



# Oil Companies; Community Relations and Conflict Management

K.O.Udude

Faculty of Law Ebonyi State University Abakaliki

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### ABSTRACT

The degree of violence in Nigeria's Niger Delta has become endemic and are too far-reaching to be ignored: for the inhabitants of this area, there are constant environmental hazards and security threat, The study, therefore, examined the community relations strategies used by oil companies in managing the crises in the Niger Delta. The study population comprised the community relations units of oil companies in the Niger Delta (among which Shell, Chevron and Agip were selected) and the indigenes of Omoku and Obrikom communities in Rivers State and Eruemukohwarien, Tisun and Kolokolo communities in Delta State. Both quantitative (survey) and qualitative (key informant interview and focus group discussion) methods of data collection were employed. The respondents for the survey were randomly selected while those for the interviews and focus groups were purposively selected. The study established that conflicts between oil companies and host communities had serious implications for the two parties and that the community relations strategies adopted by the selected oil companies were not adequate in preventing and resolving conflicts in the Niger Delta. That was because there was a lacuna between the strategies the oil companies believed host communities preferred for conflict resolution and the ones actually preferred by those communities. The research, therefore, recommend that to reduce conflict between oil companies and host communities in the Niger Delta, companies should be mindful of conflict propelling factors identified by the respondents and stated in the work, they should improve on their community relations strategies in order to impress the community and most importantly, they should introduce grassroots approach to the implementation of their strategies.

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### Introduction

The "Niger Delta" in Nigeria has attracted a great deal of attention over the years. Among the major reasons for this is the rich natural endowment of the region. The Niger Delta is reputed to be one of the world's largest wetlands, having ecosystems comparable to the Sundarbans in Bangladesh, Malaysia, and India (Osagie, Ibaba & Watts, 2009, p. 13). More importantly, it is also rich in crude oil, which has become the mainstay of Nigeria's economy. Another major reason for the popularity of the Niger Delta, unfortunately, is the frequent conflicts associated with oil production in the region. Osagie, Ibaba & Watts (2009, p. 9) observe that though it is rare for Nigeria to be emblazoned on the front page of the Wall Street Journal, the 9<sup>th</sup> September 2009 issue featured a story titled "Delta Farce: Nigeria's oil mess." This chapter, therefore, provides a background to this study and also conceptualises the research problem. Research objectives and questions are also presented to define the focus of the study.

The oil exploration and exploitation processes have, however, brought with them the degradation of the environment, thereby impoverishing the host communities and endangering lives. Asakitikpi & Oyelaran (1999) observe that tapping into the oil reserves requires the construction of rigs, industrial facilities and power plants; it also involves prospecting, exploring and drilling of crude mineral oil. They state that all these result in the degradation and destruction of life-supporting ecological systems and natural resources.

About 52 years after oil was first discovered at Oloibiri, the Niger Delta communities have declared war on the oil companies they once so readily welcomed. This development is due to the extent of damage suffered by those communities as a result of the oil exploration processes. They also consider there to be inadequate compensation by the oil companies and/or gross neglect of the region by successive Nigerian governments.

In 2005, the Niger Delta communities sued NNPC, Shell, Exxon, Chevron, Total and Agip joint venture companies for failure to stop gas flaring. According to Environmental Rights Action (ERA), though gas flaring had been prohibited under environmental regulations since 1984, Nigeria still has more gas flared than anywhere else in the world (F.O.E., 2005). According to Rizvi (2005), environmentalists estimated the amount of gas associated with crude oil that is wasted daily at about two million cubic feet. They stress that the wasted gas contains a mix of toxins that pose severe health risks to human populations. The author further notes that child respiratory diseases, asthma, cancer, and premature deaths are increasingly becoming the lot of a vast majority of Niger Delta residents, due to the massive gas flaring.

Consequent on the complex nature of the problems in the Niger Delta, members of the community have embraced violence as a means of curbing the excesses of oil companies, getting at the government and attracting international attention amongst others.

According to Ogbogbo (2004), the various joint venture agreements entered into by the Federal Government and transnational oil companies indicate an increase in the parties involved in the crises. The government is perceived to have abandoned its responsibility to its citizens while the oil companies are believed to have failed to demonstrate corporate commitment to the welfare of their host communities.

Hence, the oil companies have been categorized as foes, thereby increasing the number of parties to the conflicts. This view was corroborated by Ron Van den Berg, the Chairman and MD of Anglo Dutch Shell Petroleum Development Company of Nigeria when he remarked that since the communities could not attack the government, they attacked the oil companies instead ("Niger Delta Situation," 1999). In 2002, an international observation team declared the Niger Delta as one of the most volatile regions in the world (Alao, 2005). Since a higher percentage of the violence in the area is against the oil companies, it becomes imperative for the companies to re-evaluate their relationships with their host communities, that is, re-engineer their community relations strategies.

