benefit from the oil production from their communities and will not attack the oil companies.’’

IOCs participant 5 told the story of how the relationship between the oil companies and their host communities has gone worse in recent times, this participant stated that ‘‘the oil company staffers freely do their official jobs and also freely go about their private businesses without harassment from the host communities in the 1950s.’’ However, this trend has changed, according to IOCs participant 5, ‘‘the oil companies now place strict rules on the movement of their staffers due to kidnappings and community violence against the oil company staffers.’’ IOCs participant 7 seem to complement what IOCs participant 5 stated in his story by stating that ‘‘the relationship is so bad that instinct will not allow a company staffer to freely move around in a host community without company security cover.’’

IOCs participant 5 stated that ‘‘the Nigerian government protected the Shell oil company because a large part of the Nigerian oil blocks were operated by Shell, the other companies did not enjoy the same level of protection from the federal government.’’ This participant related this fact as the reason why the less protected companies embraced the host communities and created good relationship with the host communities. Furthermore, IOCs participant 5 added that ‘‘the consequences of not embracing the host communities are very obvious today and this led to the massive divestment of the Shell petroleum company from the onshore oil fields that are in or around the host communities.’’ The cost of production increased dramatically, the cost of damage from oil facility, cost of

operation due to community agitations and operation facilities shut downs by communities also increased. The other companies that used dialogue and sustainable community development approach enjoy relative peace and calm in oil production. According to IOCs participant 5, the relationship was not perfect but better than the relationship shell had with their host communities. The history of the relationship matters a lot, oil companies that were not friendly with the communities over the years lost the trust of the communities while the other companies that embraced the communities now have relative peace. IOCs participant 5 concluded by stating that the relationship varies according to the host community and oil company involved. Government participant 3 based his argument on trust, this participant emphasized that “the relationship became unfriendly because the host community did not trust the oil companies and also the oil companies did not trust the host communities over the years.” According to government Participant 3, there was common suspicion among the partners because they were not actually playing their roles

The oil companies first discovered oil in Nigeria in Oloibiri in the 1950s, there was total negligence on the part of the operating companies and the government of the land. An example of this is illustrated by the Community Participant 5 who stated that “the negligence lasted for about 40 years”, this participant felt that the negligence was successful due to the level of ignorance of the communities concerning the company’s finances and budgets for community development. “The communities do not even know the amount of revenue generated from their land.”

Community participant 6 stated that the oil companies did not involve or engage the communities in the planning and execution of community projects, this participant stated that “people from the communities were not employed and they were not considered as stakeholders.” This total failure in the policies of the IOCs and regulatory roles of government created some survival instincts over the years in the host communities that made the communities become aggressive to the oil companies. According to Community Participant 6, “the involvement of some community people in government and governance created more awareness of the community rights.” This participant stated that human right activists like the late Ogoni son Dr. Ken Sarowiwa and Chief Fredrick Edwin Clark of the Ijaw people started calling for the Niger Delta communities to rise up to the minority question and demand for their rights, “this galvanized the host communities together and changed the resolve of the host communities in demanding for their rights.” Sadly, as expressed by this participant, “all the struggles did not change the government and oil companies approaches of neglecting the host communities, the government rather killed Dr. Ken Sarowiwa and this led to the shutdown of all oil wells in Ogoni land by the Ogoni people.” This struggle spread like a wild fire and the entire oil companies host communities virtually brought the oil company activities to a halt in the region in the 1990s. Community participant 5 narrated how OMPADEC was introduced by government during this era to carry out some development effort in the communities; this participant stated that “the officials of the government agency corruptly diverted the funds to personal use.” Furthermore, this participant expressed how the military regime fought its way but could not suppress the

communities for so long; this participant felt that the military oppression resulted in the springing up of different military wings of the host communities to confront the government and oil companies. An example of this is illustrated by Community Participant 5, who stated that groups like the Niger Delta Volunteer Force (NDVF) and the rest of them were formed to fight the oppression of the government. The relationship has gone very bad and not cordial at all, there is an oil refinery and products marketing company at the door step of the Okrika communities, however most of the youths from the host communities were not employed. The land and fishing rivers of the people are completely destroyed. An example of this fact was given by this participant when he said, “the rivers develop strong smell of a strange chemical; there are no fishes to catch any more.” This participant felt that most of the company staffers are all foreigners and not the locals whose occupation has been destroyed by the pollution from the oil refineries and poverty reigns supreme. He illustrated this point when he said “the refinery management bring in their relatives even for menial jobs while the people suffer from the pollution without having the jobs.” Most apply described; the relationship between the oil companies and their host communities is like a cat and mouse relationship. It is a relationship that is characterized by distrust and suspicion. Community participant 8 said “it is like a dog-in-dog racket.” This participant felt that community distrust is born out of the fact that the host communities assume or rather think that the communities are being exploited by the oil producing companies. Furthermore, this participant added that “the expectation of the host communities may not be commensurate with what the communities get from the oil companies and that forms the bed rock of the tension

between the oil companies and the host communities.” These are basically the issues seen from experience, projections and observations. Community participant 10 stated that the level of environmental degradation witnessed and level of consciousness or awareness of the host communities concerning the ill effects of oil production was very low, this participant stated that “the community people still had their farm lands to farm on and the creeks and rivers for fishing , given the dependency on natural resources the communities get from the environment and the fact that at that early stage of oil production the communities were still having access to the natural resources makes the relationship relaxed and friendly.” This participant felt that the relationship actually evolved as the community people started witnessing the real negative impacts of oil exploitation in their environment. According to community participant 10, virtually every stage of oil exploitation and exploration has environmental consequences, so when the health of the environment is interfered with, there is impact on the people residing in and depending on the environment. This participant also added that “there is weak governance in Nigeria and that gave the transnational companies the opportunity to operate with impunity in polluting the lands and rivers of the Niger Delta area”.

### **How the Relationship Evolved Over Time**

Participants answered one question under this heading. The question was, “how has the relationship between the oil companies and their host communities evolved over time? ”

All the 21 participants agreed that the relationship was initially cordial when the international oil companies arrived in the 1950s to Nigeria; the participants stated that the

Niger Delta was a serene and peaceful environment to work and live, irrespective of the challenges of infrastructural and human development. IOC participant 6 felt that this was the situation before the oil companies started polluting the environment from oil spills and gas emissions. Furthermore, Community Participant 5 added that “the Niger Delta area in 1958 was considered as an endangered environment from natural causes by the Henry Willink Commission.” The Willink commission was a panel of inquiry inaugurated by the Nigerian federal government to investigate the fears and concerns of minority groups in Nigeria between 1956 and 1958. According to IOCs participant 6, It was strongly recommended by this commission that “the federal government of Nigeria give a priority attention to the development and protection of Niger Delta area”, however, this participant felt that the Nigerian federal government added to the predicament of the Niger Delta people by allowing the IOCs to pollute and further degrade the environment of the host communities in the Niger Delta area of Nigeria. The people of the host communities were very peace loving people; this was illustrated in IOC Participant 6 statement who said that “it was the failure of the government and IOCs in their duty of corporate social responsibilities (CSR) that gradually degraded the relationship.” This participant also hinted that “the host communities were not initially aware of the annual company budget allocation for host communities’ development.”

The relationship was cordial initially but gradually became unfriendly due to lack of openness, lack of integrity and distrust from both the host communities and the oil companies. An example of this is illustrated by IOC Participant 8, who stated that the companies were in some cases very arrogant and actually mistreated the host

communities. in addition, he said, “a particular cluster of host communities in Rivers state of Nigeria stopped an oil company from carrying out oil production operation activities in those communities for more than twenty years now.” This participant went further to state that the first oil well was drilled in Oloibiri in the 1950s, but “the Oloibiri village is today left with the ruins, dilapidated and abandoned oil well in the middle of the community, this is an example and legacy of the bad relationship the oil company that operated in the Oloibiri community had with the community.” Oloibiri is stricken with abject poverty; there is no evidence of development in the Oloibiri community to show for the experience of oil production. Government did use brutal force to protect the oil companies in many host communities; IOC Participant 8 felt that some prominent sons of the host communities were killed including Dr. Ken Sarowiwa of Ogoni land due to oil production related conflicts. This participant gave an example of a professor of the university of Ibadan who consulted for a major transnational oil corporation on host community relations in Nigeria, according to this participant , this professor visited an oil production logistic base with some of the company management staff in one of the host communities in Delta State of Nigeria, the professor observed that the logistic base was glowing with electricity and was protected with very high fences, but the host community just 5 meters away from the logistic base was in complete darkness with no drinking water, the professor also observed that the community children were playing around in naked bodies or vitally in rags. This professor told the company management that “these kids we see running naked today will be the enemies of this oil company in the nearest future.” The professor insisted that these village children will soon realize the level of



poverty they are subjected to amidst the rich oil wealth that is removed from their land and how the company staffers move around the host community in great affluence.

According to IOC Participant 8, “It was not long when militancy started in this community and most oil company staffers were kidnapped, tortured and killed in some cases.” The communities became enlightened over time and realized that community development projects provisions were made within company annual budgets.

Government Participant 2 stated that “this enlightenment and awareness played a major role in the relationship.” This participant explained that the people of the host communities realized the rapidly changing life style of community liaisons officers, so every member of the community became interested in knowing what was involved because community representatives were making gains for themselves and their families.

The increased education and awareness of the host communities over time was what brought the real change in the relationship between the communities and the oil companies. This is illustrated by Government Participant 1, who stated that “ few community people were educated at the inception of oil production but the level of education increased over the years and this led to increased community awareness”, this participant added that the community people developed to the point of knowing how oil has changed communities where it is found , the people travelled and became exposed to what benefits they should derive from oil production in their communities and the kind of ill effects oil production has on their environment. Some operational issues the communities took for granted are now taken seriously. “Education, enlightenment and exposure has changed the perception of the host communities.” This Participant stated

that the communities now know that removal of crude could cause subsidence which is a thing of fear that the community land will subside after a while of removal of crude from it. This participant felt the available information made the communities to be apprehensive of the oil producing companies and use violence against the oil companies that hardly carry out developmental projects in the communities. IOCs Participant 1 stated that the relationship started as a very cordial relationship 30 to 35 years ago, according to this participant, the host communities were quite elated and happy when oil companies come around to drill oil wells and build crude oil production facilities in their communities or close to their communities because it opens up the area to business activities and create minor employment opportunities to some community people. In addition, IOCs participant 1 stated that “the companies out of good will only do what they feel or think was necessary, they atmosphere was relaxed at that time, the presence of the oil companies was not seen from a negative perspective by the communities due to the little economic benefits the communities were deriving.” Over time, that has completely changed because the current level of awareness is very high. This participant emphasized that “the host communities are now quite aware of the large amount of money (trillions of dollars) the oil companies are making.” The communities are now much less satisfied with the little good will and minor employment from the oil companies. IOC Participant 1 went further to explain how the relationship is now governed by memorandum of understanding (MOU) and general memorandum of understanding (GMOU). The communities and oil companies sit to negotiate an understanding where the roles of each party are specified and frame work of benefits are

defined. This participant believe that the oil companies have sustainable community development roles while the host communities provide enabling environment for operation and protection for company facilities in exchange for the benefits from the relationship.

Community participant 3 stated that the initially friendly relationship changed due to the influence of the military government of Nigeria on the international oil companies (IOCs) in the 1970s and the lack of awareness of what benefits that could be derived from the operation of the oil companies by the host communities, “mostly only the elite were opportune or compensated through bribes from the oil companies.” This participant felt that the relationship eroded over time when the host communities started agitating for their rights and social economic development in order to alleviate their sufferings from the negative impacts of their degraded environment. This participant explained that the failure of the oil companies to meet up with these demands which the companies felt were unreasonable and the negligence and military suppression from the government side to the plight of the communities caused the community to devise military approach that led to the complex, grave ,very violent and strained industrial relationship. IOCs participant 2 narrated how there was a near collapse of the upstream oil industry in Nigeria between 2007 and 2009 due to “the intractable disagreement between host communities, the Nigerian government, and the IOCs.” This participant felt that the condition was due to the agitation of the host communities to a right of participation in the oil industry that directly impact their lives in many ways, in addition to demanding

for host community development as an important aspects of the government petroleum policy.

Government participant 1 insisted that the Nigerian government is largely careless; this participant stated that the government is only interested in her share of the joint venture and taxes it took from the oil companies. This participant stated that “the government in some cases also took what is due for the host communities and did not develop the host communities.” This participant felt that government inability to properly delineate between her interest and the interest of the people they govern is a major problem in this relationship. The government is expected to play a mediatory role between the communities and the oil companies but the government rather protected the companies against the communities. Furthermore, Government Participant1 stated that the behavior of the Nigerian government perplexed the communities and communities do not know what else to do other than “resort to violence and very unworthy activities, so government is not left out in the siege against the communities.” This participant felt that government corruption, oil companies corporate oppression and community greed and increase in awareness are some of the causes of community distrust and violence against the oil companies and government. This made the communities stall the company activities and sometimes indulge in criminal activities. “It is sad that the government sometimes takes the share of the host communities in the oil business rather than provide basic social amenities for these communities, government cannot be criminal.” This participant threw more light on government use of brutal force to oppress the communities. The participant insisted that “this is one reason why some members of the

communities indulge in criminal activities like: kidnapping, vandalization and outright murder which rose to the trend of being homicidal.’’

IOCs participant 2 stated that the trend of the relationship has evolved to the point where administrative models as the GMoU, MoU and the likes are used as terms of agreements. ‘‘The successful implementation or violation of the contents of these documents or models defined the type of relationship that existed.’’ According to IOCs participant 2, the relationship gradually degenerated from the 1970s due to the lack of clearness of the oil companies in dealings with the host communities; this led to militancy and the call for resource control which was influenced by the level of poverty and environmental degradation in the host communities. This participant added that ‘‘this strain relationship or state of affairs culminated into violent conflicts and hostage taking which have defied several measures by the Federal Government and reduced production output.’’ The communities usually apply blockades at the entrance and exist of oil production facilities to prevent movement of company staffers in and out of the oil facilities. This is illustrated by IOC participant 3, who stated that ‘‘what the oil companies do after reaching out to the government is to identify the community leaders that are championing the blockade and negotiate with such leaders outside the terms of the memorandum of understanding signed with the host communities.’’ According to IOCs participant 3, the companies normally call for armed soldiers to confront the community people and forcefully dismantle the blockade and disperse the host community gathering when ever selective negotiation do not work. However, this participant insisted that ‘‘ this approach by the oil companies has improved recently,

armed soldiers presently do not confront the host communities but stay around to observe what goes on between the company staffers and the host community protesters until there is threat to life and property if any.’’

### **Roles Played by the Different Parties and how the Roles Affected the Relationship**

The participants answered two questions under this heading that relates their experiences and views about the relationship between the oil companies and their host communities: ‘‘The identified key stakeholders are the communities, the government, and the oil companies. What roles did these parties play in this relationship?’’? And ‘‘how did these roles affect the relationship?’’

**Partnership** .Oil companies are very visible partners to the host communities and therefore the most vulnerable. According to IOCs participant 1, the host communities most times agitate against the oil companies because they aim to get the attention of the government . This participant stated that ‘‘the government takes about 90% of the total revenue that comes out of oil and gas production: these are in form of royalties, petroleum taxes and government share of the joint venture allocation, so 90% of the net income after removing cost of operation is what is called government take, it is about 10 to 12% that goes to the oil companies.’’ It is therefore very obvious that the responsibility of community development lies clearly with the government of the land. This participant believes that the government is not doing its role of providing enabling environment and adequate development of the host communities. The Nigerian government is very difficult to handle and far from their own people, the host communities are located in very difficult rural swamp areas or bad lands and have no access to the government, ‘‘the

most practicable thing for the host communities to do is to protest and push against the oil companies who generate the revenue and are very close to them.” When the production of the oil companies is shut down , the government of the land do respond together with the oil producing companies. IOC Participant 1 added that the most important party in resolving the conflict is actually not the government but the companies who are in direct contact with the host communities because they bear most of the consequences of community violence.

All participants agree that the roles of the communities are to host the oil companies and to provide conducive operating environment for the oil companies; the communities provide labour to the companies in accordance with the local content policy, elect the community representatives through town hall meetings and forward the names of such representatives to the companies through the liaison office. The communities maintain peace through disciplinary measures in their confines and ensure that both the oil companies and the government satisfy their demands. Most of the participants believe that the most difficult job around is to manage human resources, many at times the communities change their representatives if there is suspicion of any corrupt dealings with the oil companies.

All participants agree that the government makes and enforces the laws regulating every stake holder’s activities, they sign contracts and allocate license to both the international oil companies and service companies. The government also funds its share of the joint venture operated by the oil companies, monitor and promote human rights without violation, provide basic amenities, special intervention programs and

infrastructural development for the host communities, provide security for the daily operation and the facilities for the oil companies and the community during crisis.

All participants narrated how the oil companies fund major part of the joint venture with the government, that provide CSR for the host communities and bridging gap between the government and the host communities so that there will be no high outs, scouting for peaceful co-existence among stakeholders during profit sharing if equity is involved, providing employment for the working populace both skilled and unskilled labour for the host communities, cleaning up environment if there is oil spillage and living up to standard industrial and environmental practices . The role of the communities is to provide the land required for oil operation to take place and ensure safety of the daily operation in the host community. It is the responsibility of government to ensure that rules, regulations and orders are followed. Community participant 3 stated that Shell and the government plays along a deceptive line because both parties are in joint venture business. The oil companies should protect the environment by carrying out their operations responsibly and promptly cleaning up spills when they occur. The Companies should also carry out their corporate social responsibilities in the communities. It is also the responsibilities of the companies to pay tax to government, royalties and also to remit the government part of the joint venture revenue to the responsible government agency for onward transmission to the federation account. Community Participant 1 and 2 believes that Shell is the operator of most onshore fields and takes advantage of a weak Nigerian government. This was illustrated by Participant1, who stated that “It is sad that a host community compensation document sent through a government agency was held



back by the government agency at the request of Shell, a normal government should be the one ordering the companies to comply to an order and not the other way round.’’

These participants felt that the communities have never been stakeholders in the oil business, the government actually runs the oil industry in Nigeria, the government is in a joint venture with the oil companies and owns between 55 to 60% in the joint venture. The participants added that if there are favorable government policies, the communities will take ownership of the protection of oil company staffers and the facilities in the communities, communities have never seen themselves as stakeholders in this relationship. The government takes royalties and taxes from the companies and allocates these revenues to the different tiers of government, the federal government, state government and the local government. Community participant 5 stated that corruption has not allowed this revenue get to the oil producing communities by the different tiers of government.

The companies have suffered great loses, facilities are been vandalized by the communities, the companies are business entities who came to Nigeria to make profits but the communities have been a nightmare to this companies, the companies have introduced schemes and policies that engage the communities positively, where community people are being awarded contracts of small and medium scale, cooperative societies have been introduced. Community participant 5 illustrated this when he narrated how the companies have even involve themselves in working alliance in agriculture with the communities to engage and encourage the communities for a peaceful operating atmosphere . Community participant 6 stated that the government has not help matters,

government is always political and has not provided infrastructures in the communities and no forum to even discuss such abnormalities, “the government just do not exist.” Community participant 6 stated this as the reason why the pressure is on the companies to provide every community needs. Community participant 8 argued that government should provide an enabling environment for the oil companies. The government should regulate through its agencies the activities of the companies. The government should ensure that the basic things that could lead to optimal oil production are put in place for the companies; these are issues under waver clauses, taxation duties, and expatriation and immigration laws. According to community participant 8, the Nigerian government is in a joint venture with most of the transnational oil corporations, the government sometimes exerts undue influence on the oil companies in these joint venture arrangements and violates the basic rights and privileges of the oil companies. This participant felt that the oil companies have a frame work from which they ought to operate, the oil companies sometimes do not abide by the basic regulations, the proper mix of indigenes and expatriates is not met by the oil companies in their employment number. “It is observed that activities that are supposed to be confined to locals or indigenes are done by expatriates.” Community participant 9 argued that the communities should provide security for the oil companies, enabling environment on a small scale like: provision of unskilled labour, security and more. The community must not be quiet but speak out with one voice and not betray itself from the bait of the oil companies, so the benefits of the communities could be harnessed from the oil production as the community protects and provide enabling environment for the oil companies. This participant insisted that the oil

companies must not seat in air conditioned offices and predict the problems of the communities but engage the host communities in field visits to be able to consider the real problems of the community people and not just predict problems and solutions that do not exist. This participant believes that the government as a mediator must not be bias, it is known that the government is in a joint venture with the oil companies but that should not make the government to be bias against the host communities. Community participant 9 concluded this argument with the statement that the community has a role to protect the oil companies and provide the enabling environment for peaceful operation to take place.

