CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background to the Study

Transnational Corporations (TNCs) are major players in the global world economy. They are conglomerates that operate like a government in the world economy. Whichever country TNCs are found, they influence the political and economic conditions of such countries. It is against this backdrop that TNCs are seen as agents of imperialism in underdeveloped countries of the world. The history of TNCs is traceable to the Dutch East Indian Company and it was the first company to issue stock. [1] The Dutch East Indian Company was not only mega but also exercised quasi-governmental authority as well.[2] The company could also wage wars with other nations, mint coins money, engage in treaties with other nations and local chiefs of their host communities, and was instrumental in carving colonies. The National Graphics[3] argued correctly that the Dutch Indian Company:

> Ruled nearly all of the Indian subcontinent. Between 1600 and 1874, it built the most powerful corporation the world had ever known, complete with its army, its territory, and a near-total hold on trade of a product now seen as quintessentially British: Tea

At the dawn of the 17th century, the Indian subcontinent was known as the "East Indies," and—as home to spices, fabrics, and luxury goods prized by wealthy Europeans—was seen as a land of seemingly endless potential. Therefore, the Dutch East Indian Company was instrumental in the supply of such goods to Europe.

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[1] Ango, N. A. (2012). Business Ethics and Practice in Multinational Companies: Evidence from Nigeria.

[2] Bernardine, H. J. (2003) in Onodugo (2012). Multinational Corporations and employment and labour conditions of developing countries: The Nigerian Experience. European Journal of Business and Social Sciences, 1(6), 67-76.

[3]The Nation Graphic, 'How the East India Company Became the World Most Powerful Business', Accessed on; https://www.nationalgeographic.co.uk/history-and-civilisation/how-east-india-company-became-worlds-most-powerful-business.

Thus, it has been established that TNCs were agents of colonialism and imperialism. The German East African Company for instance was instrumental in the colonisation of Rwanda, Burundi, and Tanzania for the German government.[4] The British North African Company had a foothold on the Axis of the North African countries during the era of scramble for Africa. It was founded by Donald Mckenzie in 1874. By 1882, the company dealt in commercial Caravans linking places like Noun River and Timbuktu.[5] Other TNCs were the Swedish Africa Company founded in 1649, and the Hudson's Bay Company founded in 1670. These early corporations engaged in international trade and exploration and set up trading posts in their various spheres of influence.

In Nigeria, the Royal Niger Company was instrumental in carving the sphere of influence for the British government. It was a mercantile company chartered by the British government in the nineteenth century. The company came into existence in 1879 with the name United African Company and later on transformed into the United African Company in 1929. What is fundamental to the history of the Royal Niger Company is that the company was the brain behind the creation of what has come to stay today as Nigeria.[6] Today, Nigeria has a good number of TNCs owned predominantly by countries in the Global North. There are Multinational Corporations like the United African Company (UAC), Toyota Motors, Coca-Cola, Lever brothers, Mobil oil; Shell BP, MTN, GlobalCom, Zain, etc, and they dominate the landscape of the Nigerian economy. These companies have amassed wealth as a result of the

[4] Henderson, W. O. (1943). "The War Economy of German East Africa, 1914-1917". *The Economic History Review*. **13** (1/2): 104–110. doi:10.2307/2590519. JSTOR 2590519.
[5] Morsy, Magali (1984). *North Africa, 1800-1900: A Survey from the Nile Valley to the Atlantic*. ISBN 978-0582783768
[6] Morsy, M. (1984). *North Africa, 1800-1900… p. 85.*

primitive accumulation of capital in Nigeria. Fundamentally, to this study, Nigeria is one of those countries that produced crude oil on a larger scale. The crude oil, therefore, accounts for 80% of Nigeria's economy. Without crude oil, Nigeria could not stand as a sovereign nation hence it has neglected agriculture since the 1970s.