The degree of violence in the Niger Delta has become endemic, characterized by 33 cases of kidnapping recorded between January 2006 and February 2007, with over 200 victims being mostly expatriate oil workers (Africa Masterweb, 2007). There were also about 12, 770 cases of vandalism, particularly of oil pipelines and installations, recorded in Nigeria between 2000 and 2007 with most of them occurring in the Niger Delta (Nwankwo & Ezeobi, 2008). The implications of the Niger Delta crises are too far-reaching to be ignored: for the inhabitants of this area, there are constant environmental hazards and security threat, while for the Nigerian government, over N150.5bn in revenue was lost in eight years (Nwankwo & Ezeobi, 2008); there was also a drop of more than 20% in oil exports between April 2006 and October 2007 (BBC News, 2007). The global community is not excluded from the effect of the crises; the crude oil price on the world market was raised to \$100 per barrel in January 2008 (Arowolo, 2008 as cited in Alabi, 2008) and later to about \$120 a barrel in April 2008. The worst hit of all the victims of vandalism and kidnapping, however, are the oil companies. More than 95% of the kidnap cases mentioned above involved oil workers, and the installations of oil companies were the target of most of the vandalism. It is noteworthy, however, that the degree of these occurrences varies across different oil companies (Aaron & Patrick, 2008). Onua (2007) describes it as a sort of revenge on the multinational oil companies.

#### **Oil Dimension of the Crisis**

In February 2007, Nigeria celebrated fifty years of oil exploration, but Agagu and Adu (2008) note that observers have opined that in spite of Nigeria's oil wealth, the performance of the sector has not been impressive. Aiyetan (2008) cited Rilwan Lukman, the former Minister of Petroleum in Nigeria and the former President of OPEC, to have said that oil is both a blessing and a curse in Nigeria. The oil industry has in no small measure helped to propel other industries since the time oil assumed great ascendancy in industrialization. Among the countries that have benefited from the oil industry are Dubai, Iraq, Kuwait, Saudi Arabia, Libya, Britain and Singapore, among others. Although Nigeria has also benefited from the industry through oil boom in the global market, the Niger Delta, which forms the bedrock of the country's oil exploration and exploration, has

no semblance of development which can be linked with the oil industry. In 1969, Nigeria's military government under the leadership of General Gowon abrogated the 1914 Colonial Minerals Ordinance, thereby opening a fresh chapter in the state-oil bond by formally transferring the control and ownership of oil to the state. Nigeria proceeded to join OPEC in 1971 and in the same year established its own oil industry, acquiring up to 60 per cent equity ownership in all operating oil companies.

#### **Shell Nigeria (SPDC)**

Shell Nigeria is a subsidiary of the Royal Dutch Shell plc, which has its headquarters in The Hague, Netherlands, and its registered office at the Shell Centre in London, United Kingdom. According to the Global 500 list, Shell is the largest energy company and the second company in the world as measured by revenues. The Royal Dutch Shell Group was created as a result of the merger between the Royal Dutch Petroleum Company and Shell Transport and Trading Company Ltd of the United Kingdom in February 1907. The merger was necessitated by the need to compete globally with John D. Rockefeller's Standard Oil, which was then the predominant US petroleum company. According to the terms of the merger, 60% of the new group was given to the Dutch partner while the remaining 40% went to the British. Prior to the merger, the Royal Dutch Petroleum Company was a Dutch company that was founded by Jean Baptise August Kessler and Henri Deterding in 1890, at the time King William III of the Netherlands granted it a royal charter for Working of Petroleum in the Dutch Indies. Shell, on the other hand, was a British transport and trading company founded in 1897 by two brothers, Marcus Samuel and Samuel Samuel. The initial commission of the company was eight oil tankers for the purpose of transporting oil. Shell took control of the Mexican Eagle Petroleum Company in 1919, while in 1921, Shell-Mex Limited was formed, which marketed products using the "Shell" and "Eagle" brands in the UK. As a result of economic difficulties, among other reasons, Shell-Mex merged its UK marketing operations with the operations of British Petroleum in 1932, resulting in the creation of Shell-Mex and BP Ltd. The new company traded for 43 years before the brands separated in 1975.