According to community participant 9, the relationship between the oil companies and the host communities can only work if there is mutual respect and agreement between both partners, “from a Christian point of view, it is well stated that any nation divided against self cannot stand. If this relationship is modeled as a nation, then it cannot stand.” This participant liken the relationship between the oil companies and the host communities to a symbiotic relationship were all partners do benefit but if the relationship tend to be parasitic thereby making one partner a predator and the other a prey, “in this our context, one becomes the parasite and the other the host. The time will come when the host defends itself because both partners as humans have dignity and equal rights in the relationship.” This is what makes people of a host community to defend their rights to live .Community Participant 10 stated that the Nigerian governments is in a joint venture with the transnational oil corporations and the major income of the government comes from oil and gas revenues. It is known elsewhere

including Nigeria that government is responsible for the provision of requisite development in the host communities. There is also the history of corporate social responsibility (CSR) of the transnational oil corporations elsewhere including Nigeria, though it is not compulsory by law; it is a social and moral duty of the companies to support their host communities. Community participant 9 argued that the transnational oil companies neglected the CSR components over the years, this participant explained how these companies argue that they pay taxes and royalties to government, so it is the government's responsibility to provide the communities with basic social amenities. The local communities witness the destruction of their environment from oil and gas pollution by the oil companies, so they hold the companies responsible for the damage done to their environment and not the government which is far away from the communities. This is illustrated by Community Participant 10, who stated that “the transnational oil corporation now realize that they do not only need the legal license from the government but also need the CSR to secure the social license to operate peacefully in the host communities, however, this realization came a bit late because the transnational corporations have lost the confidence and trust of the host communities.” This participant felt that the oil companies now pick up the pieces by engaging in patronage services, the oil companies look out for the powerful in communities and provided incentives for these perceived powerful people at the detriment of the generality of the communities, “the provision of patronage packages or contracts to some perceived powerful elements of the communities do not translate to attending to the needs of the communities by way of CSR so the companies have virtually done nothing.” This

participant concluded by stating that “the oil companies have now evolved to the frame work of the Global Memorandum of Understanding (GMOU) which some companies like chevron and shell are trying to adopt, the GMOU is currently being researched into by the transnational oil companies in Rivers State and Bayelsa state to see how effectively it may help the oil company- host communities relationship.”

Government Participant1 stated that the government is expected to play regulatory roles but the weakness of the government agencies gave the opportunity for the oil companies to operate with impunity in violating these regulations. This participant further explained that the communities are also expected to protect the oil facilities but they take the laws into their hands and become confrontational .Government Participant 2 stated that the government of Nigeria engages the police to keep the peace in host communities when there is tension between the communities and the oil companies. The government also set up commission of inquiry to investigate tensions and act on the recommendations of the commission of inquiry to manage any crisis. This participant stated that “If the situation escalates to a point that safety of lives and property are not guaranteed, then the government orders a state of emergency that shuts down the oil operation for a while .”

### **The Role of Trust in the Relationship**

Participants were interviewed with one question under this category. The question was, “what is the role of trust in this process? ”

IOCs participant 1 stated that “trust is very similar to credit history, if for example someone takes a loan and is able to pay back and always do pay back, then the creditor will trust the debtor in subsequent dealings even when particular cases go wrong,

otherwise the creditor will fail to trust the debtor in subsequent business dealings if the debtor has a history of not paying back.” Trust is a measure of how the host communities perceive the oil companies, trust is build if commitments are met, and it is a two way thing. This participant felt that there is also an element of trust of company perception about the host communities on how communities have dealt with providing protection for company facilities and personnel in their environment. “Host Communities and oil company’s representatives are trained to negotiate to get the other party to make a commitment but what is more important is how to follow through the commitments so made”. It is the fulfillment of the pledges that are made that eventually build up trusts if for any reason the company commitments could not be met due to financial reasons or lost in production or low oil price, it is the responsibility of the companies to adequately communicate these short falls by engaging the communities in forums and explain to the communities the difficulties they are encountering and why some commitments may not be met immediately. IOCs participant 1 also stated that there are cases where companies also do not trust some host communities because even when the companies have met their commitments and obtain freedom to operate (FTO) for a certain projects in a community, some host communities still vandalize company facilities and harass company staff. “The companies cannot have MOUs with every single person in the community; there are some criminal tendencies by some individuals that commit acts of criminalities”. According to IOCs participant 1, MOUs are believed to cover the interest of the community as a whole but a group of individuals have found the business of

harassing company contractors and fermenting trouble, just want to break the law to be able to make a living with acts of hostility.

Trust is a key part of the whole process, government have to implement whatever they promise to do, the government should carry out better regulation of the oil industry and take ownership of community development. According to IOCs Participant 1, government should set up a trust building body and give listening ears to community demands; environmental degradation should be given adequate attention by the government. Community participant 5 stated that the government and oil companies should form a forum together with some trusted people of the communities and find solutions to most of these problems that exists and such collaboration forum will increase the level of trust that will guarantee peaceful relationship between the oil companies and the host communities. According to Community Participant 10, “trust occupies center stage. If a Venn diagram is applied, trust will be at the middle or center.” This participant added that the oil companies cannot be talking to communities and at the same time calling for military interventions from government, such act betrays community trust and result in community distrust and violence against the oil companies.

Trust is the cardinal thing because even when you have good intension and there is distrust, people will simply look for loop holes in the relationship to cause unrest in the process. This is illustrated by Community Participant 4, who stated that “community relations officers do not relate all that the companies are offering to the communities, this makes the communities bear grudges against the companies and the companies felt that the communities are betraying them.” There should be ways of verifying company

sponsored community development projects and budgets. This participant also stated that companies should publicize their community budgets and CSR activities, company bulletins are confidential documents that do not put information in the public domain, so the community liaison officers (CLOs) take advantage of this fact to undo the communities. Companies and communities should from time to time carry out joint verification of facts; organize town hall meetings in the communities. “This will reduce tension to a large extent.” Community participants 1 and 2 told similar story on how trust facilitates good will to ensure transparency and equitable distribution of resources from the daily operation of oil production. Government participant 3 stated that trust ensures mutual respect, integrity and transparency. “Trust galvanizes a relationship that is without suspicion.” According to Community Participant 9, the host communities actually decided to be vulnerable to the oil companies so that the oil companies can meet the positive expectation of the host communities but that did not happen. This participant felt this is the reason why the communities decided to be violent against the oil companies. According to IOCs participant 3, there should be team spirit and ownership spirit to make the relationship work, if there is trust and all the partners believe in the process. Trust is about good will. This participant felt that trust engenders good will which is an asset that sustains a good relationship. It is an asset no company can afford to ignore, good will is what a company requires through thick and thin, it is through such rapport that oil companies could gain understanding from its host communities, in the face of the prevailing situation. According to Community Participant 8, the lack of good will from the oil companies is why the oil companies do not have the trust of the people.



Furthermore, this participant stated that “sincerity, transparency and willingness to deliver on promises are the key elements that could build trust in this relationship, though; these elements were sadly absent.”

Government participant 1 narrated a story to illustrate trust building, according to this participant, when a company promises a host community portable water supply in the next two weeks, tender preparation for bore hole should be started in one week while a water tank is build after two weeks. The supply of water tank and the actual flow of water should not exceed three weeks; community trust will be built in favour of the company even when the deadlines are not strictly met. If a health center is the agreed project to be completed in a month, the company should start work by the end of the month while a mobile clinic is mobilized for temporary use pending when the health center is completed, again community trust will be built. If it is a road project that is agreed in the next one year and the survey is started in six months, the community will be happy, community trust will grow. However, this participant believes that when a company promises a community to provide a road in year 2000 and by the year 2005 the road survey has not been started, there will never be community trust, and the community will not believe the companies and will not give them a second chance. This participant stated that “if an oil company has an agreement with a host community, the oil company should be committed to fulfill the agreement and government should enforce such agreements rather than oppress the host communities.”

According to Government Participant 2, there should be transparency, accountability and commitment, the company should involve and engage the host

communities in town hall sections. The companies should negotiate and dialogue with the host communities through memorandum of understanding (MOU), so that limits of benefits are directly spelt out and agreed upon. This participant felt that the act of companies doing what they called good will without implementing agreed terms in signed documents like MOU is one of the most important characteristics that affected the relationship. The participant stated that “community must trust the companies, the communities must not be speaking from two sides of their mouth, and there must be transparency on all sides of the relationship.” Partners should not be deceiving themselves otherwise there will be serious problem. Commitments must be kept by all parties in this relationship, oil companies must be transparent and remain committed in order to win the trust of the communities, in this way the communities can overlook little limitations and difficulties from the side of the oil companies. The companies are not actually committed that is why we see the frequent disruption of oil companies operations by the host communities. IOCs participant 4 stated that the communities now verify the commitment of the companies and not just believe anything from the companies. According to this participant, “the communities now check the integrity of the oil companies, and communities now require oil companies to show that they are trustworthy.” According to IOCs participant 5, if the company loses the trust of the community, the community will be insensitive towards the plight of the company, no matter the effort made by the company; the community will tend to be inconsiderate towards the company. This participant went further to say that a good way of building trust is to execute mutually beneficial projects in the communities such projects will

prevent the communities from being violent against the oil companies because they will not want their violence to deprive them of the benefit of the mutual project. IOCs participant 5 cited an example with the provision of community electric power from production facility in the host communities, “the community will allow the production facilities to continue to operate because they see and enjoy the benefit directly; conflicts will be resolved on the negotiation table in such situation.”

According to IOCs Participant 7, there must be trust in the relationship, this is one of the most important characteristics in the process, the companies and communities must do things with integrity, and there must be commitments and dialogue and explanations where agreed terms could not be met on target dates. This participant believes that the oil companies and their host communities should agree on terms of shift in previous agreement on negotiation tables; there must be mutual respect for one another. “The oil companies should be transparent; the companies should apologize to the communities when there are failures in agreement reached and make up to the communities in subsequent budgets.” Furthermore, IOCs Participant 7 stated that the communities must also show integrity and protect oil production facilities in their communities, there should be vision in this relationship, the parties should aim at accomplishing certain goals within set time frames, the companies should secure social license to operate and aim to develop the people before too long in their operation history in the host communities. According to this participant, trust will foster increased understanding among the partners and enable the host communities to appreciate the oil companies amidst the limitations of the company budget for community development. In the words of this participant , “Trust

will enable the companies to liaise with the communities to lobby government to make community friendly policies and also help the host communities to set their priorities, so there will be the understanding of each other's limitations where provisions will be made to accommodate the limitations.”

### **How the oil Company-Host Community Relationship Provided Forum for Collaboration**

Participants were interviewed with one question under this category. The question was, “how has the oil company-host community relationship provided a forum for collaboration? ”

There could be cordial relationship among the different stakeholders that otherwise have uncommon interests, dissimilar missions, and other disparities generating tension, lack productivity and dissolution. The success of this complex relationship will be made possible with regular town hall meetings of stakeholders including community people not just the community representatives, such meetings will allow enough time for ordinary community people to share new ideas and disagreements. Open and inclusive meeting agenda and process will build trust and cordial relationship. These meetings should be conveyed in accessible places to the community people for honest communication to occur. All the 21 participants emphasized the need for ordinary community people to be given the opportunity to speak and share. These participants believe that the town hall meeting is an opportunity for community people and oil company managers to ask questions and manage perceptions on community development budgets and projects, problems or issues could be voiced to the knowledge of all persons.

This will deter corrupt practices and correct wrong perceptions from the communities and the oil companies. The participants believe that this level of collaboration does not exist between the oil companies and the host communities.

Community Participant 4 believes that there are no such arrangements in some communities, though it exists in some other communities. Communities like Omoku and Bonny do have such collaboration and it is discovered that there is no frequent community disturbances. In other communities, once a company vehicle ventures into their territory the communities are on red alert. This participant also stated that “the Ogoni communities are like that and there is no collaboration effort provided by the relationship in Ogoni.” The companies enter secretly into the community and secretly go out without the knowledge of generality of the people. Community Participant 5 stated that the oil companies are currently engaging the communities. “An example is the case between the Ogbe-Ijaw community and Century energy in Delta state, Century has accepted to engage 3000 youths of the host communities, this is very good beginning and rarely happen in the past relationships we have seen.” According to this participant, the new PIB bill considered community participation in the oil business but the government has refused to pass the bill to law, “why would a government refuse to pass a bill that will benefit its own people?. Most of the multinational companies are also lobbying to ensure that this bill is not passed.” This participant believes that there is therefore no forum for collaboration. According to Community Participant 10, the global or general memorandum of understanding (GMOU) plat form provides for continuous discussion, the GMOU encompass all community projects and joins all communities within an oil

company operating geographical area, this is different from the MOU that deals with community projects on case by case or community by community basis. To an extent, the relationship has produced collaboration, the oil companies are trying to bring on board the voices of the community people in order to secure the social license the oil companies require to operate through the frame work of GMOU. Community Participant 10 expects to see regular interface between the oil companies and the communities and believing that the communities will in turn play the role of taking ownership or custodian of the oil companies' facilities within the host communities. IOCs participant 3 stated that "the GMOU provides plat form for regular meetings through a conflict resolution mechanism between the oil companies and the host communities." According to Community participant 8, "there is no constructive engagement between the parties in this relationship, the companies have failed to identify the real leaders of the communities, a chief or traditional ruler is not a community leader." This participant felt that the companies should be able to cut across the demographics of the host communities and touch the different stratum of people that make up the communities. "When chiefs are used they chiefs rule the people and not lead them. The people are forced to comply with the wishes of the oil companies out of a carrot and stick approach, companies or self imposed leaders may not be able to carry the people along for a long time." Sincerity and affirmative actions are required in the relationship. Government participant 1 stated that openness and trust must characterize collaboration, since these attributes are not found in the relationship; it is difficult to say that the relationship provided a forum for collaboration. According to Government Participant 2, the companies are still in business

because there is collaboration to some extent, not all communities have that forum and this could be improved on.

IOCs participant 1 explained what is called mutually assured destiny, where the community electricity provided by the oil company is tied to the oil production; the gas from crude production is used to power gas generators or turbines that power the communities free of charge. This means that the communities will protect production facilities and will not want to shut down oil production since that will mean power failure in their communities. This participant explained that Nigeria has no good electricity provision from the government, the national electricity power supply is very poor or do not exist at all in most host communities. Electricity projects executed by oil companies gives some host communities good quality of life and the last thing such community will like to do is to shut down the operation of the company since the power is tied to the operation of the flow station. This participant strongly believes that collaboration is successful where destiny projects are executed. The participant went further to explain how supply contracts to the communities could help: supply of food stuff to company canteens, boats for company operation, house boats, consumables and employments which depends on the operation of the oil producing facilities...as long as the oil facilities are operating, these services will be needed, so the communities will not shut the companies down. IOCs participant 1 further stated that in a particular oil company, 40% of all contracts go to the host communities to make the communities build ownership spirit in the relationship. The companies also use the MOUs to commit the host communities to provide conducive operating environment and pledge to control all

members of the community not to be hostile to the companies but this is not the case recently. The disappointment of this participant was that “some individuals still break the law to commit acts of hostility.” Town hall meetings are necessary for oil companies to announce to all members of the communities the dealings they have had with the community representative, the progress the companies have made with community projects and for the community representatives also to let the companies know where they have failed or where they have done well, this process is necessary to create awareness of the larger population of the community. It has been observed that companies sometimes select few chiefs and community representatives and also settle such community middle men at the detriment of the entire host community. Town hall meetings are very important to create awareness and build community trust against such settlement cases. An example of this is illustrated by IOCs Participant 1, who stated that there was a particular town hall session when the chief operating officer (COO) of a certain oil company was to announce the amount of money that has been handed over by the oil company to community elders but the COO had body languages of the elders in the town hall not to make such announcement. IOCs Participant 4 believes that the relationship has provided a forum for collaboration, “every company now has a community relations department. These departments are creations based on the crises the oil companies have gone through in the host communities.” This participant also stated that a dedicated management staff is now engaged to manage community relations, community liaison officers are now being attached to projects to proactively engage the communities before a crisis situation is reached, this is an encouraging approach



**Management Policies and Their Consequences.**

Participants were interviewed with one question under this category. The question was, “how would you describe the management policies and implementation strategies applied by the oil companies to manage the relationship? ”

The participants believe that management policies, practices and implementation strategies used by the government and the international oil companies (IOCs) badly influenced community distrust and violence against the IOCs. Specific government actions also ramp up youth restiveness and host communities violence. Community participant 5 stated that the Land Use Act has introduced corruption and insensitivity of government and the IOCs. This participant reiterated that government in the third world countries should be able to make policies that will positively impact areas the government generate their revenues from, positive policies that will directly impact such communities because those communities feel the consequences of such operation. Community participant 5 cited examples of the blood diamond fields in Sierra Leone and the blood crude fields of Nigeria where youths and community leaders are massacred for oil revenues, the participant concluded by stating that such acts should change and good policies made to alleviate the suffering of the people and not suck their blood.

According to community participants 4 and 5, the government’s policies have not help matters, the companies use the government policies as a cover, and the existing government policies do not favour the host communities. These two participants believe that there is this Petroleum Industry Bill (PIB) that is pending in Nigeria. The government has not signed this bill into law because of the host communities phrase in

the bill. Community Participant 4 added that the government has made several attempts to re-define the concept of host communities in order to manipulate the law. According to IOCs Participant 4, gas flaring is one aspect that has influenced policy changes. “ The communities often call for the use of flared gas, the communities perhaps are not aware of the financial implication of implementing such a project, however, a domestic gas supply scheme is now promoted by a policy change to reduce gas flaring and also increase revenue through the use of flared gas.” This participant believes that the oil companies have all keyed into the CSR activities and have standard packages that offer scholarships, construction of good roads and tied electric power generation to oil production facilities, where gas turbines and gas powered generators are run on gas fuel from the production flow stations, this means that a community disruption of the production activities will cut the community electric power supply. This participant felt that this mutually beneficial project made the communities to protect the gas facilities and ensured stable up time. According to Community Participant 5, the hands of the multinationals are tied because they are being guided by government policies in Nigeria, these policies are obsolete, “there is the need to review the policies, they are more than 30 years old.” Community participant 5 argued that the oil companies also operate in other countries and are operating peacefully, “so what is in Nigeria that the oil companies cannot operate peacefully, it is the policies that are obsolete and do not reflect current realities and require change.”

Community participant 10 explained how policies on papers is different from implementation on ground, “there are standard community relations policies applied by

the transnational corporations, these policies are from the corporate world head offices of the various transnational oil corporations in the developed world.’’ Community participant 10 gave an example of Shell company head office in the Netherlands. This participant believes that Shell Nigeria cannot operate with a different community relations policy in Nigeria, and however, implementation in the different localities is the problem due to the influence from the political landscape. Community participant 8 stated that the most popular policies are those of CSR and HSE policies, ‘‘it is sometimes observed that the companies flagrantly disregard their policies, the oil companies discharge large amount of waste indiscriminately causing acid rains and other harmful substances.’’ This participant believes that environment impact assessment (EIA) is not carried out effectively as the companies ought to. However, the oil companies get away with such grievous offences; the same thing happens with the CSR policies. ‘‘The policies are well accessible even in the public domain but implementation of the policies has been the problem’’ (community participant 8).

Government participant 1 emphasized that the law of the government are not friendly to communities. This participant stated that ‘‘elsewhere there are hardly laws that make government own community lands but in Nigeria we have the land tenure, land use act, land use decree and acts that make the government own the oil bearing community lands that bear the oil reserves, such obsolete political laws are not proper and not favorable to the community that bear the oil, these laws should be repealed.’’ The Nigerian government does things beneficial to her; government is isolating itself from the host communities in its policies. There should be a community driven policy, the oil

bearing communities should be the center piece of government policy in this relationship, there is no man that is called government, the communities are what makes up the government so government should not be seen to stand alone, government is expected to protect the people, the companies are obviously standing alone, so the communities become pitiable. An example of this is illustrated by Government Participant 1 , who stated that there is the need for community involvement in technical and non technical base policy formulation process in the tripartite relationship because technocrats are now found in all the host communities, the communities should therefore be involved in issues that will affect their environment. This participant felt that community people should be given opportunities to function at the management level of community relations departments and not just community liaison officers that function as errand boys and girls, such consideration will positively impact the relationship. “There should be a high degree of indigenization of oil company staffers; there should be change in the land law in Nigeria. Oil and gas production should be a basic knowledge of all community people”. This participant also stated that the oil production economics should also be made open to the host communities, so the limitations of the oil companies if any could be considered, the community are stakeholders in this relation and business, so they should be enlightened from oil production to the marketing and not treated as security guards (government participant 1).

IOCs participant 1 explained how memorandum of understandings (MOUs) is an agreement between the company and a host community. According to IOCs participant 1, companies are now looking at general memorandum of understandings (GMOUs) that

deal with agreements with all the communities in an operating area. This is because the MOUs are no longer sustainable; the oil producing companies talk to every host community and have a different agreement with each community in the MOU. This participant explained that conflicting and parallel projects like electricity power projects that link several communities are now taken care in the GMOUs that are more sustainable, though the GMOU takes a lot of time because it is very difficult to get the agreement of the several communities in an operating area, it is the way forward in managing community relations by oil companies (IOC participant 1). IOCs participant 2 threw more light on why there is disagreement. This participant explained that all the stakeholders were not sincere and committed to their roles; this led to confrontation which degenerated the once friendly and germane relationship. “Sincere and adequate implementation of the local content Act will go a long way to address the violence resulting due to distrust” (IOC participant 2).

IOCs participant 3 stated that the oil company policies progressed from community development to sustainable community development and it is now on social performance and has affected the way the host communities perceived the oil companies and their operations in terms of implementation. There are guide lines for executing community based projects on a community by community basis. This participant explained that the GMOU platform has cluster development boards that carry out the implementation of projects but implementing the policy of ensuring who ever will execute a certain project in the community comes from the community and the process of actually picking the company or the person that will execute the work raises some issues

in terms of implementing the policy. According to this participant, “The policy that introduced the GMOU is generally accepted by the communities because there is sufficient community participation, however, the personal interest of people that have been appointed into the cluster development board (CDB) who allocate contracts where financial benefits accrue is just the point at which there is still problem” (IOC participant 3).