Interestingly, the exploration of Nigeria's oil sector is controlled by TNCs in the oil sector including Shell, Mobil, Texaco, *et cetera*. It is expected that these companies should spearhead the developmental process of Nigeria but unfortunately, the reverse is the case. Most of these corporations have been fingered on several occasions playing active roles in the underdevelopment of Nigeria.[7] As it is expected, these TNCs in the oil sector have not impacted the Nigerian economy.

The Niger Delta which is the hub of Nigeria's oil production is expected to might have developed but is confronted with developmental problems. Over 5 decades of oil exploration in the Niger Delta, the region is categorized as underdeveloped in the context of Nigeria's economic matrix. It is observed that, despite the massive oil production and revenues accruing to the nation, the economy of the region has progressively declined. The region has only received a few resources as derivation-based resource flow from the federation account. This has declined from 50% in 1966, 45% in 1970, 1% in 1979, 2% in 1982, 1.5% in 1984 and 3% in 1992. It has been increased to 13% since 1999.[8] It is also observed concretely that the consequences of gross degradation and socioeconomic dislocation of the region by the transnational oil companies have resulted in massive poverty, unemployment,

[7] Adedipe, N. O. (1992) Environmental Consciousness for Nigerian Development. Keynote address- Nigeria's Environmental balance sheet.

[8] AustineIkelegbe, *Crisis of Resistance: Youth Militias, Crime and Violence in the Niger Delta Region of Nigeria.* African Studies Centre Seminar, Leiden, the Netherlands on 5th August, 2004.

protestations, and agitations[9] Thus, threats, hijacks, kidnappings, ransom takings, extortion, stoppage, blockage disruptions, destruction, and vandalization of flow stations and TNOC equipment and staff have become rampant. Therefore, the problem of underdevelopment in the Niger Delta has stimulated conflicts between the youths, TNCs, and the Nigerian State. The major reasons justified by the militia youth are underdevelopment with concomitant effects on environmental degradation and paupalisation of the mass of the people. it is in the light of the foregoing argument that this study interrogates TNCs with spotlight on SPDC in the Niger Delta region and socioeconomic development.

1.2 Statement of the Research Problem

The issue of socioeconomic development is a serious threat to mutual and peaceful co-existence between the people of the Niger Delta and TNCs. Over the years, the youths often take arms against the government and TNCs for the neglect in the provision of socioeconomic facilities in the Niger Delta. The main companies operating in the area are Shell Petroleum Development Company, Exxon-Mobil, Chevron-Texaco, ENI, ElfTotalFina, and Occidental among others. These companies as expected did not understand the body language of the people of the Niger Delta hence their negligence in socioeconomic provision in the area. The government on the other hand refused to live up to its expectation since the exploration of oil and gas in the Niger Delta Region. In July 1992, the government set up the Oil Mineral Producing Areas Development Commission (OMPADEC).[10] The Commission was given the responsibility to receive and administer, by the confirmed ratio of oil production in each State, the monthly allocation of the Federation Account set aside

[9] U. E. Ite, Multinationals and Corporate Social Responsibility in Developing Countries: A case study of Nigeria, Corporate Social Responsibility and Environmental Management, 2004 Vol. 11, Number 1, 1-11.
[10] See https://library.fes.de/pdf-files/iez/02115/imobighe.pdf. Accessed, 18-02-2024.

for oil mineral producing areas. It was specifically to administer the fund for "the rehabilitation and development of the mineral producing areas" and for "tackling ecological problems that have arisen from the exploration of oil minerals".[11] But this major was inadequate and could not address the fundamental question of development in the Niger Delta.

During President Olusegun Obasanjo's administration from 1999-2007, the government made frantic efforts to address this problem. The government set up what came into existence as the Niger Delta Development Commission (NDDC). NDDC has not made any significant progress in improving the living conditions of the Niger Delta people, or the environmental conditions of the region. It is on this basis of developmental challenges in the Niger Delta Region that the Ogoni youths formed the National Youth Council of Ogoni People (NYCOP), which was later transformed into the Movement for the Survival of the Ogoni People (MOSOP) as a violent organization. In Bayelsa State, the Odi tragedy in which the Army sacked a whole village, was a reaction to the slaughtering by a group of Bayelsa youths of some Policemen sent there to maintain peace. Several other violent organisations were formed in the Niger Delta area to fight the Nigerian government and its cohort, the TNCs. Strategies like the vandelisation of the pipeline, taking hostages of foreign expatriates, violent conflicts among oil-producing states, and demonstrations, were rife in the area.