Other historic landmarks of Shell Nigeria include the first Participation Agreement that was signed in April 1973, through which the Federal Government of Nigeria acquired 35% shares in the oil companies; second Participation Agreement signed in April 1974, through which the government increased its equity to 55%; third Participation Agreement signed in 1979, that saw the government, under the auspices of NNPC, increase its equity to 60%; and also the August 1979 Participation Agreement in which BP's share holding was nationalized and NNPC acquired 80% of the equity, leaving Shell with 20% (Shell, n.d.).

#### **Nigerian Agip Oil Company (NAOC)**

Agip is an Italian company with the original Italian name Azienda Generale Italiana Petroli, which means General Italian Oil Agency. It is an automotive gasoline and diesel retailer that was established in 1926. The process that birthed the company started in 1924, when there was the famous *affair Sinclair* Scandal. A US oil company, Sinclair Oil, entered into a 50 year long agreement with the Italian Ministry of National Economy that led to it being issued a permit to conduct oil research in the country.

#### **Chevron Nigeria Limited (CNL)**

Chevron Corporation is an American multinational energy corporation with its headquarters in San Ramon,

California, and has active operations in more than 180 countries. The company engages in every aspect of the oil, gas and geothermal energy industries, which also includes exploration and production. Traditionally, Chevron traces its roots to the oil discovery in Pico Canyon, north of Los Angeles. As a result of the discovery, there was a formation of the Pacific Coast Oil Company in 1879, which was Chevron Corporation's oldest predecessor. Initially, Chevron was known as Standard Oil of California, or SoCal, which was formed in the midst of the antitrust breakup of John D. Rockefeller's Standard Oil Company in 1911. Saudi Arabia granted SoCal a concession in 1933 to find oil, and it was found in 1938. SoCal discovered the world's largest oil field in Saudi Arabia in the early 1950s. In 1984, Standard Oil of California merged with Gulf Oil, which was the largest merger in history as at the time. SoCal divested many of Gulf Oil's operating subsidiaries under the antitrust regulation and sold some Gulf subsidiaries as well as a refinery located in eastern US. Afterwards, Standard Oil of Californian changed the name to Chevron Corporation. Chevron merged with Texaco in 2001 to form ChevronTexaco. The label was changed back in May 2005 to simply Chevron, after which it merged again with Unocal Corporation in August 9, 2005. Consequent on Unocal Corporation's extensive South East Asian geothermal facilities, Chevron became the biggest supplier of geothermal energy in the planet (Chevron, n.d.).

#### Conflict Resolution and Public Relations

Conflict resolution has been a part of human experience for centuries. Although this is factual, Burton (1993) argues that it is relatively recent in scholarly discourse. He points out that some scholars interchange "dispute" with "conflict." According to him, settlement refers to the negotiated or arbitrated results of disputes while resolution refers to the result of a conflict situation. Hence, there is "dispute settlement" and "conflict resolution". He, however, goes on to say that though dispute and conflict may refer to different conditions and scope of human relationships, they operate on the same principles and can be used interchangeably. The process of conflict resolution focuses on the rebuilding of broken-down relationships, and this falls within the purview of public relations. Public relations practice has become well known in recent times because of the great assistance it offers in crises resolution. Because of the complexities of the world today, it is certain that organizations and people cannot avoid trouble and violence. Wherever there is violence and trouble, wise counsel is required (Seitel, 2007). Conflict is the outcome of unchecked degeneration in human relationships, and according to Folarin (1998), it evolves in stages; first we have an issue, then it evolves into conflict, and finally into a crisis.

Chevron established an Itsekiri Rural Development Council that was made up of 23 Itsekiri communities within five oil fields of its operations. The five fields are Abiteye, Dibi, Escravos, Ughoegungun and Olero. Dibi oil field was randomly selected and of the six communities in that category, Tisun and Kolokolo communities in Delta State were selected. Agip also had its operations in Bayelsa, Delta and Rivers states. After randomly selecting Rivers State, Obiafu/Obrikom oil location was selected in Ogba/Egbema/Ndoni Local Government Area. Afterwards, Omoku and Obrikom communities were finally selected.

Systematic random sampling was used to select the individual respondent. In each of the communities, a starting point was randomly selected and the respondents were chosen according to a selected sampling interval. Wimmer and

Dominick (2003, p. 91) explain that systematic random sampling is similar in some ways to simple random sampling but it saves more time, resources and efforts. They observe that systematic samples are frequently used in mass media research and that, "since the procedure so closely resembles a simple random sample, many researchers consider systematic sampling to be as effective as the random procedure," (Wimmer and Dominick, 2003, p. 91).