IOCs participant 5 stressed the need for an independent body like a non-governmental agency (NGO) to play this mediatory role in checking the plans and implementation, verify this implementation by way of constant audit. According to IOCs Participant 5, “the NGO must be very renowned with high reputation and integrity: (a) highly reputable NGO will not compromise integrity and reputation, (b) Opportunist NGOs should not be used in this relationship.” Company executed community projects are being monitored now; the policy governing project monitoring has evolved. This participant believes that most companies now publicize their performance in different media to create awareness of what the companies do in the host communities, however, “most community people are not aware because they simply do not read the public news media, most of these communities are in the creeks and need site visits and one-on-one engagements to be able to create such awareness” (IOC Participant 5). According to IOCs Participant 6, community relations officers were recruited from non-community oil company staff before now, however the policy has changed and community people are now recruited as community relations officers and this has improved the relationship to some extent.

IOCs participant 7 stated that “policies seen today are adhoc policies, they are parasitic, and the companies see the host communities as a means to an end.” This participant expressed his disappointment when he stated that it is very heart breaking that the local oil companies are copying the policies of the IOCs rather than make their independent policies that will alleviate the suffering of their host communities and bring about mutual benefits. Company policies should be made to carry the host communities as a project that goes through the project management cycle of planning, execution, monitoring, auditing and improving. Furthermore, this participant stated that “companies should stop making policies that recommend the companies to do the minimal requirements to obtain freedom to operate (FTO) that enables the oil companies to operate in a pay as you go approach. The policies are not made to cause the development of the host communities. The oil companies should change this approach of pay as you go policies” (IOC participant 7).

### **How the Stakeholders Define Success in This Relationship and how Successful the Relationship has Been**

Participants were interviewed with two questions in this category. First, “how does the government, host communities and oil companies define success in this relationship?”. Second, “how successful do you believe this relationship has been?”

According to community participant 4, when all the parties smile in the relationship then there is success in the relationship. This participant believes that there has being no success in this relationship because communities sometimes stop violence because they are even tired of perpetrating violence all the time but this is temporary.

Community participant 4 placed the success rate at 40%. This is relative he said, it varies from one community to the other, the relationship that exist in Bonny Island could be at 70%, it is a model others should be able to follow for now, the relationship that exist at Omoku could be at 60% but the rest are at 40% (Community Participant 4). Community Participant 1 and 2 stated that the community sees success as the implementation of community development projects and provision of social infrastructures in the host communities. There is no success in the relationship, the government. These two participants believe that Shell oil and the host community has no success in this relationship. The success rate is place at 30% (Community Participant 1 and 2).

According to Community Participant 5; communities are open to negotiation and discussions all the time in as much as such efforts are perceived to aid the development of the communities. Community engagement and regular participation in the oil company programs is what success is from the community perspective. There has been success, just that communities now expect more due to the increase in expectation. This participant placed the success rate at 60% (Community participant 5). Community participant 10 stated that success is not measured by physical infrastructure, but by the level of free flow of communication and constructive dialogue. Success in this relationship is therefore the level of free flow of communication and constructive dialogue between the oil companies and their host communities. Community Participant 10 placed the success rate at 40%. Community participant 8 defines success as a realization of the expectations and aspiration of the community in terms of visible sustainable growth and development. This participant believes that there has not been



success over the years. The participant stated that “the communities have wallowed in abject poverty, the host communities believe that the oil in their land is a curse and not a blessing because other communities without the crude natural endowment are more peaceful and enjoy good health than the oil bearing communities.” The success rate is therefore placed at 40% (community participant 8). Government participant 1 argued that the relationship has not been successful at all, the communities are getting more sophisticated and the carelessness of government and insensitivity of the oil companies is continuing. “There is neither trust nor seeming head way for a plausible relationship.” Government Participant 1 placed the success level at 30%. Government Participant 2 defined success as the minimal community disruption of production operation in the community. The free flow of gifts and good will between the communities and the oil companies is also seen as success by government. This participant believes that the presence of community development projects on ground in the communities will be another sign of success in the relationship between the oil companies and their host communities. The level of success varies from one community to the other; it is therefore successful in some communities and not very successful in other communities. On the average this participant stated that the success rate could be 65% (government participant 2). Government participant 3 defined success as when the oil companies are operating safely and the community people are happy with government doing its duty in the community with overall peace in the community without disruption to oil production operation in the communities. This participant believes that there has not being success in this relationship; the success rate is placed at 30% (government participant 3). IOCs

Participant 1 explained how the relationship between different communities and oil companies vary, some are relatively cordial, some communities have good understanding of the oil company's finances and other communities do not, it is therefore a mixed result. This participant explained that it depends on the level of trust and collaboration between the different communities and the operating companies within their environment. According to this participant, "some of the oil companies that arrived in the 1950s have lost community trust perhaps due to the way the relationship evolved over the decades and is now very difficult to re-build trust. On the average, the success rate is 70%" (IOC participant 1). IOCs participants<sup>2</sup> defined success in terms of the companies' ability to deliver the CSR such as: employment to deserving community persons, scholarship award, provision of social infrastructures, contracts to indigenous contractors etc. This participant further stated that the communities also see success as spending power; (b) affluence, and (c) physical infrastructural development in the host communities. Companies and government define success as the meeting of set targets devoid of breaches. The relationship is believed to be fairly successful at 45%. According to this participant, "the relationship is fairly successful because, oil production is ongoing, but not without disruptions" (IOC participant 2).

IOCs participant 3 explained that there is success if the daily oil production operation of the oil companies are not disrupted or stopped by the host communities because such disruption accrue extra operating and capital cost to the oil companies. The success rate or level depends on one company to the other, for example, some companies have progressed from community development when companies did whatever they felt

was good for the communities, they have progressed to sustainable development where the oil companies ask the host communities what the communities require and now the oil companies are at social performance where the companies mark the host community needs with the income the companies generate and also discuss such funds with the host community on a table and jointly agree on what projects to execute and actually execute such projects jointly. This participant believes that the success rate is at 70%.

Furthermore, the participant stated that “there is still need for improvement because the process of negotiation of the memorandum of understanding quite often breaks down due to the large expectations of the host communities and sometimes the oil companies lack of openness, the partners needs to improve on this process” (IOCs participant 3). IOCs participant 4 argued that success is all about value. The community wants to derive value from the oil companies and their operations in the host communities. This participant stated that “companies have been observed to employ expats in semi-skilled positions instead of employing the community people as stipulated by the Nigerian law. These activities lead to the disruption of production activities”. This participant explained further, if the companies operation is disrupted and a simple drilling operation runs for months instead of weeks, then there is lose of value and no success because the economics and NPV disappears. Success is also value driven as regards the government, if the revenue to the government stops to flow due to community disruption of production activities, and then there is no value for government and therefore no success. The success rate has increased recently, it is significantly better now, though it varies from one community to the other. According to this participant “It is important to know that

some communities are not shifting grounds at all; they have resolved not to see the oil companies at all due to a stale history in the process . Most communities are not being open and not giving the oil companies the opportunity to help with the required community development” (IOC participant 4). IOCs participant 6 defined success as minimal community disruption to oil and gas production activities, stable oil and gas production. The communities see success as physical developments in the communities, free flow of community contracts, and jobs for community youths. The government sees success as the steady flow of revenue to the federation account without or with minimal disruption of community disruption to production operation activities. According to this participant, the relationship was successful in the 1950s up till 1990s when the community people were largely ignorant of what was happening. This participant stated that “the youths became increasingly educated and awareness increased over the years, the relationship is no longer successful because the community now know their rights and are agitating for the government and oil companies to live up to their responsibilities in the host communities”. The success rate is place at 40% (IOC participant 6). IOCs participant 5 defined success as reduced business disruption, the stability of the business environment, how many shut down or vandalism occurred within a specified period of time. This participant believes that whatever the oil companies do in agreement with the host communities to reduce business disruption from the host communities is what the oil companies call success. According to this participant, before now expat workers move freely in the communities without being accompanied by security operatives, however, this is no longer feasible in the Niger Delta area, this show a level of failure. The level of

success varies from one company to the other and from one community to the other. The participant places the success rate at 30% in some cases and 70% in some cases. The new generations of IOCs and indigenous companies have the 70% while the very companies that started from the 1950s have the 30%. The participant believes that perception is very important in the relationship, perception affects the trust building process, that is why oil companies should be very careful in acts that can cause the communities to have certain perceptions against them (IOC participant 5).

**Sources of Tension and Characteristics Considered Most Important in This Relationship and how They are Dealt With.**

Participants were interviewed with two main questions and one sub-question under this heading. First, “what characteristics would you consider most important in this process?”. Second, “what are the sources of tension in the relationship, and when these sources of tension occur, how are they dealt with?”

The participants related many factors that are responsible for host community distrust and violence against the oil companies in the Nigerian Niger Delta region. According to Yin (2004), the main aim in data clarification is to reduce the textual (the what) and structural (the how) meanings of the experiences of all participants in the study. Merriam (1998) stated that data is categorized by the patterns which emerged from the content analysis. She also recommended that the number of findings should be manageable. Findings show that many factors that are responsible for community distrust and violence came as a result of some root causes. It is therefore imperative to reduce the many factors that are responsible for host community distrust and violence to their root

causes in order to clarify the data and findings in this study. The root cause of community distrust and violence against the oil companies are: Inadequate management policies and implementation strategies applied by the oil companies and Nigerian government, lack of adequate collaboration between the oil companies and their host communities, corrupt management strategies applied by the oil companies and the Nigerian government, use of brutal armed force against the host communities, failures in the corporate social responsibilities (CSR) of the international oil companies, and lack of funding by government in the joint venture with the oil companies.

**Inadequate Management Policies and Implementation Strategies Applied by the oil Companies and the Nigerian Government.** Findings show that factors linked to this main cause of community distrust and violence against the oil companies are: Harsh laws and policies applied against the host communities, failure in implementation of existing policies, poor management of hazardous waste and revenue allocation formula used by the Nigerian government.

Most of the participants complained of government introduction of the land use act that confiscate the community land by government and government becomes the owner of oil bearing land in host communities. The government and the oil companies neglected the communities and carried out oil production activities in the communities without having any regard for the communities or their environment. An example of this is illustrated by Government Participant 1, who stated that the law of the government are not friendly to communities, elsewhere there are hardly laws that make government own community lands but in Nigeria we have the land tenure, land use act, land use degree

and acts that make the government own the oil bearing community lands that bear the oil reserves and deprive the communities from having adequate part of the revenue generated from oil production. Furthermore, he said “such obsolete political laws are not proper and results in community distrust and violence against the oil companies and Nigerian government.”

According to Frynas (2000), chevron noted in 1980 that conformity with the gas re-injection law would claim \$56 million US dollars of Chevron’s budget, while it will only cost \$1 USD each year of violation of the same law. Ikporukpo (1985) argued that given the weight of crude oil to the Nigerian economy, the negligence in enforcing legislature seems to be a deliberate strategy to encourage direct investment of the IOCs in the Nigerian oil sector. According to the UNEP (2011) and Ukaga (2012), the negligence of safety procedures and standards by SPDC exposed the oil producing communities to very high safety, environmental and health risks. Ibaba (2008) also stated that the method of gas flaring adopted by the oil companies in the Niger Delta is very dangerous as the open pipe flare stacks produce very long, noisy, radioactive and black horizontal or vertical flames that result in the worse environmental pollution. It is observed that most governments of the developing world are very inefficient in executing their duties. Government are also surrounded by politics, most times politics triumphs common sense ,services, economics and good governance; even when government recognizes that the goose that laid the golden egg needs to be protected. An example of this is illustrated by IOCs Participant 1, who stated that all the revenue from oil production flow to the federation account in Nigeria, once in a month at the federal level the income is

aggregated and shared among all the federating states and the local governments without a special consideration of the oil producing communities. In addition, he said “this deprives the oil bearing communities the required revenue from oil production in the host communities”. IOCs participant 1 stated that before oil was discovered, Nigeria relied on agriculture and other sources for income. The different communities got 50% of the revenue generated from their farm lands, however the government changed the revenue allocation formula when oil was discovered in the Niger delta region and denied the host communities any entitlement to the revenue generated from their lands. The government did not stop at that, they also introduced a land use decree that confiscated all land where crude is discovered to the federal government and denied the host community right to the revenues from their land. This participant also stated that 10 to 15 years ago, a special treatment was introduced to the oil producing states by the Nigerian federal government called derivation fund where by 13% out of the oil revenue from each state is actually given back to that state. It is important to note that 20% of the total revenue from oil production is given to government as royalties before even cost of production is removed by the producing companies irrespective of the fact that the company is making gain or not. The fundamental definition of royalties implies that this royalty money should be money for the host communities, this royalty money, however goes to the federal government of Nigeria and is shared by all the federating states, irrespective of the fact that the states are producing oil or not. Part of the provision of the 2005 / 2006 host communities’ conflict resolution was to give an extra benefit to the oil producing states but when the 13% comes to the states. IOCs Participant 1 stated categorically that the



state government does not give the money to the host communities; this money is either mismanaged at the state level or compromised with some local government officials. According to this participant, this is the process that affects the relationship the most. IOCs Participant 1 insisted that “the companies not able to fulfill their roles due to policies from head offices and lack of cash flow also affect the relationship, the host communities are left with no option but to distrust the oil companies and become violent against them” (IOCs participant 1).

The indiscriminate discharge of hazardous waste by the oil companies resulted in community health problems. There is a community close to the Okrika refinery jetty for products marketing, it is observed that cancer of body organs is a common occurrence in the young people of this community, this has been traced to the running hazardous waste water from the refinery through the community to the community creeks poisoning food sources and drinking water. Gaseous emissions, oil pollution and poor management of hazardous waste devastate the host communities in similar way. IOCs Participants 2, 3, 6; and Community Participant 8 gave strong statements to say that the government is careless on its regulatory function and allows the oil companies to destroy the host communities in this fashion. The UNEP (2011) stated that soil and ground water was heavily contaminated, vegetation was devastated, aquatic life destroyed and public health under serious threat as benzene and other carcinogenic chemicals are in concentrations higher than WHO and USEPA reports as corresponding to a 1 in 10,000 cancer risk. Hydrocarbon concentration in drinking water samples are at least 10,000 times higher than the Nigerian drinking water standards of 3ug/l, benzene concentration at levels over

900 times above WHO guidelines. The people of the Niger Delta communities know about the pollution of their portable water and its dangers but had no options than to use the water for drinking, bathing and cooking as they have no alternative. The UNEP (2011) report stated that the level of contamination found in the Niger Delta warrants emergency action ahead of all other remedial efforts, but, nothing has been done by the oil companies or Nigerian government, not the least efforts of consulting with the people up till now. IOCs Participants 2, 3, 6; and Community Participant 8 strongly believe that these failures are the causes of community health problems and therefore tension between the companies and the host communities. Diagnosis of cancer in community people have being traced to poisoned food and water sources due to oil and gas production activities in host communities.

**Lack of Adequate Collaboration Forums.** Findings show that lack of adequate collaboration between the oil companies and their host communities is a root cause of community distrust and violence, this factor is also the reason behind: strained relationship between the oil companies and communities, lack of management of community perceptions, lack of partnership and distrust.

Findings show that the source of tension came from earlier activities in the relationship. There is mutual distrust between the companies and the communities as well as the government, there is no trust even on the negotiating table, and the parties suspect themselves. Intra community problem is also a source of tension; the common people believe that the elites in the community collude with the companies against the benefit of the community. The conduct of the companies of not giving opportunities to the

community people, communities always react to this conduct of the companies and it becomes a source of tension. An example of this is illustrated by IOCs Participant 4, who stated that partnership is one of the most important factors in the tripartite relationship, there is dependability, and one partner cannot do without the other. Furthermore, he said “ the oil companies need to partner the host communities and enlighten the communities on the benefits that can be derived from the relationship, this attempt is found lacking from the companies and this influences the relationship negatively.”

The management of perception is one of the important factors in this process. When an oil company goes into a community to carry out oil production related projects, the community normally give a wish list to the oil companies, most of these wish lists are usually unreasonable, so the government and companies need to enlighten the host communities of the responsibilities of each partner in the tripartite relationship and make clear to the host communities the partners responsible for some of the demands that the host community forward to the oil companies. This was illustrated by IOCs Participant 3, who stated that the oil companies need to be very transparent and sincere in their dealings with the host communities and enlighten the host communities on the scale of oil production operations, so the communities are clearly aware of the level of benefits they can expect from the oil companies. “The companies must let the host communities aware of what the companies could do and what is not possible within the operational budget available to the company management”. This participant believes that the oil companies must manage the perception of the host communities in this regards with honesty and sincerity. According to IOCs Participant 1, the host communities ought to understand that

the oil companies are business entities that aim to make profit out of their business even when the companies have the corporate social responsibilities (CSR) to the host communities. In addition, the participant stated that “there is a line where the financial capacity of the oil companies may not be able to carry the expectations of the communities, the government is therefore required to carry out its responsibilities to the host communities so that the host communities will allow the oil companies to operate peacefully in the environment of the host communities.” All these are not happening due to lack of collaboration forums.

The level of transparent communication matters a lot, how plans are communicated to the community people, how oil companies organize town hall meetings with community people are some of the most important characteristics in this process. Oil companies should give account of projects they claim to have executed in various communities and also show annual community budgets they claim to have spent in community developments, this will enable the youths and ordinary community people to be aware of what is actually happening and have the opportunity of asking relevant questions. According to Frynas (2005), Shell claimed in an August 1996 brochure and public paper, that oil flow station in the Kolo Creek village of Bayelsa state was supplying gas to a remote electrification scheme; It was discovered when investigators visited the site in 1997 that SPDC was still flaring gas and there was no such scheme in Kolo Creek (Frynas, 2005). There should be active communication of Oil Company’s performance for community appraisals in town hall meetings, so the community and company representatives may be made to answer questions before the host communities

concerning the status of planned projects in the communities. IOC Participant 5 stated that in many host communities, certain families claim that they are the real host families and others in the same community are not., the relationship is very complex now , no one considers the externalities effect of oil production on neighbouring communities , in some cases communities that host oil production facilities even claim rights more than those that bear the oil reserves and normally try to prevent such communities from playing major roles in forums where important concepts like the General or global memorandum of understanding (GMOU) is being negotiated. Most community people are not aware of what is called oil reserves and how directional drilling could be used to tap reserves which are several kilometers away from a well site or production facility .There need to be adequate collaboration forums that could address all of these information gaps.

**Failures in the Corporate Social Responsibilities (CSR) of the International oil Companies.** Six factors were linked to failures in CSR of the international oil companies , these factors include: Lack of human development, unemployment, and youth restiveness ; violation of the memorandum of understanding (MOU);non-involvement and engagement of host communities in development projects; disparity and neglect in lifestyle between the oil companies and host communities; misunderstanding of the causes of community distrust and violence by the oil companies and disregard of court judgment by the IOCs.

Findings show that oil companies CSR is born out of expectation, expectations the communities have concerning the oil companies and expectations the oil companies

have concerning the host communities. It is like a hand in glove kind of relationship, in this particular venture and enterprise the oil companies have not done well, the oil companies also assume that what the communities expect them to do are what the government of the land should do as a basic responsibilities. An example of this is illustrated by Community Participant 8, who stated that the oil companies present the fact that taxes are paid to government but the government have not lived up to the expectation of enthroning equalitarianism in the host communities by way of providing basic social amenities. This participant also stated that “the companies felt that government is passing on their duties to the oil companies. It is important for the oil companies to pay their taxes and carry out their CSR in the host communities, the oil companies should not do one at the expense of the other”. The issue of CSR should be given a front seat in the management of company funds. IOCs Participant 1 also illustration this fact; he stated that the MOU is basically the frame work of agreement whereby in exchange for providing a peaceful and conducive environment to operate the oil companies will provide certain benefits. Furthermore, he said “this agreements are negotiated ,sadly, most of this agreements are not being implemented most times, so trust began to break down between the host communities and the producing companies, it is also observed that the community demands were becoming so large and demanding that the oil companies are unable to meet the demands”. All that the community knows is that the companies are making money out of the operating areas without considering overhead costs, taxes and royalties to government...IOCs Participant 1 said that “the truth of the matter or actual fact is that the gains of the company is not more than 10 to 12%, about

90% of whatever money made by the oil companies are not theirs.’’ The money actually go for overheads and government taxes and royalties, this lack of understanding is one major problem in the process that drives the communities to make very challenging and unrealistic demands. This is one main reason why MOUs are not signed on time since an agreement terms is not met, it sometime takes several years for some MOUs to be signed, because the terms of demands will negatively affect the economics of the oil and gas business. There were instances where the oil companies reluctantly signed off MOUs and it becomes difficult to implement, sometimes down turn in oil prices make the oil companies not able to deliver their promises around the already agreed MOUs. In cases such as low oil prices, good collaboration history could help the companies, as the communities will see reason with a friendly partner in times of difficulty, however, the case cannot be the same for an unreliable and deceitful partner. IOCs Participant 1 exposed an implicit fact that may have been responsible for failures in CSR, he stated that most of the community commitments have to be sanctioned by overseas head office of the international oil companies, most times the decision makers in the overseas offices do not have very good grasps of the fundamental issues at the area of operation and most times the approval of such commitments are subject to planning and budget caps established for the year of operation. This participant gave examples as : ‘‘Shell head office in Hague, ExxonMobil in Dallas and Chevron in san Francisco already established very rigid caps in terms of what is community support projects for a fiscal year but it turns out that the best negotiation the company will get with the community is restricted to the budget caps and difficult to make provisions outside these caps’’ (IOCs participant

1). When the government approach of using armed brutal forces against the host communities failed, it attracted community distrust against the oil companies and the government. According to IOC Participant 5, “you are as secured as how comfortable the people around you are.” The oil companies worked in the host communities and are therefore closer to the communities; the companies cannot be living in affluence in the host communities while the people of the host communities live in abject poverty that is a very high level of insecurity by itself. This participant insisted that fences as high as mountains do not wade off the poverty around the fences and such high fences do not give protection to the oil companies against the surrounding community poverty (IOC participant 5).