The escalation of violence of underdevelopment in the Niger Delta region leads to loss of thousands of lives and property on the side of the communities and the TNCs, as well as the government. For instance, the conflicts led to the disruption of

[11] See Oil Mineral Producing Areas Development Commission Decree 1992, Decree No.23, 19th July 1992.

oil production and a huge loss in export earnings to the tune of 800,000 barrels per day, which is the equivalent of 40% of Nigeria's total oil production of about 2.2 million barrels per day.[12] Therefore, the Niger Delta question attracted research interest in academic cycles including Austine Ikelegbe, *Crisis of Resistance*;[13]Omeje's 'the Rentier State[14]and LS.M. Livesey, Eco-identity as Discursive Struggle.[15] There are also academic works on transnational oil corporations in the Niger Delta. Examples include ITE's Multinationals and Corporate Social Responsibility in Developing Countries;[16]Adedeji Samuel Olutayo's *Multinational Corporations and Nigerian Economic Development* [17] and Isa JameLoryem's *Multinational Oil Corporations and the Development of the Petroleum Industry in Nigeria*.[18] However, these studies did not articulate some of the strides made by the TNCs in the Niger Delta Region. Against this backdrop, this study interrogates the activities of SPDC as a TNCs in the Niger Delta region to provide socioeconomic and developmental strides and why it has failed to address development challenges among the people. By doing these, the study focuses on the following fundamental puzzles;

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[12] Bulus, H and Ango, N.A (2012).Multinational Companies Corporate Social Responsibility
Performance in Lagos State, Nigeria: A Quantitative Analysis. European Journal of Globalization and Development Research 1(1).

[13]AustineIkelegbe, *Crisis of Resistance: Youth Militias, Crime and Violence in the Niger Delta Region of Nigeria.* African Studies Centre Seminar, Leiden, the Netherlands on 5th August, 2004.

[14] K. Omeje, The Rentier state: Oil-related Legislation and Conflict in the Niger Delta, Nigeria. Conflict, Security and Development, 6(2), 211-230.

[15] LS.M. Livesey, Eco-identity as Discursive Struggle: Royal Dutch/Shell, Brent Spar, and Nigeria, *The Journal of Business Communication*, 38(1), 58-91.

[16] U. E. Ite, Multinationals and Corporate Social Responsibility in Developing Countries: A case study of Nigeria, Corporate Social Responsibility and Environmental Management, 2004 Vol. 11, Number 1, 1-11

[17] Adedeji Samuel Olutayo, *Multinational Corporations and Nigerian Economic Development* (Zaria, Amadu Bello University Press, 1981), 160-162.

[18] Isa JameLoryem, *Multinational Oil Corporations and the Development of Petroleum Industry in Nigeria*, (Zaria, Amadu Bello University Press, 1981), 1992, p. 75-76.

i. What is the nature of operations of the SPDC in the Niger Delta Region?

ii. What are the challenges caused by the SPDC in the Niger Delta Area?

iii. What are the socioeconomic opportunities that are provided by SPDC in the Niger Delta Region?

These and other related problems are the concerns of this study.

1.3 Aim and Objectives of the Study

This study aims to document the history of TNCs in the Niger Delta Region vis-a-vis the socioeconomic development of the area. The general objectives of this study revolve around the following key areas.

i. To determine the nature of operations of SPDC in the Niger Delta Region.

ii. To determine the challenges caused by the SPDC operations in the Niger Delta.

iii. To determine socioeconomic opportunities provided by the SPDC in the Niger Delta Region.