**Table 1. Community Distribution of Respondents**

COMMUNITY	PERCENT
Eruemukohwarien	30.6
Tisun	3.7
Kolokolo	6.1
Omoku	47.6
Obrikom	12.0

As already stated, this study was carried out in five Niger Delta communities. The community distribution of the respondents reveals that the largest percentage came from Omoku, followed by Eruemukohwarien, Obrikom, Kolokolo and Tisun (Table .1). The relatively low percentages from Tisun and Kolokolo communities were due to the Itsekiri-Ijaw crises that occurred in 2004, which compelled most of the indigenes to relocate to urban centres for security reasons.

**Table 2. Age and Gender Distribution of Respondents**

Age	Gender	
	Male	Female
20-35	63.5%	82.8%
36-50	31.1	14.6
51-65	5.1	1.9
66+	0.3	0.7
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>334</b>	<b>261</b>

Table.2 shows the distribution of both male and female respondents by age. It reveals that majority of the respondents from both gender fell within the age category of 20-35. It also shows us that there were more female respondents (82.8%) within this age category than there were males (63.5%). A closer look at the table also reveals that there is an inverse relationship between the age categories and the number of respondents within them. Hence, the higher the age ranges, the lesser the percentage of respondents. This observation is true for both the female and male categories, though again, more females (0.7%) than males (0.3%) fell into the final category of ages 66 and above.

**Table 3. Age Distribution of Respondents by Communities**

Age	Name of Community				
	Eruemukohwarien	Tisun	Kolokolo	Omoku	Obrikom
20-35	52.7%	40.9%	72.2%	84.5%	80.6%
36-50	40.1	40.9	27.8	13.4	16.7
51-65	7.2	13.8	.0	1.8	2.4
66+	.0	.4	.0	.3	.3
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>182</b>	<b>22</b>	<b>36</b>	<b>283</b>	<b>72</b>

Table.3 provides a follow up to Table .2 by showing the respondents' age distribution according to their communities. As can be seen, majority of the respondents from each of the five communities fell within the 20-35 age range. Considering that the youths were the most active participants in the Niger Delta crises, particularly in terms of restiveness and militancy, it is not surprising that they had the highest representation in this study. This may be due to their activeness and readiness to express themselves, or their realization that they had more at stake than their aged leaders.

**Table 4. Gender Distribution of Respondents According to the Communities**

Gender	Communities				
	Eruemukohwarien	Tisun	Kolokolo	Omoku	Obrikom
Male	65.9%	63.6%	72.2%	47.7%	54.2%
Female	34.1	36.4	27.8	52.3	45.8
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>182</b>	<b>22</b>	<b>36</b>	<b>283</b>	<b>72</b>

In the table above, it can be seen that more males participated in this study than their female counterparts, except in Omoku. A possible explanation for this may be found in the educational level of the communities, as presented in Table .5 below. Omoku appears to be the most educated of the five communities, followed by Obrikom. It is interesting to note that female participation in this study also followed the same progression. Hence, we can safely conclude that the more educated the communities were, the more willing the females were to express their views.

**Table 5. Educational Status of Respondents**

Education	Communities				
	Eruemukohwari	Tisun	Kolokol	Omok	Obriko
SSCE or	95.6%	95.5%	86.1%	42.0%	68.1%
HND/Degr	3.4	4.5	13.9	51.6	29.1
MSc/MA	0.5	0	0	5.7	1.4
Ph.D	0.5	0	0	0.7	1.4
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>182</b>	<b>22</b>	<b>36</b>	<b>283</b>	<b>72</b>

Table.5 shows the educational distribution of the respondents according to their communities. A general look at the table reveals that though Obrikom had the highest percentage of Ph.D (1.4%), Omoku appears to be a more educated community than the others. This is because 58% of its respondents had HND/Degree and above, as against the 31.9% of Obrikom, 13.9% of Kolokolo, 4.5% of Tisun and 4.4% of Eruemukohwarien. It is also ironic that while the second largest percentage of respondents came from Eruemukohwarien, majority of them had SSCE or less. It is even more ironic considering that Eruemukohwarien is located on the mainland, between Ughelli and Warri in Delta State, with both cities being urban centres, while Tisun is located in the creeks with no single school in the community.

**Table 6. Oil Company's Channels for Relating with Communities**

Channels for Relating with the Community	Resident oil company		
	Shell	Agip	Chevron
Royal	3.1%	25%	7.7%
Elders	32.0	2.1	6.2
Family	4.1	3.0	3.1
Youths	43.2	8.6	12.2
All levels	8.8	58.6	70.8
No level	8.8	2.7	0
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

The result in Table .6 shows that of the three oil companies, Agip related more with the communities through the royal fathers, Shell related more through the elders, family heads and youths and Chevron generally favoured a combination of the four channels. It can be observed that on a general level, none of the three companies was particularly disposed towards the use of family heads as a channel for relating with the communities.