According to Community Participant 1, a host community in the Alakiri area of Rivers State was displaced by an IOC and the community took the oil company to court, however the IOC did not obey the court judgment, the IOC sponsored third parties in court and appealed court judgments, there was also judgment in the appeal court in favour of the host community and still the IOC did not obey the judgment, the IOC bought arms for third parties to fight against the host community instead of obeying the judgment, this was a divide and rule mechanism applied by IOC against the host community. This participant also stated that “the IOCs take advantage of a corrupt and weak Nigerian government, otherwise, there is no reason why an ordinary oil company will not obey a Nigerian court ruling and also behaved in whatever way the company decided to” (Community Participant 1). Frynas (2000) stated that evidence from the analysis of the legal system in Nigeria support the state prejudice against the host



communities. Idemudia (2007) and CNN World 2003; have it that Mobil Producing Nigeria Limited (MPN) refused to comply with a Lagos court judgment that awarded 10 million USD to three oil producing communities that were polluted with over 40,000 barrels of crude oil spill in 1998, the ruling was argued and appealed while the Niger Delta people suffered in pains introduced by MPN's operation in the area. A similar ruling by the federal high court in Port Harcourt against the SPDC was also argued by SPDC and the Ijaw aborigines were not paid the \$1.5 billion damages for environmental devastation, SPDC was advised by the Nigerian national assembly to pay the court fines, but, SPDC refused to pay the fines, SPDC neither paid or negotiated with the people of the affected villages for alternative solution (This day news, 2006c).

According to IOCs Participant 6, the relationship is characterized by violence from one community to the other for more than 30 years now. There is sometimes intra-community violence due to cash settlement that short change other members of the communities. This eventually affects the oil companies. Government Participant 1 felt that insensitivity on the side of the oil companies and not moving with the trend of time that the host communities have developed is the most important factor that negatively affected the relationship, the awareness of the community people increased rapidly in recent past and this led to youth restiveness and violence against oil companies insensitivities in the process. According to Government Participant 3, the government instead of playing mediatory rule, take sides with part of the communities where the government has interest and sympathy and give false information to incite the part of the community they have sympathy and even join the companies to give arms to the

community youths to fight themselves, this is what tears the communities apart and introduce criminal tendencies like kidnapping and vandalization of pipelines and even militancy because the companies and the government empower the youths of the communities by providing fire arms to them .

The host communities see the oil production activities on daily basis, everything is about money, the communities know the worth of the oil and when they feel that they do not have good share, they do not have infrastructures, no good roads, no good hospitals , no electric power supply...It is only natural for the youths to agitate .The community has access to information, some community employees have access to production data and cost of crude, so it is not difficult to estimate the worth of the daily oil production. Tension begins to build up when communities continuously feel that they are being left out, coupled with issues of pollution, oil spills, environmental degradation per company oil production, when you take a good look at the Niger Delta area, you see that fishing has taken a back seat because if you fly over the Niger Delta area, most of the Rivers have been completely polluted by oil and gas spills into the rivers and creeks. The farm lands and fishing rivers could no longer support commercial farming and fishing due to very heavy pollution, the only substitute the communities could have is financial rewards, but the money is not flowing in terms of business support, cash payments, and even non cash benefits like hospitals with free medical services, and schools that are free. If these things are there, the tension will be reduced to the very minimum; the source of tension is caused by the fact that people in the host communities constantly wake up with poverty in the midst of perceived plenty. Such environment in any human system cannot bring

peace, it can only aggravate tension because any humanity is geared up for survival and when the survival is challenged the people will surely rise up against it (IOC participant 1).

Failure to keep agreement in the memorandum of understanding (MOU) is a measure source of tension in this relationship because the youths get restive against the oil companies that failed to keep such agreements. The youths and the way they react to issues is another source of tension. The oil companies seek protection from government when the companies feel threatened by the host communities; government act of using brutal force against the host communities in attempts to prevent the host communities from disrupting oil production activities is a major source of tension (IOC participant 3). The management process of the GMOU is a source of tension. Most communities do not accept the implementation strategy of the GMOU due to the disagreements among the various communities. The GMOU provides a forum for company-community collaboration through the project management committee ( PMC), however, the community representatives in this committee focus on awarding contracts to themselves, so this is a major source of tension rather than collaboration ( IOC participant 6 ). The policy that introduced the GMOU is generally accepted by the communities because there is sufficient community participation, however, the personal interest of people that might have been appointed into the cluster development board (CDB) that now do the actual allocation of contracts where financial benefits accrue is just the point at which there is still problem (IOC participant 3).

The oil companies do not consider the indigenes of host communities in employment, even in NNPC which is a government owned Oil Company; the employment of Niger Delta people is not up to 10% of the total employees of the NNPC. The late president Yaradua stated this point categorically before giving amnesty to the Niger Delta youths. What credibility will such a government have to direct or advise the oil companies to employ people from the host communities, there is no moral justification whatsoever, there is no sympathy or empathy from these people for the host communities. The oil companies give scholarship to community youths and give them contract jobs that expire in months. These youths still go back to the violence against the communities; the companies should engage the communities in meaningful employments and empowerment (Community participant 4).

The partners are not living up to expectation in this tripartite relationship. The community rather than provide security has been seen to kidnap company staffers which make the oil companies spend more money for ransom. The companies some times are compelled to employ unskilled indigenes of the host communities for professional positions, it is not in the interest of the companies' safety to employ community people that are not qualified for such positions, in that particular instance the oil companies do look elsewhere because they cannot compromise standard and quality. The companies in some cases try to subvert government regulations in terms of tax evasion, basic wage evasion and environmental sanitation levies, rather than pay the requisite fees the companies try to appease some of the government officials to manipulate the records in the favour of the companies. It is therefore clear that the respective partners have not

been carrying out their roles as they should and this has been a major problem in the relationship. Government officials tend to influence company employment by introducing relatives or even influence big contracts to their personal favour (community participant 8). There were instances where community youths graduate from university for more than 10 years without having jobs, unemployment is heating very hard, this makes it very possible for people to be easily bought over and used by any group of people to cause any problem. Little employment opportunities could positively engage the Niger Delta youths and make them bread winners of their families and this will have a magnified effect in maintaining peace in the host communities (IOC participant 5).

Lack of human development is what results in militancy. The government of Nigeria did a good thing for the Niger Delta. Criminality has to be separated from genuine community demands; the government recognized the genuine agitation of the youths and granted amnesty to the youths and find ways of rehabilitating the youths. The production of oil dropped from 2 mmbopd to just 0.5 mmbopd when the militancy issue was at its height but the amnesty program restored the oil production back to 2 mmbopd. The oil companies have all keyed into the CSR activities and have standard packages that offer scholarships, construction of good roads and tied electric power generation to oil production facilities, where gas turbines and gas powered generators are run on gas fuel from the production flow stations, this means that a community disruption of the production activities will cut the community electric power supply. This mutually beneficial project made the communities to protect the gas facilities and ensured stable up time (IOC participant 4). The oil companies should train the youths in entrepreneurial

skills that do not solely depend on company employment because employment vacancies are no longer enough for the teeming youths, this is why the companies should assist the communities to think out of the box and become very creative. The government and IOCs need to join efforts in creating these innovative skills and competence in the community people since the oil companies have destroyed the source of livelihood of the communities through the devastating oil and gas pollution of the host community farm lands and fishing rivers. Scholarship schemes should be diversified to include entrepreneurial skills because sending all the youths to petroleum related skills alone even causes more harm since these youths become more aware and of oil and gas activities without being employed by the oil companies (IOC participant 5).

According to Community Participant 8, the oil companies are not adopting a holistic approach towards their corporate social responsibilities (CSR). The companies also do what is called divide and rule, the oil companies selectively pick on some prominent members from the communities and then give cash gifts, monetary gifts, contracts etc to get such community people compromised with the gratification given to them at the detriment of the entire community. This participant stated that the oil companies look for few individuals and appeased such individuals rather than provide basic social amenities like roads etc for the host communities, this practice has not gone done well with the generality of the community where a few community people are given some petty cash gifts by the oil company at the detriments of the community itself. The companies do this with the mindset that these individuals will exert undue influence on the generality of the community, off course, oppression has a limit through which it can

strife, it is obvious that the people are beginning to fight back in total rejection of this crude tactics by the oil companies. Community Participant 8 believes that if the oil companies could adopt a holistic approach and take their CSR activities seriously, the issue of divide and rule will not be there and settlement of few community people may also not be there at the detriment of the whole community. Community Participant 4 stated that in 1999, the Okrika community that co-host the two NNPC subsidiaries with the Eleme community went to demand for jobs at the Port Harcourt Refinery gate, the government incited the Eleme community against the Okrika community and there were communal clashes, the employment was not given to the Okrika community or their neighbouring Eleme community. ‘‘These are the sort of divide and rule tactics the government and the companies use in the communities to cause confusion’’ (Community participant4).

Government Participant 1 believes that the Nigerian government and the oil companies use ‘‘smoke screen’’ approaches, they are not sincere; the government is careless and did not consider the plight of the host communities and constantly oppress the host communities with brutal force. The companies use the divide and rule mechanism; there are certain chieftaincy institutions that are vulcanized by the companies themselves. When oil companies arrive in host communities and observe perceived rivalries, the companies feed some part of the communities against the perceived rivalries and set confusion among the community members while the company carries out its oil production activities. Government Participant 1 stated that ‘‘the companies use the Nigerian government so effectively because of certain financial interest of the

government in the joint venture with the companies, so the government brutalize her own people rather than play a mediatory role between the companies and their host communities”. The community is at the receiving end here, the community is at the end of the entire relationship. The government and oil companies should be straight forward in their activities that impact the relationship with the community. Government participant 1 felt that there should be no wide difference in the treatment between the company staffers and the people of the community who live in the lands where oil is produced.

Government Participant 2 felt that the tension is being created by the oil companies some times, the oil companies engage chiefs that are not leaders or delegated representatives of the host communities. The oil companies also cause division in the host communities so that there will be disunity in the communities while the oil companies continue to carry out oil production operation. According to Government Participant 2, these are the major sources of tension in the relationship between the oil companies and their host communities.

**Corruption Management Strategies Applied by the oil Companies and Nigerian Government.** Three factors are linked to Corruption management practices, these are: Lack of infrastructure and social amenities in the host communities; environmental pollution, degradation and reluctance to carry out remediation of polluted environment; and settlement, divide and rule strategies used by the IOCs.

Findings show that the government established different agencies to resolve the problems of the host communities, however, there was a deep institutionalized



“corruption cancer” among the different government agencies and officials. This made these officials not to carry out the community development duties, they rather diverted the funds to their personal use in evil collaboration with some community chiefs and IOC staffers. Examples of the agencies established by government were: the Niger Delta development commission (NDDC) and Oil Mineral Producing Areas Development Commission (OMPADEC). Ukiwo and Ibaba (2012); and Frynas (2005) stated that the Nigerian government established different institutions (OMPADEC, NDDC, Ministry of Niger Delta) to take care of development of the Niger Delta, but, the institutions keep on failing over the years because of serious corruption. The people of the host communities therefore did not see these agencies as helpful. An example of this is illustrated by IOCs Participant 6, who stated that there was the Willink commission appointed to find out the worries of minorities and the means of alleviating them. The Willink commission came up with the report of July 1958, recommending that the Niger Delta should be developed by the Nigerian federal government, up till now no commensurate development is seen on ground in the Niger Delta region. Furthermore, he said “government provides the regulatory bodies like the department of petroleum resources (DPR) and the National Oil Spill Environmental Agency (NOSRA). However, the same government sometimes takes the compensation money meant for communities and fails to clean up of spills in the communities. These government agencies most times collude with the oil companies to evade the best practices. The oil companies take advantage of the weak government and regulatory agencies and operate without respecting the operational standards.” According to IOC Participant 7, some officials of the federal government are far away from the

people and do not represent the interest of the people, this participant insisted that “the Nigerian government is courageously corrupt and had no regard for the host communities. This is why the communities do not see the reason why they should provide an enabling environment for the oil companies to operate without disruption in their operations.”

According to Community Participant 10, the nonchalance of the transnational corporations in handling environmental pollution and degradation is the major characteristic that is most important in influencing the state of community distrust against the oil companies today. The host communities are traditional communities whose main source of livelihood depends on their environment. According to this participant “A community that was called food basket is now looking for where to have a meal for the day, the community people lost the pillars of their livelihood, most host community people had only little education due to poverty, the only option left for the communities was therefore to rise up and fight the oil companies in their territory.”

Findings show that some of the transnational oil companies are not applying the international standards in oil production activities, Major oil spills have been left unattended to by very big international oil companies for months, the companies rather argue that such spills are due to sabotage even when the spills could have resulted from the ageing oil facilities, the oil companies take advantage of the weak and courageously corrupt Nigerian government officials and regulatory agencies. This was illustrated by Community Participant 10 when he stated that the companies only concern was the flow of oil and the cleanup of oil spills was not taken seriously, they companies either blame

oil spills on community sabotage or carry out skeletal cleaning that do not restore the original condition or remove the impact of the oil from the affected soil or river, this affected the livelihood of the host communities and led to gradual erosion of good relationship between the oil companies and host communities over time . According to IOCs Participant 4, the department of petroleum resources (DPR) should normally joint investigation task force teams with the oil companies and the host communities to investigate spills and promptly recommend solutions to oil spills, however, the DPR depends on the oil company logistics and often times do not appear in such investigation missions. Oil companies should respond to oil spills promptly; most times the companies are reluctant and leave the helpless communities to struggle with oil spills in desperate attempts to save fishing creeks and farm lands. This sometimes makes the host communities react violently against the oil producing companies. ‘‘It is important that global standards of spill response are applied to oil spills in the host communities’’ (IOC participant 4). IOC Participant 5 stated that the Nigerian government do not have the capacity to monitor events of the oil companies, the government do not have the logistics, they government depend on the oil companies, if the oil companies do not inform the government of any oil spill, the government will not ever know of such oil spills, ‘‘there is no surveillance program run by the Nigerian government’’ (IOC participant 5). This is further illustrated by IOCs Participant 6, who stated that the communities carry out peaceful protest in time of oil spills and call for joint investigation visits (JIV) with the oil companies and the government. ‘‘Oil companies delay their response in cleaning up spills and most times blame spills on sabotage and refuse to compensate communities for the

destruction of farm lands and fishing rivers’’ ( IOC participant 6). Oil spills were not cleaned promptly by the oil companies, this made the communities to hate the oil companies from the bottom of their hearts, government was not doing their regulatory duties effectively and that encouraged the oil companies to be very careless in their daily oil production activities. Most promises made by companies to the host communities were not fulfilled, the communities felt that they have no stake in the oil business because foreigners take up their jobs and contracts and are flourishing while the community people languish from the ill effects of oil production, poverty and unemployment. IOC Participant 7 believes that the communities see the oil business as a trade between the federal government and oil companies.

Findings show that the most effective party to deal with these tensions is the oil producing companies because they interact with the communities on a daily basis. The Nigerian government takes the lion share of the oil and gas production business but the Nigerian government is just an administration somewhere at the state capital or federal capital. An example of this is illustrated by IOCs Participant 1, who stated that the oil company is in the best situation to handle or deal with the tension. The oil companies have to handle the engagement with the host communities and identify the best areas where they can meet the needs of the communities within the limits of their budget and also follow through with the commitments. This participant stated further that the oil companies also have to be transparent and let the communities understand how low their margin is on every single barrel produced. In addition, he said ‘‘this is necessary because the host communities do not appreciate that the lion share of the oil revenue does not go

to the oil companies. The oil companies face the brunt of maintaining a very cordial relationship with the communities which involves making investments, engaging the communities and providing services out of the margin of the oil companies”.

According to IOC Participant 5, the community representatives collude with the oil company staffers to falsify project records, projects are considered concluded when nothing was done on ground, the oil companies do not really audit and verify projects on ground, most of these projects do not exist. The very important road called “East West Road” that connects the Nigeria Niger Delta Region to the rest of Nigeria has been dilapidated for decades and government has done virtually nothing about the state of this road” (IOC participant 5). Community Participant also stated “how can the community go to the company gate to fetch water?”. This participant stated further: “when I was in the secondary school close to the Port Harcourt refinery, I could still remember that the government gave water to the school but did not give water to the community that host their pipe lines to the jetty base, the community struggle to fetch water at the gate of the NNPC or the school, this is very disappointing” (Community participant 4). IOC Participant 1 related his anger when he said “it is annoying when oil and gas is produced at the door step of the host communities and they do not have electricity, no portable water, and no good schools for kids to attend and there is extreme poverty...the only option the host communities have is to rise up and fight.” There is communication gap and lack of transparency on the part of the oil producing companies; this is a major source of tension.

The oil companies presently use the settlement approach to deal with the communities. The companies gave money to some selected people from the communities and give such people cash money which results in conflict among the community members and triggers violence against the oil companies. An example of this is illustrated by Community Participant 4, who stated that the Finima community in Rivers State was moved from their homes and most of them died out of frustration because the source of their livelihood were destroyed by the oil companies and Nigerian federal government joint venture partners . “This practice is very bad and heartless from a government against its own people” (Community participant 4). The peace in the relationship is very fragile, settlement calms the nerves of the irate youths for a while but when the settlement money get exhausted and the community people start observing oil pollution from the companies, the communities start the trouble all over again. Government Participant 3 stated that the government officials are sometimes involved in giving false information to some part of the communities and inciting one part of the community against the other. This participant stated that “the government and oil companies use cash settlement to selected people in the communities and encourage such people to cause confusion in the communities so that the entire community will not speak with one voice in making demands to government and the oil companies” (government participant 3). Community Participant 4 seems to support this fact when he stated that the same tactics was used by the government and LNG management at the Bonny LNG, there was crisis about employment in 2002, the government locks up the gate as usual and the slots were shared among the government officials for their relatives in collusion with some elites. The

government never made the employment vacancies opens to the communities, they never allocated positions to the communities and did not employ based on merits for those who are more knowledgeable to take up the jobs, this discourages the youths from reading hard or working hard to get anything on merit. The youths lust trust of the system. This participant insisted that “the youths sometimes become unruly and criminal because they want attention from the government and the companies. This is because the youths are not meaningfully engaged by the government and the companies” (Community Participant 4). According to Community Participant 1, Shell is today suffering from what they introduced themselves, the third party they sponsored and empowered with arms are today the same persons that vandalize the Shell pipe lines. Shell sponsored community people, gave them guns and encourage them to fight other communities. “This same people form a large part of the Niger Delta militants that fought against shell” (community participant 1 and 2). Community Participant 1 stated that one of the host communities near the Port Harcourt refinery came up with an idea to resolving this militancy issue. An NGO met with the community and discussed this idea with some government official and Shell Officials. The host community thought that the best approach to stopping militancy is to open a games village and a skill center where ex-militants should be trained in different professional sporting ventures and skills, this is necessary to occupy their mind set and enroll them in gainful employment or certain profession that could expose them to international professional sports for them to earn good living when they graduate. The host community provided a land for this purpose, had meetings with NGO that promised to link the community to some foreign trainers

that will come in to train these people. “The idea was introduced to Shell and the government, meetings were held several times in the Port Harcourt hotel presidential premises. The government and Shell did not help to see the community through this idea” (Community participant 1).

Community Participant 5 expressed his frustration with the Nigerian government that has not been able to put programs that engage the youths. This participant believes that foreign countries and oil companies that encourage illegal oil in the black market have made the youths to taste good money, so it is only the government that can introduce policies and laudable programs that engage the youths and also empowering members of the communities. In addition, this participant stated that the government sometimes introduces cash settlement in communities to create tension, “a civilized government will not share money to communities for any reason; this is a tactics politicians use to cause divide and rule in the communities. The famous Nigerian government amnesty program for the Niger Delta ex-militants is a settlement program because it does not engage the youths; it only grants little monthly allowances to the youth, the training program did not cover all the ex-militants and the boys have no work after training” (Community participant 5).

According to Community Participant 10, the oil companies carry out selective engagement of the community people, the companies do not paint an inclusive process to involve and enlighten the ordinary people on the daily activities of oil production activities and the need for ownership on the part of the communities. The oil companies deal only with those that are accessible to them, this went on for years to the extent that



virtually every person in the communities lost trust over the company or self imposed community leadership, this process led to the destruction of the governance institutions in the communities, constructive communication was lost, the community leaders no longer had control of the community people, there is so much distrust even within the community that communal control is lost, the community people seem to function in pockets of groups in dealing with the companies. This participant believes that the government separated herself, government presence was not felt at all, and government only sends brutal forces to oppress the communities when there is conflict. “Government act of community oppression further degenerate the poor relationship between the parties. There is the need for vibrant and credible civil societies to mediate between the oil companies and their host communities to help pick the pieces” (Community participant 10). These same facts were supported by Government Participant 3, who stated that in the process of oil production operations, the oil companies introduced divide and rule. This participant insisted that the oil companies gave cash gift to different sections of the communities and incited the people against each other on matters like ownership of lands and chieftaincy issues so that the communities fight themselves while the oil companies continue their operations without community disturbances. “There were instances when the company through its staffers actually bought arms for some people of the communities to fight themselves. This is the major source of tension in this relationship” (government participant 3).