1.4 Significance of the Study

This study is significant in several ways when executed. This is because the crises in the Niger Delta region are 'developmental crises'. The study, therefore, provides veritable evidence of the true nature of the relationship between the communities and the TNCs in the Region. The information provided by this research will be of immense benefit to students, academics, economic planners, TNCs, and stakeholders in the Niger Delta Region. By establishing the historical trajectories of the activities of the TNCs in the Niger Delta Region, the result would draw attention to the state of socioeconomic activities of the people of the region to the international

system. This would ultimately lead to the final analysis of the need for TNCs to provide meaningful socioeconomic development for the region and the entire country.

Furthermore, the work promotes the fact that socioeconomic well-being is a multi-dimensional concept that needs to be evaluated in terms of a variety of indicators to understand the situation of people living in the Niger Delta region. Finally, the work makes it possible for the establishment of appropriate and enduring environmental policy statements that will promote the socioeconomic well-being of the Niger Delta region of Nigeria. The study will also be relevant because it hopes to provide comprehensive data (analytical and statistical) on the phenomenon under review which is lacking in the extant literature

1.5 Scope and Limitations of the Study

The scope of this study anchors on two dimensions. The first is on TNCs that operate in Oil and gas exploration in the Niger Delta Region. However, Shell Development Company of Nigeria has been selected. Others TNCs in the study area are Chevron Corporation; Exxon-Mobil Nigeria; Total Energies Nigeria; Agip Oil Company; and Texaco Nigeria. The selection of SPDC stem from the enormity of its activities and impact in the study area. The second dimension of the study's scope is the area of study called the Niger Delta Region. It is a consummation of different ethnic groups who are found in the following states; Delta, Bayelsa, Rivers, Edo, Akwa Ibom, Imo, Ondo, and Cross River states. Geographically, the Niger Delta occupies the area enclosed by longitudes 5^0 and 6^0 45' East of the Greenwich Meridian and latitudes 4^0 40^0, and 6^0 10' North of the equator[19]as captured in Map 1.

[19] Osarhiemen Benson Osadolor, *the Niger Delta Question: Background to Constitutional Reform* (Ibadan: University of Ibadan, 2004), 39.

Map 1: **The Geographical Composition of the Niger Delta**



Source: Udotong J. I. R., Udoudo U. P., and Udotong I. R. (2017). 'Effects of oil and gas exploration and production activities on production and management of seafood in Akwa Ibom State, Nigeria', Journal of Environmental Chemistry and Ecotoxicology, Vol. Vol. 9. (3).

In a sense, the name Delta Province is apt for the riverine peoples of the province which include the Ijo, the Itsekiri, and the Aboh inhabiting what can be roughly described as the western Delta of the Niger. Other peoples of the province are the Isoko, the Ukwuani, and the Urhobo. Although by comparison with the Ijo, Itsekiri, and Aboh this latter group of peoples can be "described as up-country peoples."[20]The delta swamps spread to a large part of the Aboh and Isoko nations as well as to some parts of the Urhobo country. This area is triangular with its apex between Ndoni and Aboh, descending eastwards to the Qua Iboe River at Eket and

[20] Jacob Safra et al, *The New Encyclopaedia Britannica*, 15th ed. Vol. 16 (New York: Encyclopaedia Britannica Inc., 2002), 564.

westwards to the Benin River with its base along the Atlantic coast between the Bights of Benin and Biafra.[21]

This geographical definition seems to agree with the view of some other writers who have explained that "East of the Benin River lies the delta of the Niger, a land of myriad channels, creeks, and mangrove swamps."[22] At the seaward fringe, the delta forms a sand ridge, high enough for villages of fishermen and salt gatherers. In the upper delta, inland beyond the salt water and mangrove swamps is a region of freshwater swamp with some higher land suitable for agriculture. As historical evidence attests to conditions in the delta, it encouraged trade between the seaward settlements and the agricultural areas of the upper delta and its hinterland.[23] By 1500 AD, one of the villages at the lower fringe of the delta was reported to have a population of 2,000 people and active commerce through the system of creeks and lagoons.[24] Similar conditions existed further east, where the estuary of the Cross River again provided an opportunity to exploit maritime resources and trade these products with the peoples of the hinterland.