Conflicts may occur when there is incompatibility between the goals, objectives or values of the oil companies and host communities in the Niger Delta. The result in Table.7 shows that the highest percentage of conflict

acknowledgement came from Eruemukohwarien, while the lowest was from Tisun. It is not surprising that Eruemukohwarien returned such a high percentage because a conflict occurred in the community about a year before this study was conducted. Members of the community demanded that their road network should be repaired by Shell but there was no response from the company. Hence, a demonstration was staged during which the operations of Shell in the community were shut down. A year after the incident, the cause of the conflict was yet to be addressed. Hence, the issue was of current relevance in the community. Tisun, on the other hand, claimed to be a peaceful community and this reflected in the respondents' acknowledgement of conflicts.

**Table 7. Respondents' Acknowledgement of Conflicts Occurrences in Their Communities**

Any conflict in your community?	Name of Community				
	Eruemukohwarien	Tisun	Kolokolo	Omoku	Obrikom
Yes	95.6%	4.5%	66.7%	78.0%	90.3%
No	4.4	95.5	33.3	21.6	9.7
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>182</b>	<b>22</b>	<b>36</b>	<b>283</b>	<b>72</b>

**Table 8. Respondents' Assessment of the Frequency of conflicts in their Communities**

Frequency of conflict in communities	Communities			
	Eruemukohwarien	Kolokolo	Omoku	Obrikom
Rarely	90.7%	100.0%	64.8%	46.5%
Often	6.6	0	22.1	42.3
Very often	2.7	0	13.1	11.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>182</b>	<b>29</b>	<b>267</b>	<b>71</b>

A look at table.8 reveals that conflicts rarely occurred in the five communities. Tisun was not represented in the table because only one individual responded to the question and his view could not be taken to be the representation of the community. The lack of response in Tisun was expected, however, because majority of the respondents had earlier claimed ignorance of any conflict in their community. The information on this table, as far as the other communities are concerned, nevertheless, contradicts that of Table .7. In explaining this contradiction, the respondents claimed that though they had experienced some conflicts in their communities, violence was rare. Hence, it appears that conflict in this context was interpreted to mean crisis. Considering that a crisis is a situation that degenerates into a critical stage in which extraordinary intervention is needed to remedy, it becomes understandable that majority of the respondents claimed its rarity. Therefore, while the communities were familiar with conflicts, they rarely experienced crises.

Table.9 above presents the respondents' views on the occurrence of conflicts in their communities and the oil companies involved. The finding reveals that more respondents identified Shell as being involved in more conflicts in their communities than the other two companies. Considering that Shell has the largest operations in the Niger Delta, the company is likely to be more involved in conflict situations than the others. On the other hand, Chevron's operations are mostly restricted to the Itsekiri communities, leading to the fewer acknowledgements of conflict involvements. This table agrees with the finding in Table .7,

which further shows that the responses provided in Table 4.8 were referring to crisis rather than conflict.

**Table 9. Respondent's Acknowledgement of Conflicts in their Communities and the oil Companies involved**

Conflict in the communities	Resident oil company		
	Shell	Agip	Chevron
Yes	93.8%	81.8%	44.6%
No	6.2	18.2	55.4
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

**Table 10. Oil Company's Channels of Conflict Resolution**

Channels of Conflict Resolution	Resident oil company		
	Shell	Agip	Chevron
Elders	5.7%	54.7%	13.2%
Youths	5.7	30.1	13.2
Government	51.5	7.5	60.5
Consultants	37.1	7.8	13.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>322</b>	<b>28</b>

The most preferred channel of conflict resolution by Agip was through community elders and youths while Chevron and Shell preferred external channels i.e. the government and consultants (Table .10). By identifying with its host community, Agip tended to avoid a tripartite approach in resolving conflict with its host communities. The approach may explain why the degree of conflict between Agip and its host communities was less than Shell's but more than Chevron's (Table .9) that favoured a relatively higher use of the channels (Table .10).

**Table 11. Respondents' Perception of their Communities' Relationship with the Oil Companies**

Community's Relationship with Oil	Resident oil company		
	Shell	Agip	Chevron
Cordial	6.2%	39.3%	15.4%
Neutral	5.7	39.0	9.2
Not cordial	88.1	21.7	75.4
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

Table.11 above shows that more respondents believed that Agip enjoyed a cordial relationship with their communities than those who believed the same for Chevron and Shell. Agip equally returned a higher percentage among those who were neutral. This might mean that they did not have any serious complaint against the company; otherwise, they would have taken a stand. Nevertheless, a contradiction exists between the positive ratings of the company in this table and the percentage of respondents who acknowledged its involvement in the conflicts in their communities. Shell, on the other hand, had a larger percentage of respondents who said it did not enjoy a cordial relationship with their communities. This result is consistent with the finding in Table 4.9. Also, Shell's perceived preference for external assistance during conflict resolution might have influenced the respondents' opinion about their communities' relationship with the company.