**Use of Brutal Forces by Government and IOCs.** Findings show that the deployment of armed brutal forces is not a solution; government must involve and engage

the communities in negotiation efforts. Community Participant 5 stated that the presence of the military on the creeks have only increased the vandalism because the poorly paid military only end up joining the youths to carry out oil bunkering in the creeks. This is further illustrated by IOCs Participant 5, who stated that the Nigerian government protected the Shell oil company because a large part of the Nigerian oil blocks were operated by Shell, the other companies did not enjoy the same level of protection from the federal government, so such companies embraced the host communities and created good relationship with the host communities. In addition, this participant stated that “the consequences are very obvious today. Shell has divested the most from the onshore oil fields that are in or around the host communities. The cost of production increased dramatically, the cost of damage from oil facility shut downs by communities also increased, cost of operation due to community agitations also increased.”

IOCs Participant5 explained that the history of the relationship matters a lot, oil companies that were not friendly with the communities over the years lost the trust of the communities while the other companies that embraced the communities now have relative peace. The relationship therefore varies according to the host community and oil company involved. According to IOCs Participant 3, government act of using brutal force against the host communities in attempts to prevent the host communities from disrupting oil production activities is a major source of tension. This participant also stated that, the communities usually apply blockades at the entrance and exist of oil production facilities to prevent movement of company staffers in and out of the oil facilities. What the oil companies do after reaching out to the government is to identify the community leaders

that are championing the blockade and negotiate with such leaders outside the terms of the memorandum of understanding signed with the host communities. “Where this approach does not work, the companies normally call for armed soldiers to confront the community people and forcefully dismantle the blockade and disperse the host community gathering” (IOCs Participant 3). Typical illustration was the 1991 massacre of 20 folks in the Rivers State Umuechem community by the SPDC engaged police force. Ukaga, Ukiwo and Ibaba (2012) stated that the peoples’ complaint of destruction of their farm lands and fishing rivers was met with the joint venture partners’ brutal destruction of over 495 living properties of the villagers and massacre of the people. This was the last straw that broke the camel’s back. Organizations like the Asari Dokubo led Niger Delta Volunteer Force (NDVF), Ateke Tom led Niger Delta Vigilante (NDV), Ijaw national congress, Ijaw youth council (IYC) among others were formed to combat the ill treatment of the IOCs and Nigerian federal government (Ukaga, Ukiwo & Ibaba 2012). In a related statement, these authors also explained that the Nigerian government set up “Amnesty Program” for the Niger Delta militants (the violent youths) to focus on their individual needs, neglecting the fundamental issues that fuel the hostility (Ukaga, Ukiwo & Ibaba 2012). According to Boele and Wheeler (2001), Shell operations were not possible unless brutal military raids were undertaken for short term economic activities to commence, slaying community members and their leaders (Boele & Wheeler 2001). The Ogoni youths and leaders stood the oppression and repression till Shell officially stopped oil and gas production in Ogoni land in 1993 January. The SPDC was prohibited from entering Ogoni land for any oil production

activity since the death of Dr. Ken Saro Wiwa in 1995 and till now not even the Nigerian government could dare the Ogoni land.

**Lack of Funding by Government in the Joint Venture.** Findings show that one of the main factors that aggravate this tension is the oil companies' joint venture with the government. This was illustrated by IOCs Participant 1 , who stated that “ the government most times fails to provide their own share of the money for overheads in cash calls and this put a lot of strain on the company finances to an extent that companies sometimes fail to fulfill their promises to the communities” (IOC participant 1). Funding is a major problem between oil companies and the Nigerian government; both partners are in a joint venture arrangement, the government is not making her contributions to this joint venture promptly. IOCs Participant 4 stated that there were cases when oil production projects and community projects packed up or were delayed for a long time due to lack of funding. “Every hand needs to be on deck so that the larger Nigerian society will continue to get maximum benefits from oil and gas production in Nigeria” (IOC participant 4). The Nigerian government takes the lion share of the oil and gas production business but the Nigerian government is just an administration somewhere at the state capital or federal capital. The oil company is in the best situation to handle or deal with the tension. The oil companies have to handle the engagement with the host communities and identify the best areas where they can meet the needs of the communities within the limits of their budget and also follow through with the commitments. The oil companies also have to be transparent and let the communities understand how low their margin is on every single barrel produced. This is necessary

because the host communities do not appreciate that the lion share of the oil revenue does not go to the oil companies. The oil companies face the brunt of maintaining a very cordial relationship with the communities which involves making investments, engaging the communities and providing services out of the margin of the oil companies.

### **Documents and Records Recommended by Participants**

Documents are published in company journals and are in the public domain, there are the concepts of global memorandum of understanding (GMOU) which are also in the public domain. There are well known cases of government attacks on various communities like: Oddi and Oyakoromo attacked by government armed forces, these are everywhere and can be easily accessed by anybody (Community participant 5).

Documents from the Amnesty international web sites will give good idea of this phenomenon, such documents are: “Bad information” co-authored by Amnesty international, “No progress made”, “the true tragedy”. These documents will give some insides of the failures in this relationship (community participant 10).

Issues of militancy in the Niger Delta area. Unrest in the Niger Delta region. The Niger Delta Crisis and advocacy for peace by the Nigerian press, a content analysis of selected Nigerian news papers by Dr. Godwin Okon is a good source of information on this part of the phenomenon under study (community participant 8). Documents do exist on the budgetary provisions for communities; GMOUs are translated into annual budgets in terms of community development projects, good records of financial planning and exposure are normally kept by the oil producing companies. Examples are the provision of: Cottage hospitals, scholarships and reclamation of swamp lands, though the bulk is on

cash settlements given by the oil companies to the host communities, these settlements may not have any public records (IOC participant 1).

### **Further Consideration of Participants**

Government participant 3 stated that there was the trust building effort initiated by president Jonathan Godluck that so engaged the Ogoni people and the entire segments of the Ogoni communities were participating and even calling for a particular indigenous oil company to enter Ogoni land to operate, however, that effort has been silenced since president Good Luck Jonathan left office. According to government participant 3, the step of the Jonathan government was a right step in the right direction and should be encouraged rather than being swept under the carpet (government participant 3).

Government in the third world countries should be able to make policies that will positively impact areas the government generate their revenues from, positive policies that will directly impact such communities because those communities feel the consequences of such operation. Examples are the blood diamond fields in Sierra Leone, Nigeria has the blood crude fields where youths and community leaders are massacred for oil revenues, these things should change and good policies made to alleviate the suffering of the people and not suck their blood (Community participant 5).

### **Summary and Transition**

This research was an exploration of the root causes of community distrust and violence against the oil companies in the Nigerian Niger Delta Area. The case was the Ogoni and neighboring communities distrust and violence against the international oil companies that operated in and around the Niger Delta region. The interview protocol

that I devised from a review of the literature was designed to ascertain the views from the community people, oil company staff and the officers of the Nigerian government about the root causes of community distrust and violence against the oil companies and the elements that may be necessary to address the root causes.

The case, host communities distrust and violence against the oil companies in the Nigerian Niger Delta was complex and makes the need for concrete evidence among the three stakeholders: the government, oil companies and the host communities. The relationship among the stakeholders was initially cordial but subsequently became strained industrial relationship as defined by the literature. The data revealed that the relationship has been cordial initially, the host communities however had great expectations from the oil companies and the Nigerian government, the relationship started deteriorating and became tensed when these expectations were not met by the oil companies and the Nigerian government.

Success in the relationship was defined as the level of development and peaceful nature of the host communities for the purpose of oil production activities. However, success was also measured as stable oil and gas production with minimal host community disruption to oil and gas production activities which creates value for the implementation of community development projects and profitability for both government and the oil companies.

The root causes of community distrust and violence against the oil companies were identified as inadequate management policies and implementation strategies applied, lack of adequate collaboration between the oil companies and their host

communities, corrupt management strategies applied by the oil companies and the Nigerian government, use of brutal armed force against the host communities, failures in the corporate social responsibilities (CSR) of the international oil companies, and lack of funding by government in the joint venture with the oil companies. Most participants specifically noted that some government laws are harsh to the host communities and need to be changed. These findings are further explored to a conclusion in Chapter 5.



## Chapter 5: Discussion, Conclusions, and Recommendations

### Overview

The aim of this research is to (a) establish how the roles of the different stakeholders in the relationship between the host communities and the oil companies resulted in community distrust and violence against the oil companies in the Niger Delta area and (b) to present recommendations for suitable practices to manage this phenomenon in Nigeria.

I chose an instrumental single case study approach to provide an exhaustive view of the case. The case of the Ogoni and neighboring communities distrust and violence against the international oil companies (IOCs) that operated in and around the Nigerian Niger Delta region was chosen as a representative case comprising many of the complexities of host communities distrust and violence against oil companies.

I gathered the primary data from interviews that I conducted with 21 participants from the host communities, government, and oil companies. I selected the participants because of their roles and experiences in the relationship between the oil companies and their host communities. Homans (1958) stated that people always evaluate different options available to them, so in choosing from the different options, people will be loyal and reciprocate good will to the partner if they see the partnership as rewarding and fair, but, will be aggressive to the partner if they see the partnership as a problem that does not benefit them. Homans concluded by stating that such disrespectful treatment of people by their partner, will make such people disapprove of the partnership. I sought to understand the relationship that existed among the partners. The participants' experiences provided

meaning to the relationship. It is their roles, feasibly, that caused host community distrust and violence against the oil companies in the Nigerian Niger Delta region.

The case is complex because the relationship between the oil companies and the host communities not only involved multiple stakeholders, but those stakeholders are of different organizational culture, different beliefs, and different objectives. Four main categories of findings are considered for discussion: (a) relationship and trend of relapse, (b) management policies and implementation strategies, (c) collaboration process and performance and (d) the root causes of community distrust and violence. Yin (2003) stated that data analysis and reporting consists of examining, categorizing, and recombining the evidence to address the initial propositions of the study. Stake (1995) confirmed that data analysis should be grounded in “detailed description” and “categorical aggregation.” Merriam (1998) affirmed that themes or categories reflect the purpose of the research study. The major and minor themes, which emerge from the data, will support answering the research questions. The findings are therefore discussed in four categories that reflect the purpose of the research study and illuminate the phenomenon in the case study to recombine the evidence to address the initial propositions of the study.

### **Relationship and Trend of Relapse**

The findings show that the relationship was originally not complex, was simple and friendly. The relationship is now very intricate, severe, aggressive and tense. The host communities initially responded to violation of agreements by the oil companies with peaceful protest and dialogue, but the oil companies either ignored the communities

or used armed military men to disperse the community gatherings. An example of this is illustrated by Community Participant 1, who stated that the exploration activities started in the 1940s and a successful exploration was dated to the 1956 in Oloibiri in Nigeria. Furthermore, he said “The relationship was originally not complex, was simple and cordial. The relationship is now a very complex, grave, violent and strained industrial relationship that is very challenging and many at times disrupting the operation of the companies and the host communities feeling cheated.”

The increased education and awareness of the host communities over time made the communities to put more pressure on the oil companies over lack of social amenities, unemployment, poverty, pollution and other problems that led to the disruption of oil production in the host communities. An example of this is illustrated by Government Participant 1, who stated that the oil companies pollute the environment without carrying out prompt cleaning exercises in the 1970s. Furthermore, he said, “that is a major issue now, because the community go to all lengths to confront the companies for such clean ups.” This participant felt that education, enlightenment and exposure have changed the perception of the host communities. “They communities now know that removal of crude could cause subsidence which is a thing of fear that the community land will subside after a while of removal of crude from it.” Government Participant 1 gave this reason as to why the communities became apprehensive of the oil producing companies and use violence against the oil companies that hardly carry out developmental projects in the communities. Frynas (2005) stated that the reluctance of the IOCs to promptly take responsibility and correct damaging effects that results from oil production activities

challenge the capability of their partnership idea to earn the trust of the oil producing communities. The companies decided to involve the government of Nigeria which used brutal forces to oppress the host communities. The Nigerian government which is in a joint venture with the oil companies failed to carry out her roles as a government in the host communities, this prolonged failure in government roles, constant destruction of the environment by the oil companies and oppression with armed soldiers resulted in host community distrust and violence against the oil companies that operate next to or in the host communities. According to Ikelegbe (2001), the attempts of the oil companies and Nigerian government to use force to resolve community violence became fatal, as some soldiers, innocent citizens and community members lost their lives to clashes between soldiers and the community people. Ikelegbe (2001) noted that the oil companies did all in their power to encourage security forces, which brutally suppress community protesters. Michael (2010) noted that the Nigerian oil prospecting companies relied on the Nigerian government and military forces for the daily oil production activities in their host communities and hardly ever considered mutual relationship with the oil bearing communities as stakeholders in the oil business. Ukaga, Ukiwo and Ibaba (2012) stated that the oil companies mobilized to eliminate this problem by engaging federal troops who injure and kill community people and their leaders, however, the problem became worse as members of the Nigerian military, community and company workers all lost their lives. The relationship therefore became tensed over time.

### **Management Policies and Implementation Strategies**

Findings show that the management policies and implementation strategies used by the international oil companies (IOCs) and Nigerian government gave way for community distrust and violence to soar. Government introduced different agencies like NDDC, and OMPADEC to address the problems of the Niger Delta communities, however the corruption that went on between the government and the IOCs and some community leaders did not allow these agencies to carry out their required roles in the host communities, stakeholders use of brutal force to repress peaceful community protests and inaction to the difficulties of the host communities made the host communities to be confrontational in their approach. There is this Petroleum Industry Bill (PIB) that is pending in Nigeria. According to Community Participant 5, the government has not signed this bill into law because of the host communities phrase in the bill. The most popular policies are those of CSR and HSE policies, it is sometimes observed that the companies flagrantly disregard their policies, the oil companies discharge large amount of waste indiscriminately causing poisoning of drinking water, sources of community food and acid rains that affects community health. Environmental impact assessment (EIA) is not carried out effectively as the companies ought to. However, the oil companies get away with such grievous offences; the same thing happens with the CSR policies. The policies are well accessible even in the public domain but implementation of the policies has been the problem. The government and the oil companies neglected the communities and carried out oil production activities in the communities without having any regard for the communities or their environment. An

example of this is illustrated by Government Participant 1, who stated that the law of the government are not friendly to communities, elsewhere there are hardly laws that make government own community lands but in Nigeria we have the land tenure, land use act, land use degree and acts that make the government own the oil bearing community lands that bear the oil reserves and deprive the communities from having adequate part of the revenue generated from oil production. Furthermore, he said “such obsolete political laws are not proper and results in community distrust and violence against the oil companies and Nigerian government.” IOCs Participant 1 also illustrated this, when he stated that all the revenue from oil production flow to the federation account in Nigeria, once in a month at the federal level the income is aggregated and shared among all the federating states and the local governments without a special consideration of the oil producing communities. In addition, he said “this deprives the oil bearing communities the required revenue from oil production in the host communities.” According to Frynas (2000), chevron noted in 1980 that conformity with the gas re-injection law would claim \$56 million US dollars of Chevron’s budget, while it will only cost \$1 USD each year of violation of the same law. Ikporukpo (1985) argued that given the weight of crude oil to the Nigerian economy, the negligence in enforcing legislature seems to be a deliberate strategy to encourage direct investment of the IOCs in the Nigerian oil sector. According to the UNEP (2011) and Ukaga (2012), the negligence of safety procedures and standards by SPDC exposed the oil producing communities to very high safety, environmental and health risks. Ibaba (2008) also stated that the method of gas flaring adopted by the oil companies in the Niger Delta is very dangerous as the open pipe flare stacks produce

very long, noisy, radioactive and black horizontal or vertical flames that result in the worse environmental pollution. IOCs participant 1 stated that before oil was discovered, Nigeria relied on agriculture and other sources for income. The different communities got 50% of the revenue generated from their farm lands, however the government changed the revenue allocation formula when oil was discovered in the Niger delta region and denied the host communities any entitlement to the revenue generated from their lands. The government did not stop at that, they also introduced a land use decree that confiscated all land where crude is discovered to the federal government and denied the host community right to the revenues from their land. This participant also stated that 10 to 15 years ago, a special treatment was introduced to the oil producing states by the Nigerian federal government called derivation fund where by 13% out of the oil revenue from each state is actually given back to that state. It is important to note that 20% of the total revenue from oil production is given to government as royalties before even cost of production is removed by the producing companies irrespective of the fact that the company is making gain or not. The fundamental definition of royalties implies that this royalty money should be money for the host communities, this royalty money, however goes to the federal government of Nigeria and is shared by all the federating states, irrespective of the fact that the states are producing oil or not. Part of the provision of the 2005 / 2006 host communities conflict resolution was to give an extra benefit to the oil producing states but when the 13% comes to the states. IOCs Participant 1 stated categorically that the state government does not give the money to the host communities; this money is either mismanaged at the state level or compromised with some local

government officials. According to this IOCs participant, this is the process that affects the relationship the most. IOCs Participant 1 insisted that “the companies not able to fulfill their roles due to policies from head offices and lack of cash flow also affect the relationship, the host communities are left with no option but to distrust the oil companies and become violent against them” (IOCs participant 1). The indiscriminate discharge of hazardous waste by the oil companies resulted in community health problems. There is a community close to the Okrika refinery jetty for products marketing, it is observed that cancer of body organs is a common occurrence in the young people of this community; this has been traced to the running hazardous waste water from the refinery through the community to the community creeks poisoning food sources and drinking water. Gaseous emissions, oil pollution and poor management of hazardous waste devastate the host communities in similar way. IOCs Participants 2, 3, 6; and Community Participant 8 gave strong statements to say that the government is careless on its regulatory function and allows the oil companies to destroy the host communities in this fashion. The UNEP report 2011 stated that soil and ground water was heavily contaminated, vegetation was devastated, aquatic life destroyed and public health under serious threat as benzene and other carcinogenic chemicals are in concentrations higher than WHO and USEPA reports as corresponding to a 1 in 10,000 cancer risk. Hydrocarbon concentration in drinking water samples are at least 10,000 times higher than the Nigerian drinking water standards of 3ug/l, benzene concentration at levels over 900 times above WHO guidelines. The people of the Niger Delta communities know about the pollution of their portable water and its dangers but had no options than to use the water for drinking, bathing and cooking



as they have no alternative. UNEP (2011) stated that the level of contamination found in the Niger Delta warrants emergency action ahead of all other remedial efforts, but, nothing has been done by the oil companies or Nigerian government, not the least efforts of consulting with the people up till now. IOCs Participants 2, 3, 6; and Community Participant 8 strongly believe that these failures are the causes of community health problems and therefore tension between the companies and the host communities.

Diagnosis of cancer in community people have being traced to poisoned food and water sources due to oil and gas production activities in host communities. IOCs Participant 3 stated that the policy that introduced the GMOU is generally accepted by the communities because there is sufficient community participation, however, the personal interest of people that might have been appointed into the cluster development board (CDB) that now do the actual allocation of contracts where financial benefits accrue is just the point at which there is still problem. Most participants believe that there is the need for an independent body like a non-governmental agency (NGO) to play the role of checking the plans and implementation of community projects, verify this implementation by way of constant audit. The NGO must be very renowned with high reputation and integrity. Most companies now publicize their performance in different media to create awareness of what the companies do in the host communities, however, most community people are not aware because they simply do not read the public news media, most of these communities are in the creeks and need site visits and one-on-one engagements to be able to create such awareness .

IOC Participant 7 stated that company policies should be made to carry the host communities as a project that goes through the project management cycle of planning, execution, monitoring, auditing and improving. Companies should stop making policies that recommend the companies to do the minimal requirements to obtain freedom to operate (FTO) that enables the oil companies to operate in a pay as you go approach. The policies are not made to cause the development of the host communities. This participant stated that ‘‘the oil companies should change this approach of pay as you go policies’’. According to IOC Participant 4 , the introduction of Amnesty program for the Niger Delta militants by the Nigerian government was a laudable effort as it separates criminality from genuine demands, however government and the IOCs continual failure to play responsible roles in developing the host communities will encourage the peaceful youths of the host communities to take up arms because that is the most likely condition that makes the government and IOCs respond positively to the host communities.

### **Collaboration Process and Performance**

Success in the relationship was defined as the level of development and peaceful nature of the host communities for the purpose of oil production activities. However, success was also measured as stable oil and gas production with minimal host community disruption to oil and gas production activities which creates value for the implementation of community development projects and profitability for both government and the oil companies. Findings from all the participants showed that the average performance of stakeholders in the relationship is presently below 50%, which means that the relationship is struggling to be successful.