In a study of the Precolonial history of the area, E. J. Alagoa classifies a specific area of the region as the core, the western and eastern Niger Delta.[25]The geographical basis of the classification is the grouping of the Precolonial states that lie within the delta of the River Niger. This definition seems acceptable to those who

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[21]Obaro Ikime "The Peoples and Kingdoms of the Delta provinces" in Obaro Ikime (ed.) *Groundwork of Nigerian History* (Ibadan: Heinemann, Educational Books, 1980), 89.

[22] Ikime "The Peoples and Kingdoms of the Delta Provinces"

[23] E. J. Alogua, "The Niger Delta states and their Neighbours to 1800" in J. F. A. Ajayi and Michael Crowder (eds.), *History of West Africa,* Vol. I, (London: Longman, 1976), 331.

[24]Alogua, "The Niger Delta states and their Neighbours to 1800," 330-332

[25] Obaro Ikime "The Peoples and Kingdoms of the Delta provinces" in Obaro Ikime (ed.) *Groundwork of Nigerian History* (Ibadan: Heinemann, Educational Books, 1980), 89

make a distinction between the core and peripheral Niger Delta in the composition of states in present-day Nigeria. They argue that the core Niger Delta states are Rivers, Bayelsa, Delta, and some parts of Akwa Ibom and Imo states, and this excludes Edo and Cross River states. On the other hand, some others contend that all the core and peripheral states belong to the Niger Delta region. This view agrees with the classification of the Niger Delta in geopolitical terms as the South-South zone of Nigeria comprising six of Nigeria's thirty-six states, namely, Akwa-Ibom, Bayelsa, Cross River, Delta, Edo, and Rivers.

1.6 The Peopling of the Niger Delta

The Niger Delta area is one of the places in Nigeria that has different smaller ethnic groups. They include the Itsekiri, Urhobo, Isoko, Ijaw (or Izon), and Ukwuani; the Bini, Esan, Auchi, Esako, oral, Igara, and Afenmai in Edo State; and the Ilaje Yoruba in Ondo State. These ethnic groups are found in what has been classify by many scholars as the peoples of the Western Niger Delta Region. It is established that the peoples of the Central Niger Delta consist of the central section of coastal South-South Nigeria which includes Bayelsa, Rivers, Abia, and Imo States. The Central Niger Delta region has the Ijaw (including the Nembe-Brass, Ogbia, Kalabari people, Ibani of Opobo & Bonny, Abua, Okrika, Engenni, and Andoni clans), the Ogoni people (Khana, Gokana, Tai and Eleme), the Etche, Egbema, Omuma, Ogba, Ikwerre, Ndoni, Ekpeye and Ndoki in Rivers State, Abia State and Imo State, who are considered as a sub-group of the Igbo ethnic group belong to this category too. While the Eastern Niger Delta consists of Cross River State and Akwa Ibom State. It has the homogeneous Annang, Efik, and Ibibio peoples.

Therefore, the peoples of the Niger Delta region fit into five major linguistic groups, described in terms of their Ijaw, Yoruba, Edo, Igbo, and Cross River origins.[26] The Niger Delta province can be divided into two zones namely, the lower Delta which is the home of the Ijo, the Itsekiri, and the Aboh, and the upper Delta inhabited by the Isoko, Urhobo, and Ukwuani. The distinguishing feature of the former is the dense mangrove vegetation through which meanders a network of creeks. The latter zone falls within the evergreen forest belt dominated by the oil palm tree.