Chevron also returned a predominantly negative perception of its relationship with the communities. This result contradicts the finding in Table 4.9. While the table presents Chevron as having the least claim of conflict involvement, the current table shows that more than three-quarters of the respondents believed that it did not enjoy a cordial relationship with their communities. This, again, may be associated with the company's adopted channels for conflict resolution.

**Table 12. Respondents' Perception of the frequency of Oil Company's communication with Communities**

Frequency of Company-Community Communication	Resident oil company		
	Shell	Agip	Chevron
Never	2.6%	4.2%	73.8%
Once in a while	89.7	55.7	18.5
Often	7.7	40.2	7.7
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

The role of communication in building a mutual relationship between oil companies and host communities cannot be overemphasized. Communication can be simply described as the exchange of relevant information between the parties involved. Table .12 reveals that of the three oil companies under study, more respondents believed that Chevron never communicated with their communities. Considering the importance of communication in any relationship, particularly one that is channelled towards conflict resolution, it is not surprising that majority of the respondents claimed that Chevron did not enjoy a cordial relationship with their communities.

Shell returned the highest percentage among the respondents who claimed it communicated once in a while with their communities. Shell's inability to commit to frequent communication with the communities was probably one of the factors responsible for the frequent attacks on the company. This result may be one of the factors responsible for the company's level of involvement in conflicts with host communities (Table .9) and the lack of cordial relationship with them (Table .11). Going by the result in this table, majority of the respondents believed that Chevron never communicated with their community, Shell communicated once in a while and Agip communicated often. Hence, it can be said that as far as the respondents were concerned, Chevron had the worst communication record of the three, Agip had the best, while Shell was average.

**Table 13. Respondents' Perception of oil Company's Contributions to Community Development**

Company's Contribution to Community Development	Resident oil company		
	Shell	Agip	Chevron
Yes	6.2%	51.2%	9.2%
Sometimes	78.4	41.4	43.1
No	15.5	7.4	47.7
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

In assessing strategies for peaceful coexistence with host communities and oil companies' corporate social responsibilities, respondents were asked about their perceptions regarding the companies' development efforts in their communities. By development we mean the establishment of schools, building of clinics/hospitals, provision of boreholes and other similar social amenities. The finding presented in Table .13 indicates that Agip was perceived to have contributed more to community development than Shell and Chevron. While this result corresponds with the finding presented in Table .12, which shows that Agip enjoyed a cordial relationship with the communities, it contradicts that of Table .9, in which more than three-quarters of the respondents claimed that the company was involved in the conflicts in their communities. This contradiction may be explained by the communities' claims that though Agip contributed to development, they sometimes had to protest and demonstrate for such contributions to be made.

Shell, on the other hand, returned its highest percentage among the respondents who claimed it contributed once in a while to community development. Respondents' perception, so far, has shown that Shell did not engage the communities enough as to win their goodwill. Also, of the three oil companies, the highest percentage of respondents believed that Chevron did not contribute to community development at all. A study conducted by Idemudia (2007) reveals that all the Niger Delta villages surveyed expected development benefits from the oil companies, as part of their entitlements as host communities. Failure to deliver such benefits automatically engendered hostility from the communities. The finding in Table 4.13, therefore, explains one of the sources of hostility towards oil companies in the Niger Delta.

**Table 14. Respondents' Perception of Oil Companies' consultation with the Communities before Embarking On Development Projects**

Consultation with Community before executing Development Projects	Resident oil company		
	Shell	Agip	Chevron
Never	8.2%	9.8%	78.5%
Once in a while	84.5	47.0	16.9
Often	2.1	31.3	1.5
Very often	5.2	11.9	3.1
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

One of the major ways by which host communities can be allowed to participate in deciding their own development is to be consulted by oil companies. Consultation in this context implies a meeting between two or more parties to consider a particular question, which in this case is the question of development. Table 14 presents respondents' answers to the question on the oil companies' consultations with the communities before embarking on development projects. Of the three oil companies, Chevron returned the highest percentage, 78.5%, among the respondents who claimed it never consulted with its host communities. Shell consulted the communities once in a while, as claimed by 84.5%, while more than four out of ten respondents said Agip both consulted often (31.3%) and very often (11.9%). This table reveals that majority of the respondents were of the opinion that Chevron never consulted with their communities before embarking on development projects, Shell consulted once in a while, and Agip consulted both often and very often. Although it can be observed that Agip had its highest percentage (47%) in the "once in a while" category, this does not negate the fact that it performed much better than its counterparts in the "often" and "very often" category, which means it had better and more open community involvement.