Findings show that the relationship has provided some level of selective forum for collaboration based on the crises the oil companies have gone through in the host communities. There must be management of perceptions, the companies and Nigerian government must manage these community perceptions effectively and efficiently. Most of the participants including IOCs Participant 1 gave this reason as the strongest reason why oil companies are always not given the benefit of doubt in times of crisis or catastrophe. Idemudia (2007) also stated that lack of management of community perceptions is one of the main reasons why oil company –host community partnership remain highly controversial and sustainable development programs have little impacts on community development. All the 21 participants emphasized the need for ordinary community people to be given the opportunity to speak and share. The town hall meeting is an opportunity for community people and oil company managers to ask questions and manage perceptions on community development budgets and projects, problems or issues could be voiced to the knowledge of all persons. This will deter corrupt practices and correct wrong perceptions from the communities and the oil companies. The oil companies must clearly state the content of the community annual budgets and the limitations. The government and companies need to educate the communities on the terms of the joint venture, so the community knows exactly what to expect. The duties of the government and oil companies need to be effectively communicated to the community in a venue that will facilitate community ownership and appreciation. The participants believe that this level of collaboration does not exist between the oil companies and the host communities. An example of this is illustrated by IOCs

Participant 4, who stated that partnership is one of the most important factors in the tripartite relationship, there is dependability, and one partner cannot do without the other. Furthermore, he said “the oil companies need to partner the host communities and enlighten the communities on the benefits that can be derived from the relationship, this attempt is found lacking from the companies and this influences the relationship negatively.” The management of perception is one of the important factors in this process. When an oil company goes into a community to carry out oil production related projects, the community normally give a wish list to the oil companies, most of these wish lists are usually unreasonable, so the government and companies need to enlighten the host communities of the responsibilities of each partner in the tripartite relationship and make clear to the host communities the partners responsible for some of the demands that the host community forward to the oil companies. This was illustrated by IOCs

Participant 3, who stated that the oil companies need to be very transparent and sincere in their dealings with the host communities and enlighten the host communities on the scale of oil production operations, so the communities are clearly aware of the level of benefits they can expect from the oil companies. “The companies must let the host communities aware of what the companies could do and what is not possible within the operational budget available to the company management.” This participant believes that the oil companies must manage the perception of the host communities in this regards with honesty and sincerity. According to IOCs Participant 1, the host communities ought to understand that the oil companies are business entities that aim to make profit out of their business even when the companies have the corporate social responsibilities (CSR) to the

host communities. In addition, the participant stated that “there is a line where the financial capacity of the oil companies may not be able to carry the expectations of the communities, the government is therefore required to carry out its responsibilities to the host communities so that the host communities will allow the oil companies to operate peacefully in the environment of the host communities.” All these are not happening due to lack of collaboration forums. The level of transparent communication matters a lot, how plans are communicated to the community people, how oil companies organize town hall meetings with community people are some of the most important characteristics in this process. Oil companies should give account of projects they claim to have executed in various communities and also show annual community budgets they claim to have spent in community developments, this will enable the youths and ordinary community people to be aware of what is actually happening and have the opportunity of asking relevant questions. According to Frynas (2005), Shell claimed in an August 1996 brochure and public paper, that oil flow station in the Kolo Creek village of Bayelsa state was supplying gas to a remote electrification scheme; It was discovered when investigators visited the site in 1997 that SPDC was still flaring gas and there was no such scheme in Kolo Creek (Frynas, 2005). There should be active communication of Oil Company’s performance for community appraisals in town hall meetings, so the community and company representatives may be made to answer questions before the host communities concerning the status of planned projects in the communities. IOCs Participant 5 stated that in many host communities, certain families claim that they are the real host families and others in the same community are not., the relationship is very

complex now , no one considers the externalities effect of oil production on neighbouring communities , in some cases communities that host oil production facilities even claim rights more than those that bear the oil reserves and normally try to prevent such communities from playing major roles in forums where important concepts like the General or global memorandum of understanding (GMOU) is being negotiated. Most community people are not aware of what is called oil reserves and how directional drilling could be used to tap reserves which are several kilometers away from a well site or production facility .There need to be adequate collaboration forums that could address all of these information gaps.

### **Root Causes of Community Distrust and Violence**

The existing literature : Michael (2010),Ibaba( 2008) , Eweje(2007), Frynas (2005), O’Neil (2007) Idemudia ( 2007 ), Odeme (2013 ), UNEP (2011), Eweje( 2007) , Boele et al.(2001); and Ogege and Ewhrudjakpor (2009) lack information on the root causes and in-depth understanding of communities’ distrust and violence against oil companies . The main findings of the research reveal that the root causes of communities distrust and violence against the oil companies in the Niger Delta region are in the inadequate management policies and implementation strategies applied, lack of adequate collaboration between the oil companies and their host communities, corrupt management strategies applied by the oil companies and the Nigerian government, use of brutal armed force against the host communities, failures in the corporate social responsibilities (CSR) of the international oil companies, and lack of funding by government in the joint venture with the oil companies. These circumstances worsen the

dilemma the Niger Delta was already facing as described by the Willink commission appointed to find out the worries of minorities and the means of alleviating them. The Willink minority commission report of July 1958 recommended that the Niger Delta should be developed by the Nigerian federal government, up till now no commensurate development is seen on ground in the Niger Delta. The Niger Delta communities were considered as endangered environment from natural causes and were strongly recommended to be developed by the federal government of Nigeria. Corruption in government agencies did not allow this development to see the light of day; this limited the choices of survival for the host communities, particularly the young, thus heartening criminal tendencies in the area. This criminality was therefore used against the oil companies and the Nigerian government to achieve survival at all cost.

### **Interpretation of the Findings**

This study introduced community distrust and violence against the oil companies as a rampant, dogged problem that threatened oil production, properties and lives within the Nigerian Niger Delta region. The root causes of this phenomenon under study are now known from the interview conducted with the three categories of stakeholders in the oil business in the region. These causes need to be validated and suitable management strategies presented to manage tendencies of community violence before the occurrence, during the occurrence or after the occurrence. I believe that all sane management team will prefer to manage tendencies of community violence before the occurrence and not during and after the occurrence.

Having presented details of the findings of the study in chapter 4, I will proceed to present the interpretation of these findings by comparing the findings to the existing literature and the guiding theory for the study.

### **Existing Literature and the Research Findings**

The analysis of six key findings supported with the existing literature is presented as follows.

**Lack of Funding by Government in the Joint Venture led to Community Distrust and Violence Against the oil Companies.** Findings reveal that the federal government is in a joint venture with the oil companies and is required to contribute 55% of the expenses while the companies also contribute their 45% of the expense, most times the government has failed to contribute their 55% and this failure resulted in the inability of the operating companies to carry out community development projects since some capital projects are either delayed or completely stopped. The government officials corruptly divert the funds to their personal use and this makes the host communities to agitate and eventually become violent against the oil companies. This fact is supported by the literature, O'Neil (2007) stated clearly that the Nigerian government controlled the oil revenue accruing to the Nigerian National Petroleum Corporation (NNPC) since 1971 when the Nigerian oil industry was nationalized and the IOCs persuaded to carry out the oil business in a joint venture agreement or production sharing contract agreement. The government through the NNPC owns 55 percent of oil revenue while the oil companies own 45 percent. The revenue grew from a few million US dollars in 1971 to over 60 billion US dollars in 2005. There is this “cancer of corruption” that eats deep into the



veins of the Nigerian federal government, officials of the government loot the federation account. The head of the Nigerian anticorruption agency stated that more than 14 billion US dollars was stolen in 2003 alone (O'Neil 2007).

**Inadequate Management Policies and Implementation Strategies.** This main factor gave explanation to other factors like: failure in implementation strategies, poor management of hazardous waste, harsh laws against the host communities, and the unfavorable revenue allocation formula used by the Nigerian government. Findings show that the oil companies most times failed to implement their own policies and promises to the host communities. There were also instances where participants stated that some companies claim to have executed projects while in the real world such projects do not exist. This act of the oil companies result in host communities distrust and violence against the oil companies. O'Neil ( 2007) stated that the SPDC in August 1996 published rural electrification projects it executed in the Bayelsa state Kolo Creek community, but, independent investigators discovered that Shell lied, there was no such project on ground and the gas was still been flared in 1997. The Nigerian government complete dependence on oil has made the officials to focus its policy towards eliminating loss of oil revenue at the cost of environmental protection and protection of the rights of the Niger Delta people. As a matter of fact, Ikporukpo (1985) argued that given the weight of crude oil to the Nigerian economy, the negligence in enforcing legislature seems to be a deliberate strategy to encourage direct investment of the IOCs in the Nigerian oil sector. The senseless corruption and institutional decay in Nigeria implies that the oil companies and all class of business are at liberty to maximize profit without constraints (Idemudia,

2007). Findings show that the indiscriminate discharge of hazardous waste by the oil companies resulted in community health problems. The interview participants stated categorically that the waste water running from the Port Harcourt refinery through some host communities to the fishing rivers had strong chemical smells and diagnosis showed lately that most young people from those host communities had cancers. The United Nations environmental program report of 2011 clearly stated these facts after carrying out a research in the Ogoni and neighboring communities. This report also stated that soil and ground water was heavily contaminated, vegetation was devastated, aquatic life destroyed, and public health under serious threat as benzene and other carcinogenic chemicals are in concentrations higher than WHO and USEPA reports as corresponding to a 1 in 10,000 cancer risk. Hydrocarbon concentration in drinking water samples are at least 10,000 times higher than the Nigerian drinking water standards of 3ug/l, benzene concentration at levels over 900 times above WHO guidelines. The people of the Niger Delta communities know about the pollution of their portable water and its dangers but had no options than to use the water for drinking, bathing and cooking as they have no alternative (UNEP 2011). The negligence of safety procedures and standards by SPDC exposed the oil producing communities to very high safety, environmental and health risks as emphasized by UNEP (2011) and Ukaga (2012). The method of gas flaring adopted by the oil companies in the Niger Delta is very dangerous as the open pipe flare stacks produce very long, noisy, radioactive and black horizontal or vertical flames that result in the worse environmental pollution (Ibaba 2008). The study findings show that the revenue allocation formula used by the Nigerian federal government gave back 50% of

the revenue generated by the different regions before 1975 .Oil became the main source of income for the Nigerian government in 1970s. The Nigerian government introduced the land use decree to confiscate the land of the oil bearing communities from them and as well reduced the revenue allocation formula to virtually nothing. The Willink commission recommended that this region be developed by the federal government in 1958, but the Nigerian government did not do enough to develop the area. The people became blessed with commercial oil that should change their lives but the Nigerian government introduced the land use act to take the oil wealth away from the people and still went further to reduce the revenue allocation formula for oil revenue only, this is unbelievably true. This inhuman act of the Nigerian government resulted in resource control struggles of the Niger Delta people, as a result the host communities became very violent and many oil company staff lives were lost. Ngomba-Roth (2007) stated that the colonial era constitutional requirement of 50% revenue allocation to develop the Niger Delta region was in 1975 cut short to 20% and eventually to 1.5% (p.192).Ngomba-Roth (2007) noted that the host communities pressured the oil companies and the Nigerian nation to initiate corporate responsibility in empowering the people of the host communities, so the federal government increased the allocation to 3% and subsequently to 15% in 2005.Ikelegbe (2001) also stated that the IOCs referred to very stringent government regulations on compensation without negotiating with the people on the existing realities . According to Asuni (2009) and Obi (2010), the Nigerian government and IOCs use violence to manage the host communities and continued with oil operations.

**Lack of Adequate Collaboration Forums Results in Community Distrust and Violence Against the oil Companies.** This factor explains the distrust and lack of partnership between the host community and the oil companies, the strained relationship and the lack of management of community perceptions by the oil companies. Alexander and Nank (2009) stated that partners in a mutual relationship always engage in an extensive dialogue to arrive in mutual terms of agreement and act in ways that nurture trust while remaining committed and accountable to such actions . If a corporate partnership with a neighboring community is successful, the corporate entity must have produced a system of support for families where most systems of public and institutional support had failed. Serving the needs of the public agency at the disadvantage of the neighborhood community, the corporate entity risks becoming a surrogate for the agency of the government, this is how companies lose their identity and purpose in the community they operate (Alexander & Nank, 2009). According to Carnevale (1995), behaviors believed to promote trust include opportunities to build relationship, participating in dialogue, collective decision making, shared experiences, repetitive patterns of interaction and predictability , preservation of equity and fairness (Korsgaard , Schweiger, & Sapienza,1995), protective information sharing (Macneil,1980), and a readiness to acclimatize or contain the needs of the partner(Das &Teng,1998). Findings show that town hall meeting is an opportunity for community people and oil company managers to ask questions and manage perceptions on community development budgets and projects, problems or issues could be voiced to the knowledge of all persons. This will deter corrupt practices and correct wrong perceptions from the communities and the

oil companies. The participants believe that this level of collaboration does not exist between the oil companies and the host communities, this accounts for why the oil companies are not supporting the families of the host communities which then results in community distrust and violence against the oil companies. Idemudia (2007) stated that the alignment between the reason of mutual gain and the understanding that society, oil companies and the federal government must jointly solve the protracted social and environmental problems, give room for host community engagement and partnership formation as a means for corporate bodies to meet their social responsibility expectation.

Alexander and Nank (2009) made it known that to maintain trust in a relationship, the actors must engage in big risk taking conducts, the entrustment of power, sharing of different decisions and responsibilities, and a readiness on the side of the more influential partner, the companies to contain the needs of the host communities. Findings show that the oil companies are not prepared to contain the needs of the communities, they lay the blame game of pointing at the federal government for the provision of development projects in the communities. While government should live up to their responsibilities in the host communities, it is very important to note that pollution and degradation of the community environment is caused by the oil companies and should therefore be responsible to mitigate the ill effects. The reluctance or refusal to provide the needs of the communities results in community distrust and violence against the oil companies. The oil companies have operated for more than 50 years in Nigeria without a tangible development in the communities where the oil production takes place. Oloibiri where the first commercial oil well was drilled in Nigeria is like a ghost town today.

O'Neil (2007) stated that after half a century of oil production the IOCs and Nigerian government are still looking for ways to partner effectively with host communities. Frynas (2005) noted that the reluctance of the IOCs to promptly take responsibility and correct damaging effects that results from oil production activities challenge the capability of their partnership idea to earn the trust of the oil producing communities. Weisbrod (1978) stated that the switch from distrust to trust would involve partners to engage in behaviours that could change the negative belief of their partners with the accomplishment of ideological collective agreement concerning the definition of the problem and how to tackle it. Das and Teng (1998) argued that partnership is sustainable when partners have the readiness to acclimatize to or contain the needs of each other and that, trust in a corporate-neighborhood community partnership could be established gradually, but, lost very quickly if one partner is not ready to acclimatize to or contain the other partner. Barber (1983) define distrust as a letdown of corporate accountability, a conception well thought-out to be the reverse of trust (Rotter, 1971); but connected to trust (Lewicki et al, 1998). The lack of Individual confidence that corporate bodies will be accountable and act in the best interest of host communities and the communities' conviction that corporate bodies will not be capable and responsible in handling community welfare issues is what distrusts is about. Ojkorutu (2011) also noted that public media coverage of community distrust and violence against IOCs affects the business of the oil companies and the host communities involved and have security, social, legal, financial and political implications. McLennan and Stewart (2005) noted that oil companies in Nigeria are moving to the more expensive deep water development

because these companies believe that there will be less of community violence and sabotage in the deep offshore environment.

Findings show that when an oil company goes into a community to carry out oil production related projects, the community normally give a wish list to the oil companies, most of these wish lists are usually unreasonable, so the government and companies need to enlighten the host communities of the responsibilities of each partner in the tripartite relationship and make clear to the host communities the partners responsible for some of the demands that the host community forward to the oil companies. The companies must let the host communities aware of what the companies could do and what is not possible within the operational budget available to the company management. The oil companies must manage the perception of the host communities in this regards with honesty and sincerity. The host communities ought to understand that the oil companies are business entities that aim to make profit out of their business even when the companies have the corporate social responsibilities (CSR) to the host communities, there is a line where the financial capacity of the oil companies may not be able to carry the expectations of the communities, the government is therefore required to carry out its responsibilities to the host communities so that the host communities will allow the oil companies to operate peacefully in the environment of the host communities. The government of Nigeria did not provide the basic social amenities in the host communities , the enabling environment for peaceful oil production operation was not provided by government, the government neglected their responsibilities for the oil companies in the host communities, there was no electric power supply in the host communities, no portable or drinking water, no good

roads .The host communities therefore see the oil companies as responsible for the provision of basic social amenities in the communities, the oil companies were therefore held responsible for the primary responsibilities of the government. It is also important to emphasize that the government is in a joint venture with the oil companies in the daily production of oil and gas in the host communities and takes over 55% of oil revenues apart from taxes and royalties paid by oil companies. Most times the host communities are agitating against the oil companies, their target is to get the attention of the government because the government takes about 90% of the total revenue that comes out of oil and gas production: these are in form of royalties, petroleum taxes and government share of the joint venture allocation, so 90% of the net income after removing cost of operation is what is called government take, it is about 10 to 12% that goes to the oil companies. The level of transparency, how plans are communicated to the community people, how oil companies organize town hall meetings with community people are some of the most important characteristics in this process. Oil companies should give account of projects they claim to have executed in various communities and also show annual community budgets they claim to have spent in community developments, this will enable the youths and ordinary community people to be aware of what is actually happening and have the opportunity of asking relevant questions. There should be active communication of oil companies' performance for community appraisals in town hall meetings, so the community representatives may be made to answer questions before their communities concerning the status of planned projects in the communities. Community perception of the amount of gain the oil companies are making, the lack of



community understanding of the joint venture and product sharing contract that is existing between the oil companies and the federal government is one major cause of community distrust and violence against the oil companies; this perception must be adequately managed by the oil companies and the federal government. This fact is supported by the literature, O'Neil (2007) stated that the villagers are worried and often ask where all the oil money disappeared to, every town, and city and village in the Niger Delta continue to ask this question. The answer is so vague, spreading from the oil company to an all elusive Nigerian government and this has been a source of the violence in the Niger Delta region. According to Ojokorutu (2011), the poor management of community violence by the oil companies gave room for community violence to grow into a major international concern from this region due to increased tension and media coverage.

**Corrupt Management Strategies Applied by the oil Companies and the Nigerian Government Resulted in Community Distrust and Violence Against the oil Companies.** The findings show that corrupt practices is the reason for lack of infrastructure and social amenities in the host communities, environmental pollution, degradation and reluctance to carry out remediation of polluted environment .Community settlement, divide and rule strategies used by the IOCs are corrupt practices that aggravated community distrust and violence against the oil companies. The research finding show that some oil company staff and government officials are courageously corrupt. Government officials have in most cases allowed the oil companies to evade the regulatory rules which results in devastating pollution of the host community

environment. Government does not have logistics to carry out independent surveillance program. They depend on the companies for information. Findings also show that the government officials collude with the oil company employees to divert host community compensation money and sometimes community development funds. This corrupt act of the companies and government officials make the host communities to distrust the oil companies and become violent against them. Ukaga, Ukiwo and Ibaba (2012); Frynas (2005) stated that the Nigerian government established different institutions (OMPADEC, NDDC, Ministry of Niger Delta, etc) to take care of development of the Niger Delta, but, the institutions keep on failing over the years because of serious corruption and the federal character issue where different zones of Nigeria are represented on the board and they take it as an extension of government to share more money. Ikelegbe (2001) argued that analysts believed that the oil companies may have contributed to the failure of the Nigerian government due to commercial benefits the companies derived from government failure. It is interesting to site the case of Halliburton, an American oil servicing company that accepted to have paid bribes worth \$2.4 billion to corrupt officials of the Nigerian government for tax evasion relating to its operation in Nigeria (Cason 2003). A staff of another American company, Jim Bob Brown of Willbros Group Inc acknowledged in a US court to have paid bribes worth \$1.5 billion to officials of the NNPC in order to win contracts and to influence tax figures for Willbros (This day News 2006a).

Environmental pollution was a very popular subject among the participants; findings show that the oil companies carelessly pollute the operating environment

without the Nigerian government holding such companies accountable. The livelihood of the host communities was devastated completely and the people were subjected to abject poverty. The oil companies rather than clean up the oil spills blame the spills on sabotage and are reluctant to clean up spills. This damage to the environment and refusal to clean up the environment resulted in host community distrust and violence against the oil companies. Ojakorotu and Okeke-Uzodike (2006); and Obi, C. (2009) stated that oil company host communities became violent against oil companies when the oil company activities resulted in high level destruction of fishing territories and farm lands. The livelihood of the host communities was destroyed from the loss of productive farm land, marine resources and environmental degradation. O'Neil (2007) stated that SPDC oil well 13 fire in the Ogoni Yorla field had to burn for more than two months before Shell responded to quench the fire . The gas emission and oil spill from those well polluted kilometers of rivers and lakes in Ogoni land.

Findings show that the oil companies also do what is called divide and rule, the oil companies selectively pick on some prominent members from the communities and then give cash gifts, monetary gifts, the oil companies engage chiefs that are not leaders or delegated representatives of the host communities. The oil companies also cause division in the host communities so that there will be disunity in the communities while the oil companies continue to carry out oil production operation. The companies gave money to some selected people from the communities and give such people cash money which results in conflict among the community members and triggers violence against the oil companies. Watts (2010), African program studies director at the University of

California, stated clearly that the IOCs did not engage with the oil producing communities, but, gave money to selected people; such partnership with the communities cannot be effective. Ukaga, Ukiwo and Ibaba 2012 also argued that Nigerian government called agitating community youths “Militants” and created Amnesty Program to focus on their individual needs, neglecting the other community members and the fundamental issues that brought about the vicious behavior. This behavior of the federal government encourages other village youths to carry up arms to fight

**Failures in the Corporate Social Responsibilities (CSR) of the International oil Companies led to Community Distrust and Violence Against the oil Companies.**

Findings show that the oil companies are not adopting a holistic approach towards their corporate social responsibilities (CSR). The CSR is born out of expectation, expectations the communities have concerning the oil companies and expectations the oil companies have concerning the host communities. It is the responsibility of the oil companies to carry out community development that is commensurate to the terms of agreement in the MOU and present such as annual community development budget. It was observed that most of the oil companies fail to implement this budget adequately. This failure in CSR leads to community distrust and violence against the oil companies. Ibaba (2008) stated that the IOCs were at peace partly due to these expectations, the people freely accepted the IOCs and were not worried even when the IOCs took their land without adequate compensation in anticipation for better life and mutual relationship from the IOCs (Adeyemo, A.M. 2002). Ibaba (2008) noted that a wide gap exist between the IOCs stated CSR objectives and the real results investigators saw in the oil producing communities.

Individuals are confident that corporate bodies will be accountable and act in the best interest of host communities and the communities also expect that corporate bodies will not only be capable, but also responsible in handling community welfare issues (Barber, 1983).