This division of the province into two natural vegetation types has been an important factor in determining the relations between the peoples of the province, in so far as their occupational pursuits have been determined by their varying natural habitats. Thus the "lower delta dwellers were and continue to be fishermen, makers of salt and earthenware, canoes and, where the situation permitted, middlemen traders."[27] The dwellers in the hinterland naturally took to agriculture and the exploitation of the oil palm tree, though some engaged in fishing. The exchange of the products of their various occupations thus constituted an early determinant of inter-group relations. The water people had fish, crayfish, and salt to offer the land people while the latter offered in return yams, plantains, pepper, and the various products of the cassava plant. As of the 16th century slaves from up country also became an important commodity in the commercial transaction between the two groups.[28]

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[26] Reuben Udo, "Environments and peoples of Nigeria: A Geographical Introduction to the History of Nigeria" in Obaro Ikime (ed.) *Groundwork of Nigerian History* (Ibadan: Heinemann, Educational Books, 1980), 11.

[27]Okwudiba Nnoli, *Ethnic politics in* Nigeria **(**Enugu**:** Fourth Dimension Publishers, 1978**),**148

[28]Uyilawa Usuanlele, "The Edo Nationality and the National Question: AHistorical Respective" in Eghosa Osaghae and EbereOnwudieve (eds.) *The Management of the National Question in Nigeria(*Ibadan: The Lord's Creations, 2001), 207.

1.7 The Economic Activities of the Peoples of the Niger Delta

What constitutes the economy of the people of the Niger Delta continues to change in time and space. This is because the people of this area have been blessed with water, minerals, and fertile land for the economic production of tree crops. For instance, in the 15th century, the people of this area were sucked into the vortex of the emerging international economy. They corroborated with the Europeans in the slave trade. As argued by Ogbogbo, & Muojama, the participation in the slave trade by the peoples of the Niger Delta was underpinned by 'strategic geographical location'.[29] Therefore, majorly, the peoples of the Niger Delta served as middlemen for the Europeans by buying slaves with their hinterland neighbours and the European slave dealers at their coast. As submitted by Ogbogbo, & Muojama, 'the Niger Delta slave markets along the littoral became reputed as the largest 'slave coast'.[30] It must be noted, therefore, that earlier in the same 15th century, the coasts of the Niger Delta served as locations for European trading stations and fortes which became slave zones in Bonny and Brass. The 'unholy trade' remained for over three hundred years before it was abolished by the process of centripetal and centrifugal forces. The abolition of the slave trade led to the emergence of the palm oil trade. The palm oil trade arrived in the wake of industrialisation in Europe. In this trade, the Niger Delta coasts were major evacuation points: from the hinterland producers to European merchants. Because of this role, the Niger Delta coasts metamorphosed into a big area of oil coast.

It should be noted that the development of the palm oil trade affected Itsekiri-Urhobo's economic relations. Through the system of pledges and diplomatic

[29] Ogbogbo, C. B. N., & Muojama, O. (2007). The Global Economy and the Niger Delta Crises. *Journal of the Historical Society of Nigeria*, *17*, 169–190. http://www.jstor.org/stable/41857154

[30] Ogbogbo, C. B. N., & Muojama, O. (2007). The Global Economy… p. 170.

marriages, it was often possible to maintain friendly relations between the Urhobo and the Itsekiri were not always resolved peacefully. Sometimes the Itsekiri trader, offended by the non-fulfilment of promises made by their Urhobo customers sent their slaves, usually described as their 'boys', to raid the villages of the offenders concerned, the idea was that slaves taken during such as raid would, by working for the Itsekiri, eventually make good the loss sustained by the non-fulfilment of the obligations previously agreed on.[31] A monetary system became essential for any meaningful trade as commercial transactions became more multilateral and goods were no longer as readily interchangeable as before because the barter system could no longer cope efficiently with an increase in the volume of trade. Money therefore became necessary to facilitate trade. This development systematically eliminated salt and pieces of cloth as currencies. The use of cowries and manila continued until the British introduced silver coins into the area. What is important to note here is the way and means in which these indigenous currencies were used in the development of trading activities.[32] It will be instructive to note that until the advent of the British, the various clans in Urhobo and Itsekiri had ways of carrying out their indigenous activities, and also this helped in facilitating economic relations among them. This goes to show that before the coming of external influences, the people organized institutions and social usages which to a greater extent regulated their lives.