Though the responses in Table.14 may be viewed as limited considering that the social status of the respondents will significantly influence their privilege to witness or even participate in negotiations between oil companies and host communities, it may still be argued that awareness cannot be ruled out. The communities possess structures which give responsibilities to representatives and mandate them to report to the people they represent during town hall sessions.

From Table.15, Agip was perceived to have the greatest influence on its host communities. This means that the company had the ability to favourably affect the communities using its presence to the benefit of its hosts. This is interesting and a serious indictment on Shell, the oldest and the biggest of the three. It is little wonder that the company has suffered more from the militants than the others. On the other hand, we see that Shell was perceived as having the least influence on the communities. Though Chevron was in-between Shell and Agip in assessment, a look at the table shows that of the total number of respondents who shared their views on the

company, 58.4% (a combination of strongly disagree and disagree) were negative about its influence on their communities.

**Table 15. Respondents' Perception of the Oil companies' Positive Influence on their Communities**

Company Positively Influences the Community	Resident oil company		
	Shell	Agip	Chevron
Strongly Disagree	63.9%	10.7%	49.2%
Disagree	9.3	13.4	9.2
Undecided	14.4	8.0	12.3
Agree	4.1	32.7	16.9
Strongly Agree	8.2	35.1	12.3
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

**Table 16. Respondents' Perception of the Oil Companies' Effective Communication with their Communities**

Company Communicates with Community Effectively	Resident oil company		
	Shell	Agip	Chevron
Strongly Disagree	8.8%	8.6%	29.2%
Disagree	35.1	21.7	38.5
Undecided	42.8	12.2	9.2
Agree	3.6	30.4	16.9
Strongly Agree	9.8	27.1	6.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

According to Table.16, Agip again remains the most open oil company with a majority of 57.5% saying that it either agreed or strongly agreed that the company had better and effective communication with the host communities. A look at previous tables shows that Agip has maintained far better relations than others. Chevron and Shell follow in that order.

**Table 17. Respondents' Satisfaction with Oil companies' Conflict Resolution Strategies**

Satisfaction with Company's Conflict Resolution	Resident oil company		
	Shell	Agip	Chevron
Highly Dissatisfied	53.1%	18.2%	46.2%
Dissatisfied	20.1	18.5	40.0
Undecided	16.5	18.8	7.7
Satisfied	4.6	25.9	1.5
Highly Satisfied	5.7	18.8	4.6
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

Table.17 reveals that respondents were most satisfied with Agip in terms of conflict resolution. Again, this result is consistent with the previous findings in this study. It is also not surprising, considering that communication is one of the major preconditions for successful conflict resolution and the company was perceived to have had a better and more effective communication than the others (see Table .16). On the other hand, Chevron was considered by the respondents to have exhibited the least satisfactory conflict resolution of the three oil companies. A combination of the "strongly disagree" and "disagree" response categories shows us clearly that Chevron returned 86.2% dissatisfaction rate among the respondents. Chevron was closely followed by Shell with 73.2%. This finding crystallizes another aspect of the issues the Niger Delta communities had against the oil companies, which was poor response to conflicts. It also, to some extent, explains the enduring conflicts in the region; the conflicts were either not resolved to the satisfaction of the communities, or were not resolved at all, thereby leading to the degeneration of the problems.

**Table 18. Respondents' Perception of Oil Companies' Readiness to Negotiate during Conflicts**

The company is ready to negotiate during conflicts	Resident oil company		
	Shell	Agip	Chevron
Strongly Disagree	23.2%	9.5%	44.6%
Disagree	8.8	14.9	20.0
Undecided	20.1	14.9	10.8
Agree	7.2	36.3	20.0
Strongly Agree	40.7	24.4	4.6
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

A look at Table 18 indicates that Agip and Shell were perceived by respondents to be more willing to negotiate with their host communities to resolve their conflicts. This should not be surprising because the two companies have different reasons to negotiate. Agip, as we have seen in previous analyses, has been the most open and communicative of the three oil companies under study. It, therefore, would like to discuss its disagreements more readily than others. Shell, on the other hand, has had more conflicts than other companies, probably because it has the largest operations in the Niger Delta. This means that whether it likes it or not, it must negotiate its numerous conflicts, the medium notwithstanding. It is, however, ironic that in spite of the company's perceived readiness to negotiate, almost three-quarters of the respondents were not satisfied with its conflict resolution (see Table 17). Just about a quarter of the respondents said Chevron was ready to negotiate its conflicts with the communities. This is likely to be related to the relative size of the conflicts the company has had to face and perhaps, the size of the sample expressing views on this matter.