Findings show that the oil companies fail to implement the terms of the MOU they agreed with the communities, this may be due to many reasons, however the companies also fail to explain whatever may be the reason for their violation of the terms of the MOU. The host communities respond to such violation of the MOU with bitter violence against the oil companies. Stone and Ostrower (2007) stated that dependability on a mutually agreed memorandum of understanding is the protection companies offer partners who must be loyal to them, commitment is a legally binding liability of companies in a partnership. The way to enhance this process will be to sign a partnership agreement as a first step and a memorandum of understanding that document what the local people agree to do. Trust is the most important and defining element in a corporate partnership with a neighboring community (Bryson, Crosby, & Stone, 2006; Seppanen, Blomqvist, & Sundqvist, 2007; Van Slyke, 2007). August 01, 2010 Roanoke Times and world news on partnership sustainability has it that sustainability means taking a holistic view of growth and development. It means paying attention to economic growth, living homes, energy, community health and the environment together. Sustainability means recognizing the fact that all these needs must work together.

The findings show that the oil companies are not engaging the youths in gainful entrepreneurial skills that do not solely depend on company employment, employment

vacancies are no longer enough for the teeming youths, this is why the companies should assist the communities to think out of the box and become very creative. The oil companies do not consider the indigenes of host communities in employment, even in Nigerian National Petroleum Corporation (NNPC) which is a government owned Oil Company; the employment of Niger Delta people is not up to 10% of the total employees of the NNPC. The late president Yaradua stated this point categorically before giving amnesty to the Niger Delta youths. These problems encourage youthful exuberance as the youths engage in criminal tendencies like kidnapping and vandalization of pipelines and even militancy because the companies and the government empower the youths of the communities by providing fire arms to them. Ukaga, Ukiwo and Ibaba (2012) stated that Organizations like the Asari Dokubo led Niger Delta Volunteer Force (NDVF), Ateke Tom led Niger Delta Vigilante (NDV), Ijaw national congress, Ijaw youth council (IYC) among others were formed to combat the ill treatment of the IOCs and Nigerian federal government. Oil production was reduced drastically, some of the youths started criminal acts of pipeline bunker and running of local artisan refineries which further complicated the damage to the environment from oil spill and gas flaring (Ikelegbe, 2001; Ibaba, 2008; UNEP, 2011). Ikelegbe (2001) stated that oil company staff, members of the Nigerian military and even innocent citizens lost their lives due to community distrust and violence against oil companies. Abidde, (2011); Ngomba-Roth, (2007); Obi, (2010), (2009); Obi and Rustad, (1998); and Oriola, (2011) confirmed cases of kidnapping of expatriates and locals by angry youths in host communities and willful destruction of

company facilities which led to loss of oil revenue as oil production from the host communities was disrupted.

The government and oil companies neglect of the host communities resulted in community youths unemployment, poverty and destruction of community livelihood. The clear difference between the life style of the oil company staff living in oil company logistic bases in the host communities and the host communities increased community distrust and violence against the oil companies. The community people are sometimes displaced from their ancestral homes due to the construction of oil facilities, yet the companies still deny the people the adequate compensations even when the people take the oil company to court, community participant 1 and 2 were particularly bitter with what happened to them in this regard. This approach by the IOCs result in community distrust and violence against the oil companies. O'Neil (2007) stated that the Finima town in River State was relocated from its ancestral settlement to a new location early in the 1990s, a move that made the local people loose grip of their livelihood and not able to support their families any longer. Oil facilities and pipelines were protected by the communities, there were no incidences of pipe bunkering or artisan refineries in the creeks, but the IOCs did not recognize interdependence as a fundamental factor in the success of sustainable partnership (Akpomuvie, 2011). Howard, Gardner, and Thompson (2007), noted that people in authority most likely take advantage of less privilege people, in particular, when they have no regard for such people. Oloibiri, the first Nigerian village to host commercial oil production is without development, but, disserted with disused oil facilities after over half a century of oil and gas production in the community.

If the oil companies and Nigerian government had a mutual relationship with the people, Oloibiri should look like oil producing communities in Texas, but, Oloibiri lack the basic amenities of life (O'Neil, 2007)

Findings show that a host community was displaced by an international oil company (IOC) and the community took the oil company to court, however the IOC did not obey the court judgment, the IOC sponsored third parties in court and appealed court judgments, there was also judgment in the appeal court in favour of the host community and still the IOC did not obey the judgments, the IOC bought arms for third parties to fight against the host community instead of obeying the judgments, this was a divide and rule mechanism applied by IOC against the host community . The IOCs take advantage of a corrupt and weak Nigerian government, otherwise, there is no reason why an ordinary oil company will not obey a Nigerian court ruling and also behaved in whatever way the company decided to behave. Zalik, A. (2009) stated that many communities in the Delta state of Nigeria were displaced by oil prospecting activities which caused the host communities to fight among themselves. Howard, Gardner, and Thompson (2007), noted that people in authority most likely take advantage of less privilege people, in particular, when they have no regard for such people. Frynas (2000) stated that the host communities charged many of the oil companies to court and in many cases the oil companies were at fault, yet the companies were reluctant in paying compensation to the host communities. Frynas (2000) cited many host community ligations against the oil companies, among such cases were: ‘‘Geosource v. Biragbara (1997)5NWLR (Pt.506)607, Shell V. Tiebo VII (1996)4NWLR (Pt.445)657, Shell v. Farah



(1995)3NWLR (Pt.382)148, *Chinada v. Shell-BP* (1974)2 RSLRT'' (Frynas, 2000).

Frynas (2000) stated that the host communities or their representatives sued the oil companies in all these cases and not folks. The communities had difficulties in accessing the courts; poverty was the major problem of community access to courts in Nigeria.

Frynas (2000) noted that oil related cases in Nigerian courts do not qualify for any lawful support like other civil or criminal cases.

The study findings show that the host communities were not involved or allowed to participate in the oil business, the companies stayed in air condition offices to plan projects for problems that do not exist in the communities. This approach of the companies made the host communities not to take ownership of community projects. In many cases community projects were not sustainable because the community people were not involved in prioritizing the projects. The oil companies executed projects that are not useful to the communities and projects that the communities cannot maintain. This resulted in the livelihood of the Nigerian Niger Delta people and their serene environment to be obliterated with abandoned projects the IOCs and the government partners started without adequately consultation of the people. Watts (2010), African program studies director at the University of California, stated clearly that the IOCs did not engage with the oil producing communities. Mahler (2010), Obi (2009, 2010); Ikediobi and Marvin (2010) argued that the IOCs and the government did not engage or develop the host communities or its people. Ibaba (2008) stated that the Nigerian Niger Delta oil bearing communities were never adequately compensated and were involved nor engaged in development projects by the oil companies. Alexander and Nank (2009);

Lompo and Trani (2013) argued that strong community involvement in developmental projects is a warranty of genuine and sustainable development. Ukaga, Ukiwo and Ibaba 2012 stated that the various regimes of Nigerian government and IOCs that operated from 1937 to date repeatedly failed to genuinely engage with their host communities to solve problems from the impacts of oil production. The communities need to be the drivers and actively help themselves and not the companies to decide for the communities (Frynas, 2005).

Findings revealed that community distrust against the oil companies was not given adequate attention by the oil companies and the government, they saw it as a criminal act to be dealt with the use of armed men, however the use of armed men did not suppress the community for long before the violence grew out of control of those in authority. Frynas (2000) noted categorically that the Nigerian government is facing a major challenge of resolving community violence in Nigeria. Wheeler and Boele (2002) stated that host communities' distrust and violence against oil companies led to the shutdown of all oil producing fields on the 750 million barrels Oil Mining Lease (OML) 11, for more than 20 years now and neither the government nor the oil company could open up these fields for oil production. Ojatorotu (2011) stated that the once peaceful Niger Delta became a region of fear and insecurity due to community distrust and violence against oil companies, this problem destabilized the operation of the IOCs and established the sense of insecurity in the host communities. Heiner (2013) stated that an issue becomes a social problem when it is unwanted or seen as bad by a considerable number of people who mobilize to eliminate it. In recent years, host communities'

distrust and violence against oil companies has become a rampant, dogged problem in Nigeria. The IOCs and oil companies should be proactive rather than being reactive to this problem. Eweje (2007) stated that government and oil companies often fight against community violence with the aim to promote oil production and did not actively engage the host residents in order to understand the reasons why the community violence against oil companies is persistent and consistent in the Nigerian Niger Delta region. According to Fukuyama (2007) and Minor (1995), it is unworkable to resolve problems due to violence without planning to resolve the root causes, planning and providing a comprehensive understanding to the root causes will assist in providing suitable responses and establish the confidence of the host communities and the general observers.

**Use of Brutal Armed Force Against the Host Communities Resulted in Community Distrust and Violence Against the oil Companies.** Findings show that the oil companies and federal government respond to community protest and blockade by engaging armed soldiers against the host communities. The use of armed men against the host communities have resulted in deaths of many community leaders and youths, this approach therefore leads to community distrust and violence against the oil companies. Ikelegbe (2001) noted that the host communities reacted violently to the ill treatment of the IOCs when peaceful protests were forcefully suppressed by the Nigerian federal government and the IOCs. According to Ikelegbe (2001), the attempts of the oil companies and Nigerian government to use force to resolve community violence became fatal, as some soldiers, innocent citizens and community members lost their lives to

clashes between soldiers and the community people. Ikelegbe (2001) noted that the oil companies did all in their power to encourage security forces, which brutally suppress community protesters. Michael (2010) noted that the Nigerian oil prospecting companies relied on the Nigerian government and military forces for the daily oil production activities in their host communities and hardly ever considered mutual relationship with the oil bearing communities as stakeholders in the oil business. Ukaga, Ukiwo and Ibaba (2012) stated that the oil companies mobilized to eliminate this problem by engaging federal troops who injure and kill community people and their leaders, however, the problem became worse as members of the Nigerian military, community and company workers all lost their lives. According to Asuni (2009) and Obi (2010), the Nigerian government and IOCs use violence to manage the host communities and continued with oil operations. Idemudia (2007) and Frynas (2005) noted that the oil companies now try to change their suppressive approach towards the demands of the oil producing communities due to the loss of profit and serious reduction in production as a result of community aggression. Typical illustration was the 1991 massacre of 20 folks in the Rivers State Umuechem community by the SPDC engaged police force. The peoples' complaint of destruction of their farm lands and fishing rivers was met with the joint venture partners' brutal destruction of over 495 living properties of the villagers and massacre of the people (Ukaga, Ukiwo & Ibaba 2012). The SPDC was prohibited from entering Ogoni land for any oil production activity since the death of Dr. Ken Saro Wiwa in 1995 and till now not even the Nigerian government could dare the Ogoni land. Shell operations were not possible unless brutal military raids were undertaken for short term

economic activities to commence, slaying community members and their leaders (Boele & Wheeler 2001).

### **Guiding Theory and the Research Findings**

Inadequate management policies and implementation strategies applied by the oil companies and Nigerian government. The study findings show that the revenue allocation formula used by the Nigerian federal government gave back 50% of the revenue generated by the different regions before 1975. Government introduced the land use act to take the oil wealth away from the people and still went further to reduce the revenue allocation formula for oil revenue only, the international oil companies (IOCs) referred to very stringent government regulations on compensation without negotiating with the people on the existing realities. The social exchange theory explained that the rewards provided by each side of a relationship serve to keep and improve the bond. Zwingina.D.S (1992) has explained that with inadequate rewards, a relationship will weaken or break. The oil companies and federal government need the oil of the Niger Delta communities and the communities need sustainable development, so, to keep the relationship going, the oil companies and Nigerian government must give in return a sustainable and mutually beneficial partnership, otherwise, the relationship will weaken or break. This is the reason why the Niger Delta communities distrusted the oil companies and became violent against the oil producing companies, the government and oil companies cannot be taking the oil of the host communities and at the same time deny them of the reward.

**Corrupt Management Strategies Applied by the oil Companies and the Nigerian Government Resulted in Community Distrust and Violence Against the oil Companies.** Findings also show that the government officials collude with the oil company employees to divert host community compensation money and sometimes community development funds. Findings show that the profit made by the companies in the host communities did not benefit the host communities due to the corrupt management strategies applied by the oil companies and the Nigerian government, this led to community distrust and violence against the oil companies as explained by the principle of ‘‘Reciprocity and Fairness’’ which stresses on the importance of receiving expected kindness or reward, it is believed that people who receive expected rewards in a relationship tries their best to reciprocate such kind gesture towards the person who provided the reward, otherwise the community will become aggressive. This principle also explains why lack of funding by government in the joint venture and failure in implementation strategies led to community distrust and violence against the oil companies.

Findings show that the oil companies carelessly pollute the operating environment without the Nigerian government holding such companies accountable. The livelihood of the host communities was devastated completely and the people were subjected to abject poverty. This situation led to host community distrust and violence against the oil companies. Homans (1958) explains that People always evaluate different options available to them, so in choosing from the different options, will be aggressive to the partner if they see the partnership as a problem that does not benefit them, the people

considers environmental pollution and refusal to clean up the environment as a problem that do not benefit them, this explains the community distrust and violence against the oil companies. This principle also explains why poor management of Hazardous Waste led to community distrust and violence against the oil companies.

**Lack of Adequate Collaboration Forums Results in Community Distrust and Violence Against the oil Companies.** Findings show that the oil companies are not prepared to contain the needs of the communities, they lay the blame game of pointing at the federal government for the provision of development projects in the communities. While government should live up to their responsibilities in the host communities, it is very important to note that pollution and degradation of the community environment is caused by the oil companies and should therefore be responsible to mitigate the ill effects. The reluctance or refusal to provide the needs of the communities results in community distrust and violence against the oil companies. The oil companies have operated for more than 50 years in Nigeria without a tangible development in the communities where the oil production takes place. Oloibiri where the first commercial oil well was drilled in Nigeria is like a ghost town today. When expected rewards are not forthcoming, partners switch from trust to distrust which involve partners to engage in behaviours that could change positive belief to negative beliefs that results in aggression against the defaulting partner; this is what led to community distrust and violence against the oil companies. This principle also explains why lack of adequate collaboration forums results in community distrust and violence against the oil companies.

**Failure in Corporate Social Responsibilities (CSR) of the International oil Companies.** The findings show that the oil companies are not engaging the youths in gainful entrepreneurial skills that do not solely depend on company employment, employment vacancies are no longer enough for the teeming youths, this is why the companies should assist the communities to think out of the box and become very creative. The oil companies do not consider the indigenes of host communities in employment, even in Nigerian National Petroleum Corporation (NNPC) which is a government owned Oil Company; the employment of Niger Delta people is not up to 10% of the total employees of the NNPC. The late president Yaradua stated this point categorically before giving amnesty to the Niger Delta youths. This led to community distrust and violence against the oil companies. Homans (1958) explains that People always evaluate different options available to them, so in choosing from the different options, people will be loyal and reciprocate good will to the partner if they see the partnership as rewarding and fair, but, will be aggressive to the partner if they see the partnership as a problem that does not benefit them, but, treats them with disrespect, so, they will disapprove of the partnership. This led to community distrust and violence against the oil companies. This same principle explained why: Non-involvement and engagement of host communities in community development projects led to community distrust and violence against the oil companies; why failures in the corporate social responsibilities (CSR) of the international oil companies led to community distrust and violence against the oil companies and why settlement, divide and rule strategies used by the IOCs resulted in community distrust and violence against the oil companies



Findings show that the oil companies fail to implement the terms of the MOU they agreed with the communities, this may be due to many reasons, however the companies also fail to explain whatever may be the reason for their violation of the terms of the MOU. The host communities respond to such violation of the MOU with bitter violence against the oil companies, this is in line with the provisions of the social exchange theory as argued by Homans (1974) that “unfulfilled expectation breed aggression.”

Findings show that a host community was displaced by an IOC and the community took the oil company to court, however the IOC did not obey the court judgments, the IOC sponsored third parties in court and appealed court judgments, there was also judgments in the appeal court in favour of the host community and still the IOC did not obey the judgments, the IOC bought arms for third parties to fight against the host community instead of obeying the judgments, this was a divide and rule mechanism applied by IOC against the host community .The principle of aggression and approval stressed that a partner becomes angry if he is denied of an expected reward or receives an unexpected punishment , disregard of court judgments by the IOCs is an unexpected punishment to the people of the host communities and this led to community distrust and violence against the oil companies. This same principle explains why disparity and neglect in life style led to host community distrust and violence against the oil companies.

Lack of management of community perceptions resulted in community distrust and violence against the oil companies. Findings show that when an oil company goes

into a community to carry out oil production related projects, the community normally give a wish list to the oil companies, most of these wish lists are usually unreasonable, so the government and companies need to enlighten the host communities of the responsibilities of each partner in the tripartite relationship and make clear to the host communities the partners responsible for some of the demands that the host community forward to the oil companies. Findings also show that misunderstanding of the causes of community distrust and violence also led to an increase in community violence. Findings revealed that community distrust against the oil companies was not given adequate attention by the oil companies and the government, they saw it as a criminal act to be dealt with the use of armed men, however the use of armed men did not suppress the community for long before the violence grew out of control of those in authority. It is important to point out that the social exchange theory perspective of partnership sustainability encourages rewards from both parties. It is the benefits that the concerned parties provide to themselves that bond the relationship together. The communities expects the oil companies to be accommodating and committed to the mutual agreement in the MOU, it is also necessary to note that the companies will be more pleased –if the communities protected oil installations and staff of the companies. This is been driven by the way the companies and government engaged with the communities and the level of trust the communities may have in the partners’ readiness to care for them and their environment (Michael, 2010). Homans (1974) argued that the principle of reciprocity and fairness is key to all partnership sustainability. People go into partnership for so many reasons. The rewards provided by each side of such partnership serve to keep and

improve the bond. Zwingina.D.S (1992) has explained that with inadequate rewards, a relationship will weaken or break. The oil companies need the oil of the Niger Delta communities and the communities need sustainable development, so, to keep the relationship going, the oil companies must give in return a sustainable and mutually beneficial partnership, otherwise, the relationship will weaken or break. This is the reasons why the Niger Delta communities distrusted the oil companies and became violent against the oil producing companies. This principle also explains why some of the oil companies do not trust the host communities.

**Use of Brutal Armed Force Against the Host Communities Resulted in Community Distrust and Violence Against the oil Companies.** Findings show that the oil companies and federal government respond to community protest and blockade by engaging armed soldiers against the host communities. The use of armed men against the host communities have resulted in deaths of many community leaders and youths, this approach therefore leads to community distrust and violence against the oil companies as explained by the social exchange theory, the oil companies mobilized to eliminate the problem of host communities' violence against oil companies by engaging federal troops who injure and kill the community youths and their leaders, yet the communities resisted the re-entrance of the oil companies to produce oil and gas from this territory, this is an example of the principle of aggression which stresses on the consequence of not receiving expected rewards or receiving unexpected punishment. Zalik, A. (2009); Frynas, J. G. (2000) ; Okeke-Uzodike (2006); Obi, C. (2009) ; McLennan and Stewart (2005); Wheeler and Boele (2002) ; Abidde, (2011); Ngomba-Roth, (2007); Obi, (2010);

Obi and Rustad, (1998); Michael (2010) and UNEP (2011) noted that the Nigerian government and the oil companies have tried many strategies including the use of military forces, intimidation, divide and rule among others to address community distrust and violence against oil companies. However, One clear option that is still not been exclusively explored by the Nigerian government and oil companies is the extensive engagement, negotiation, rewards and trust building with the host communities. The social exchange theory explains community distrust and violence against the oil companies from the perspective of individual and community engagement, negotiation, rewards and trust building between partners as consequence of not receiving expected rewards or receiving unexpected punishment.

#### **Limitation to the Study**

My knowledge about oil production, while helpful, could have created bias. I was able to focus on community distrust and violence against the oil companies that operated in Ogoni and neighbouring communities as a separate and unique case. The conditions and perspective were considerably different from my prior understanding making separation easier. The issue of generalizing the findings made me to extend the case study beyond the Ogoni and neighbouring communities to include communities in Delta state, Bayelsa State and an office in Lagos State, so there is enough scope to generalize the findings.

#### **Further Research**

The participants gave loaded views on what happened between the oil companies, Nigerian government and the host communities in the Nigerian Niger Delta region,

however all the participants showed frustration on the problem of corruption and inaction of the Nigerian government. This study therefore recommends that further study be conducted to fully understand the problem of corruption and inaction of the Nigerian government.

The research findings show that the amnesty given to the Niger Delta militants by the Nigerian government in 2009 has some challenges. It is observed that ex-militants were given monthly stipend without having to do any job, most of the ex-militants were sent on different training programs, however the graduates are jobless and not monitored by the government, a practice that encourages the ex-militants and other peaceful youths to re-consider militancy is not a sustainable practice. This study recommends a further research of the terms of the amnesty agreement between the federal government and the ex-militants in order to establish its sustainability.

### **Importance of the Study**

This study is very significant because it identify the root causes and management strategies that resulted in community distrust and violence against the oil producing companies in Nigeria. It is expected that the recommendations of this study will help to reduce community distrust and violence to a tolerable minimum. Frynas (2000) noted categorically that the Nigerian government is facing a major challenge of resolving community violence in Nigeria.