**Table 19. Respondents' Perception of the Reduction of Crises Frequency through Oil Companies Communication**

Company's Communication reduces crises frequency	Resident oil company		
	Shell	Agip	Chevron
Strongly Disagree	20.6%	11.3%	43.1%
Disagree	14.9	21.1	46.2
Undecided	21.6	17.9	0
Agree	37.6	30.1	4.6
Strongly Agree	5.2	19.6	6.1
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

In Table 19, Agip's communication was perceived by respondents to have reduced crises frequency in the communities. This finding suggests that effective community relations can actually reduce crises frequency in the Niger Delta. Agip was followed by Shell, with 42.8% of the respondents either agreeing or strongly agreeing that its communication reduced crises frequency in their communities. It is interesting to note that though majority of the respondents had earlier said that Shell was less effective in its communication and they were less than satisfied with its conflict resolution, the company's communication was still perceived as having reduced crises frequency. The answer to this may lie in Shell's readiness to negotiate, as shown in Table 18 above. Over three-quarters of the respondents said that Chevron's communication did not reduce crises frequency in their communities. This result is consistent with previous findings in this study. It also suggests that Chevron's relatively fewer conflicts (see Table 4.9) were not as a result of its communication with the communities.

**Table 20. Respondents' Perception of the Oil Companies' Fulfilment of Promises**

Company fulfils promises	Resident oil company		
	Shell	Agip	Chevron
Strongly Disagree	51.0%	11.9%	53.8%
Disagree	13.4	18.2	29.2
Undecided	14.9	15.8	3.1
Agree	6.7	29.2	6.2
Strongly Agree	13.9	25.0	7.7
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>n</b>	<b>194</b>	<b>336</b>	<b>65</b>

Table 20 reveals that Agip has maintained its lead among the other companies. It was perceived as having fulfilled its promises by a majority of 54.2%. This result reveals, perhaps, the most valuable factor responsible for Agip's perceived cordial relationship with the communities. The company's readiness to negotiate would have been a waste if it did not fulfil its promises. Chevron was, however, perceived as the least trustworthy, followed by Shell. Considering this finding, therefore, it is not surprising that both companies were perceived by more than three-quarters of the respondents as not enjoying cordial relationship with the communities (see Table 11).

### Conclusion

Based on the foregoing, therefore, the conclusion of this study is that the community relations strategies adopted by the selected oil companies are not adequate in preventing and resolving company-community conflicts in the Niger Delta. The most important reason for this is the lacuna that exists between the strategies the oil companies believed host communities preferred for conflict resolution and the ones actually preferred by those communities. The gulf seemed to have consumed efforts made by the companies, thereby leaving little proof of their responsibilities to their hosts. The lack of grassroots approach also reduced the effectiveness of the strategies, since oil companies quoted large sums of money being spent on development and host communities said they got none of it. The communities' representatives appropriated the fund earmarked for development while the companies believed that since they represented the communities, they were delivering the benefits. Hence, a grassroots approach would serve as a check for the excessiveness of community representatives.

### Recommendations

The study has shown that good community relations strategies are indispensable if conflicts between oil companies and host communities would be resolved. Having examined the relationship between the selected oil companies and communities, the following recommendations are made: The oil companies should pay specific attention to the factors identified by the communities as being responsible for the occurrence of conflicts. For instance, the companies should be mindful that the performance of the government in the state or country in which they operate would have immense implications on the perception they enjoy from their host communities. Hence, they should use their strategic economic position to encourage or pressurise the government into being responsible. Also, the oil companies should make efforts to spread their contributions to all the communities in the Niger Delta rather than paying too much attention to the restive ones. This is because some of the conflicts that occurred were due to the need for attention by some of the communities.



- i. The community members should be properly enlightened by NGOs, which are more readily accepted than the government, on their rights as individuals and their roles in national development. This will prevent them from being used by deceptive politicians as tools for winning elections. It would also protect them from some influential community leaders who may incite the people to protest for their own ends. This is because the people would seek out information and facts for themselves before they act, rather than depending on the instructions of some privileged class.
- ii. The oil companies should note that some of the communities in which there were little or no conflict occurrences did not attribute their seemingly peaceful disposition to the oil companies' community relations strategies. Rather, they attributed it to their respect for their elders, peaceful heritage, fear of God and respect for the law. This, therefore, challenges the oil companies to work harder on their strategies. It also gives an insight into the areas the companies can explore to maintain a good relationship with the communities.

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