Fynas (2000) stated that village host community conflicts with the IOCs are important outside academic interest because the Nigerian State is the most densely inhabited and biggest country in Africa. Nigeria has the biggest economy in Africa; any

instability in the socio-economic structure of Nigeria will destabilize the whole of the African economy. The main stay of the Nigerian economy is oil revenue which is generated by the international oil producing companies. Ojaborotu (2011) also noted that public media coverage of community distrust and violence against IOCs affects the business of the oil companies and the host communities involved and have security, social, legal, financial and political implications. Wheeler and Boele (2002) stated that host communities' distrust and violence against oil companies led to the shutdown of all oil producing fields on the 750 million barrels Oil Mining Lease (OML) 11, for more than 20 years now and neither the government nor the oil company could open up these fields for oil production. Heiner (2013) stated that an issue becomes a social problem when it is unwanted or seen as bad by a considerable number of people who mobilize to eliminate it. In recent years, host communities' distrust and violence against oil companies has become a rampant, dogged problem in Nigeria. Ojaborotu (2011) stated that the once peaceful Niger Delta became a region of fear and insecurity due to community distrust and violence against oil companies, this problem destabilized the operation of the IOCs and established the sense of insecurity in the host communities. Shell stated in a reply to Frynas(2000) that it will not go back to Ogoni land to produce oil except the people of Ogoni land approve of such intension(Detheridge & Pepple, 1998).The resolution of this problem is of paramount significance not just to Africa but the entire world.

### **Recommendation**

The study findings show promise to reducing community distrust and violence against the oil companies to a tolerable minimum. The findings show six root causes of community distrust and violence against the oil companies, these causes are: (a) Corrupt management strategies applied by the oil companies and the Nigerian government, (b) Inadequate management policies and implementation strategies, (c) Lack of adequate collaboration forums, (d) Use of brutal armed force against the host communities, (e) Lack of funding by government in the joint venture with the oil companies and (f) Failures in the corporate social responsibilities (CSR) of the international oil companies .

Findings show that misappropriation of community developmental funds by oil company and government officials is a major source of tension. Ukiwo and Ibaba (2012); and Frynas (2005) stated that the Nigerian government established different institutions (OMPADEC, NDDC, Ministry of Niger Delta) to take care of development of the Niger Delta, but, the institutions keep on failing over the years because of serious corruption. Government need to protect its citizens against ill effects of oil prospecting activities and not focus completely on the gains of the joint venture with the oil companies and turn a blind eye to the corrupt practices of the oil companies and government officials that encourage the oil companies to operate with impunity in violating laid down rules and regulations. The department of petroleum resources (DPR) should normally join investigation task force teams with the oil companies and the host communities to investigate spills and promptly recommend solutions to oil spills, however, the DPR depends on the oil company logistics and often times do not appear in such investigation

missions. Oil companies should respond to oil spills promptly; most times the companies are reluctant and leave the helpless communities to struggle with oil spills in desperate attempts to save fishing creeks and farm lands. This sometimes makes the host communities react violently against the oil producing companies. It is recommended that global standards of spill response are applied to oil spills in the host communities without being hindered by corrupt practices.

In resolving inadequate management policies and implementation strategies, it is recommended that the Nigerian government visit the land use act and revenue allocation formula to see how these could be made friendlier with the host communities. According to Heike, Elizabeth, Alex, and Markus (2011), companies, government and host communities need to work together to alleviate the ill effects of company business on the environment and health of all stake holders and also sustain profitability of the business. The participants of this study strongly stated that the law of the government is not friendly to communities. An example of this is illustrated by Government Participant 1, who stated that elsewhere there are hardly laws that make government own community lands but in Nigeria there is the land tenure, land use act, land use degree and acts that make the government own the oil bearing community lands that bear the oil reserves, such obsolete political laws are not proper and not favorable to the community that bear the oil; it is therefore recommended that these laws be repealed and made more friendly. According to Frynas (2000), chevron noted in 1980 that conformity with the gas re-injection law would claim \$56 million US dollars of Chevron's budget, while it will only cost \$1 USD each year of violation of the same law. Ikporukpo (1985) argued that given



the weight of crude oil to the Nigerian economy, the negligence in enforcing legislature seems to be a deliberate strategy to encourage direct investment of the international oil companies (IOCs) in the Nigerian oil sector. These are the conditions that mostly encourage the oil companies to neglect the host communities, since penalties of violations could either be negotiated or waved, meaning that consequences and cost if any are low. The communities should be involved in the policy making process by way of consultation and there should be proper management policies and implementation strategies on industrial waste management with severe penalties when such policies are violated by the companies. Gas flaring is one aspect that has influenced policy changes. The communities often call for the use of flared gas, the communities perhaps are not aware of the financial implication of implementing such a project, however, a domestic gas supply scheme is now promoted by a policy change to reduce gas flaring and also increase revenue through the use of flared gas. The implementation to this gas flaring policy has being a problem. It is recommended that government and the oil companies should ensure the effective implementation of this policy in order to protect the host communities from the exposure to the very bad health effects of radiations and as well prevent community violence.

Use of brutal armed forces against the host communities is one of the root causes of community distrust and violence against the oil companies. Findings show that the government and oil companies use excessive force against the host communities and in most cases carry out lawless killing of community leaders, this is one reason why some members of the communities indulge in criminal activities like: kidnapping,

vandalization and outright murder which rose to the trend of being homicidal. According to Asuni (2009) and Obi (2010), the Nigerian government and IOCs use violence to manage the host communities and continued with oil operations. Findings revealed that community distrust against the oil companies was not given adequate attention by the oil companies and the government, they saw it as a criminal act to be dealt with the use of armed men, however the use of armed men did not suppress the community for long before the violence grew out of control of those in authority. According to Fukuyama (2007) and Minor (1995), it is unworkable to resolve problems due to violence without planning to resolve the root causes. The partnership that existed between the oil companies and the host communities harshly violates the social exchange principle of “reciprocity and fairness” and must be amended. Howard, Gardner, and Thompson (2007), noted that people in authority most likely take advantage of less privilege people, in particular, when they have no regard for such people. Ibaba (2008) stated that the Nigerian Niger Delta oil bearing communities were never adequately compensated and were not adequately engaged in development projects by the oil companies. Alexander and Nank (2009); Lompo and Trani (2013) argued that strong community participation in developmental projects is a warranty of indisputable and sustainable partnership. There are many ways of peacefully resolving conflicts other than the use of armed men. It is recommended that continual engagement and dialogue with mutual respect be applied in place of the use of brutal force. The communities are expected to protect the oil facilities but they take the laws into their hands and become confrontational, the community should work within the confines of the law, though the Nigerian government and oil

communities need to encourage the communities to embrace the law. The government of Nigeria should separate criminality from genuine community agitation for survival. It is strongly recommended that the Nigerian government should support victims, lawfully punish offenders and prevent violence with continual engagement and negotiation before it arises.

Lack of funding by government in the joint venture with the oil companies resulted in the tensed relationship between the oil companies and the communities. It is important to emphasize that the government is in a joint venture with the oil companies in the daily production of oil and gas in the host communities and takes over 55% of oil revenues apart from taxes and royalties paid by oil companies. Funding is a major problem between oil companies and the Nigerian government; both partners are in a joint venture arrangement. Findings show that the government is not making her contributions to this joint venture promptly. There were cases when oil production projects and community projects packed up or were delayed for a long time due to lack of funding. It is recommended that the government of Nigeria should give good attention to the prompt funding of the joint venture as this directly affects the relationship between the oil companies and the host communities and results in communities distrust and violence against oil companies.

Lack of adequate collaboration forums resulted in community distrust and violence against the oil companies. Findings show that relationship has provided some level of selective forum for collaboration based on the crises the oil companies have gone through in the host communities. The Niger Delta people believe that their relationship

with oil companies are solely founded on the values of local beliefs and customary forms of relationships, from the village viewpoint, IOCs are seen as subjects of the host communities that are expected like other community members to naturally take into consideration the concerns of the community in their decision making process and place community matters as priority matters without community agitation. The world view of the IOCs is completely different from that of the host communities, the companies tend to be neoliberals and focused completely on market logic. Jenkins (2004) stated that profitability is the driving factor of the companies and the basic expectation to benefit from oil production activities. The oil companies expected the resident government to be responsible for developing the host communities and distribute the benefits government got from oil production. Burke (1999) stated that these difference in view points and expectations between the IOCs and host communities regularly breaches the effective expectation from both sides and results in strained relationship, the differences remains behind the scene of their relationship and is often active in nature, changing all the time, but often unacknowledged . There must be management of perceptions, the companies and Nigerian government must manage the community perceptions effectively and efficiently. Most of the Participants including IOCs Participant 1 gave this reason as the strongest reason why oil companies are always not given the benefit of doubt in times of crisis or catastrophe. Idemudia (2007) also stated that lack of management of community perceptions is one of the main reasons why oil company –host community partnership remain highly controversial and sustainable development programs have little impacts on community development. The success of this complex relationship will be made possible

with the effective management of the different perceptions through regular town hall meetings of stakeholders including community people not just the community representatives, such meetings will allow enough time for ordinary community people to share new ideas and disagreements. Open and inclusive meeting agenda and process will build trust and cordial relationship. These meetings should be conveyed in accessible places to the community people for honest communication to occur. All the 21 participants emphasized the need for ordinary community people to be given the opportunity to speak and share. The town hall meeting is an opportunity for community people and oil company managers to ask questions and manage perceptions on community development budgets and projects, problems or issues could be voiced to the knowledge of all persons. This will deter corrupt practices and correct wrong perceptions from the communities and the oil companies. The oil companies must clearly state the content of the community annual budgets and the limitations. The government and companies need to educate the communities on the terms of the joint venture, so the community knows exactly what to expect. The duties of the government and oil companies need to be effectively communicated to the community in a venue that will facilitate community ownership and appreciation. The participants believe that this level of collaboration does not exist between the oil companies and the host communities.

Failure in the corporate social responsibilities (CSR) of the international oil companies is a major contributor to community distrust and violence against the oil companies. Frynas 2005 stated that the reluctance of the IOCs to promptly take responsibility and correct damaging effects that results from oil production activities

challenge the capability of their partnership idea to earn the trust of the oil producing communities. Findings show that many problems are connected to failures in IOCs CSR, such problems are: lack of human development, unemployment and youth restiveness, violation of the memorandum of understanding (MOU), disregard of court cases by the IOCs and non-engagement of the host communities by the IOCs. Agreement reached with the host communities must be kept and an independent monitoring of the performance of all three stakeholders by a reputable NGO is required. This research recommends a specific community development projects implementation model, this is necessary as findings show that some good policies exists but implementation is the problem. The act of oil companies advertising projects which are not on ground is made easier in Nigeria by the complexity in confirming such claims. According to Frynas (2005), Shell claimed in an August 1996 brochure and public paper, that oil flow station in the Kolo Creek village of Bayelsa state was supplying gas to a remote electrification scheme; it was discovered when investigators visited the site in 1997 that SPDC was still flaring gas and there was no such scheme in Kolo Creek (Frynas, 2005). It is a thing of worry, that despite the level of environmental degradation going on in the Nigerian Niger Delta, there are only but scanty oil company initiated projects which could be seen as industry best development practice in line with standards recommended by international institutions like the World Bank. Nigeria has only one such project which was initiated by Statoil in the Akassa locality of Bayelsa state. Statoil provided the fund, but, executed the project through ProNatural, an NGO that is highly experienced in community development, the NGO implemented the development plan without the intrusion of

company managers, BP also provided fund to the Akassa project initially and later followed by Chevron Texaco. Frynas (2005) stated that the Akassa project executed in the south Eastern Nigerian Niger Delta stand out as a positive symbol of the actual mutual benefits of oil company partnership sustainability in host communities. This project serves as a standard for the rest of the oil companies and foreign donors in the Nigerian Niger Delta region. The different approach taken by the NGO in the Akassa project was the complete focus of the project on grass root concerns, the project was driven by the local people and decisions on the particular initiatives to be implemented was made by the local people. This approach is very different from the make believe consultation the oil companies carry out with the communities. The NGO conducted a thorough appraisal of the community needs over a time period. The staff of ProNatural relocated to the village communities and extensively interacted with the local people, discussed their problems and how the problems came about, before beginning to plan any initiatives. ProNatural ensured that the project was fully led by the community, it was not only the village chiefs that were involved, men, women and youths were also involved. ProNatural empowered the people by helping to build up their capacity so the local people can help themselves, in addition, proNatural set up among other ways by helping to set up new foundation for development and provided training and professional advice to the community. The Akassa project was made to focus on the entire host communities in the Akassa clan which are the homes of over 30,000 local people, not just a developmental plan for one village. According Frynas (2005), this project is what is now seen as a standard for partnership sustainability best practice in the Nigerian Niger Delta.

A hybrid of the Akassa model is recommended to resolve the problem of CSR failures, where the Akassa model is to be complemented with effective monitoring by an independent reputable NGO different from the implementing NGO and a dedicated task force similar to the EFCC of Nigeria will be vested with the power to receive reports from the monitoring NGO, investigate the reports, support victims, punish offenders within the context of the law and prevent violence before it arise. Fukuyama (2007) argued that issues considered trivial most times grow into international concerns that bring untold hardship to many innocent people and not only those involved in the immediate challenge. The issue of community distrust and violence against the oil companies is like a little electric spark in the middle of a petrol storage tank, while it is not possible to identify all issues that has the likelihood of rising into mega struggle, there is however the need to look further in order to appreciate likely issues and possible limitations such as economics, social and political amongst other issues that could get in the way of effective management in order to take the required actions to prevent future impacts.

The world health organization (WHO) recommended three types of violence prevention, the primary prevention which involves the prevention of violence before it arise, secondary prevention which involves the focus on direct responses to violence, treatment of victims and emergency services. The tertiary involves long term attention to violence. WHO advocate priority to the provision of support to victims and punishment to offenders in addition to the types of prevention recommended. A comprehensive approach to addressing violence is the application of a model that combines the



protection and support of victims with the promotion of non-violence by reducing the act of violence and changing the situation and environment that resulted to the violence.

WHO concluded by recommending steps to preventing violence, these steps include: (1) the reduction of collective violence by implementing standards of international treaties including the ones relating to the right of people, (2) the reduction of poverty, (3) Leaders and Partners to be more responsible and accountable, (4) Inequality to be reduced between groups in society and (5) the reduction of access to weapons. WHO stated that the preventive measures are achievable only if : (1) an in-depth information and understanding of the violence is obtained, (2) political action is taken to predict, prevent and respond to violence and (3) peacekeeping activity is encouraged in such environment at all times.

This research has successfully presented in-depth information and understanding of the root causes of community distrust and violence against the oil companies. The research also presented recommendation to resolve the six root causes of community distrust and violence against the oil companies. Political will and action of the oil companies and the Nigerian government is required to predict, prevent and respond to community distrust and violence against the oil companies operating in Nigeria.

### **Social Change**

The oil business in Nigeria brought three partners together in a relationship; the host communities, oil companies and the Nigerian government, each of these partners has invested a lot into the oil business. The international oil companies and the Nigerian government invested millions of dollars and the host communities gave up their

environment and livelihood to the oil business all in expectation of profit and better standard of living. However, certain policies, implementation practices and reactions to these practices negatively impacted these expectations. A Problem now known as community distrust and violence against the oil companies spring up and grew beyond the control of those in authority, in response, the oil companies applied many managerial strategies to resolving this problem but the problem kept on growing because there was no research that identified the root causes and suitable management strategies to resolving community distrust and violence against the oil companies. Thus positive change can occur as the result of a successful conclusion of this research.

According to Fukuyama (2007) and Minor (1995), it is unworkable to resolve problems due to violence without planning to resolve the root causes. The study was conducted to identify the root causes of community distrust and violence against the oil companies and recommend suitable management strategies to resolve this problem. The findings and analysis of the data gathered in the study provides important information to the stakeholders. The stakeholders are anxious to know the results of the study. The data and analysis will inform the stakeholders about the root causes of this problem and suitable management strategies by providing insights. Any improvement as a result of the study recommendations could directly have positive security, social, legal, financial and political implications on the Nigerian nation and the whole of Africa. Frynas (2000) stated that village host community conflicts with the IOCs are important outside academic interest because the Nigerian State is the most densely inhabited and biggest country in Africa. Ojatorutu (2011) also noted that public media coverage of community

distrust and violence against IOCs affects the business of the oil companies and the host communities involved and have security, social, legal, financial and political implications. McLennan and Stewart (2005) noted that oil companies in Nigeria are moving to the more expensive deep water development because these companies believe that there will be less of community violence and sabotage in the deep offshore environment. Shell stated in a reply to Frynas (2000) that it will not go back to Ogoni land to produce oil except the people of Ogoni land approve of such intension (Detheridge & Pepple, 1998). It is noteworthy to state here that Nigeria has the biggest economy in Africa; any instability in the socio-economic structure of Nigeria will destabilize the whole of the African economy.

The findings of the study re-establish and emphasize the fact that policy formulation must be preceded with thorough consultation, engagement and negotiation with the stakeholders for their buy-in before implementation of such formulations which may influence the right stakeholders and corporate responses in providing suitable management strategies.

Furthermore, the study provides information to many host communities, companies and governments all over the world. The root causes of community distrust and violence found in the literature combined with the data found herein is helpful to most developing and developed countries alike needing a fundamental understanding of companies – host communities relationship or struggling with a present day industrial conflict between companies and host communities. Implementation of the study recommendations will bring about positive social change by reducing community distrust

and violence to a tolerable minimum and averting harms of this problem to countries, communities, companies, families and individuals.

Frynas (2000) cited many host community ligations against the oil companies, among such cases were: ‘‘Geosource v. Biragbara (1997)5NWLR (Pt.506)607, Shell V. Tiebo VII (1996)4NWLR (Pt.445)657, Shell v. Farah (1995)3NWLR (Pt.382)148, Chinada v. Shell-BP (1974)2 RSLRT’’ (Frynas, 2000). Furthermore, Frynas (2000) stated categorically that the Nigerian government is facing a major challenge of resolving community violence against the oil companies in Nigeria because there is no suitable management policies and implementation strategies to resolving these problems. The findings and analysis will contribute to the current body of community distrust and violence literature, especially the part of the literature on suitable management policies and implementation strategies in addressing community distrust and violence against oil companies.

### **Conclusion**

The essence of the study is to identify the root causes of community distrust and violence against the oil companies in the Nigerian Niger Delta and provide suitable management strategies to address the problem. The findings and analysis from the participants and literature of the study provided the stakeholders with the root causes of this problem and suitable management strategies to address the root causes. Any improvement as a result of the study recommendations will directly have positive security, social, legal, financial and political implications in creating beneficial relationship and positive social change. This research has successfully presented in-depth

information and understanding of the root causes of community distrust and violence against the oil companies, so political will and action of the oil companies and the Nigerian government is required to predict, prevent and respond to community distrust and violence against the oil companies operating in Nigeria.

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## Appendix A: Initial Interest Email

Initial Interest Email

Email to Participants

Subject: Request for Voluntary Participation in Research Study

Good day Sir / Madam,

My name is Abby Kalio Amabipi. I am a PhD student at Walden University, in the school of Social Sciences, pursuing a Doctorate in Public Policy and Administration. I am carrying out a dissertational research study titled: "Understanding community distrust and violence against oil companies in Nigeria: A social exchange theory perspective."

The study is aimed at discovering the root causes of community distrust and violence against oil companies in Nigeria and the elements that may be necessary to build and sustain suitable management strategies for addressing community distrust and violence against oil companies through extensive engagement with the host communities in the Nigeria Niger Delta Region. The objective of my study is to provide recommendations for key stakeholders providing suitable management strategies that will support a peaceful operating atmosphere for all stakeholders involved.

I have obtained approval to conduct the study from my institution and the Institutional Review Board. My approval number will be forwarded to you before the interview date in July 2015. I am writing to request your participation in the study. Your participation is voluntary and strictly confidential. The anticipated time when the study would take place is July 2015. The interview will take place at an agreed location that is convenient and safe for you. The interview should take approximately 90 minutes.

Attached is the consent form that provides details of the research and relevant Contacts for clarification. If you chose to participate, please read and sign the consent form attached.

Thank you for your kind consideration and I sincerely look forward to your response.

Abby Kalio Amabipi

## Appendix B: Interview Protocol

## Interview Protocol

Interviewer: Abby Kalio Amabipi  
 Interviewee Identification: Government Participant  
 Date:.....

Location.....  
 Interviewee Code: 1  
 Time:.....

Interview Questions/Notes	Comments
<p>Question 1 How would you describe the relationship between the oil companies and their host communities?</p>	
<p>Question 2 How has this relationship evolved over time?</p>	
<p>Question 3 What characteristics would you consider most important in this process?</p>	
<p>Questions 4 The identified key stakeholders are the communities, the government, and the oil companies. What roles did these parties play in this relationship?</p>	
<p>Question 5 5.1 How did these roles affect the relationship? 5.2 What are sources of tension in this relationship? 5.3 When these occur, how are they dealt with? 5.4 How does the Stakeholder define success in this relationship? 5.6 How successful do you believe this relationship has been?</p>	
<p>Question 8 What is the role of trust in this process?</p>	
<p>Question 9 How has the oil company-host community relationship provided a forum for collaboration?</p>	
<p>Question 11 How would you describe the policy and implementation strategies applied by the oil companies to manage the relationship?</p>	
<p>Question 12 Are there documents, reports or other records that would provide</p>	

<p>further information about the relationship or partners' efforts to address community distrust and violence against oil companies</p> <p>Question 13 I appreciate your contributions to this study. Is there anything you think we might have left out or any points you feel will further enhance the quality of the study?</p>	
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#### Debriefing

I appreciate your contribution to the study. I will send the transcript back for your review to ensure your statements are transcribed without errors. Your identity will be kept confidential. Please feel free to contact me if you want to provide additional information or require clarifications at anytime.