Apart from trade in slave and palm oil, the Niger Delta people took advantage of the exploitation of their physical environment as well. The people engaged in the production of aquatic food, salt production, canoe making, fishing, palm oil, and

[31]Okpeh, "Conceptual and Theoretical Issues Arising from Studies in inter-group Relations in Nigeria in the 20th Century," 8

[32]Davidson, B; Buah, F. K; and Ajayi, J. F. A. *The Growth of African Civilization: A History of West African 1000-1800,* London: Longman and Green and Co. Ltd. 1968, p. 203.

farming activities for sustenance in the precolonial and post-independence periods before the discovery of oil and gas. For instance, the indigenous peoples of the modern state of Akwa-Ibom engaged in freshwater and open sea fishing. Particularly, those who occupied such places as Oron, Uruan, Eket, Ikot Abasi, Ibuno, and Andoni.[33] Here, they made use of fishing traps or hooks, ntang, mkpete, and eyie made specifically with bamboo. Another fish trap was Esihi. It was a fish trap made from raffia tree. Through these traps which were made possible with the use of boats, different kinds of fishes were caught and they included ibat (sardinella eba), ow'o£(pseudo tolo thus typhus),inaha (cat-fish), asad (mudfish) and ukpek (cynoglossus)[34]. Both men and women participated in fishing using nets of different meshes according to the type of catch desired. Most of the fish caught were used for local consumption. The fishermen also practiced farm work.

Farming was another aspect of the economy of the peoples of the Niger Delta.[35] The Isoko people practiced this system. They produced such food items as yams, cassava, plantain, and sweet potatoes among others. Although, agriculture production was favourable to few groups as a result of the geographical terrain. This scenario explains the phenomenon of migrant labour in the Niger Delta region. As noted, agriculture was common to all, but by their geographical locations, some communities gave greater prominence to fishing." Fresh fish was a ready and immediate food for household consumption while dried fish was more convenient for storage and was available market to neighboring areas as well. The drying procedure involved trimming the fins of the fish, scaling, and opening its ventral section to remove

[33] Essien, D. O. The Pre-Colonial Economy of Akwa Ibom. *Trans-African Journal of History*, *24*, 1995, 186–194. http://www.jstor.org/stable/24328663.
[34] Essien, D. O. The Pre-Colonial Economy… p. 188.
[35] Foster, W. P. Pre-Twentieth-Century Isoko: Its Foundation and Later Growth. *African Historical Studies*, *2* (2), 1969, 289–306. https://doi.org/10.2307/216360.

discarded intestinal organs. By so doing, the peoples of the Niger Delta Region used the fish as a source of short and long-distance trade.

Furthermore, hunting was another big-time job conducted by the people of the Niger Delta area. It was a high-risk exercise, done either individually or cooperatively.[36] Traps were set or erected for animals and birds. Matchets, spears, and, later, dane guns were used for hunting expeditions. Hunting was efficiently carried out with the use of dogs. The hunters encircled a particular desired area which has a lot of games and set the dogs in to hunt the game in the encircled area. However, hunting was prestigious rather than economical as was the fishing business. Besides, hunters were known for their exploits to defend their people apart from providing the needed food for household consumption.[37]

Other forms of economic activities in the Niger Delta region included wood Carving and Moulding. For instance, Human figures were carved and different woods were used for carving spoons, mortars, paddles, boats, and drums apart from African wooden plates.[38] Cooking and water pots, drinking cups as well as containers for storage facilities were molded from a special clay called aduang. While because of salt meshes, salt-making became a very significant aspect of the people. The process of salt-making started with obtaining sea water and boiling it to evaporation. This was often carried out in the dry season when the sea water was most salty. In coastal communities like Oron, Uruan, Eket, and Ibuno, one of the leading economic activities was salt making. The Itsekiri also engaged in the manufacture of salt in two various methods. There was a method by which salt was made from the roots, shoots,

[36] Alagoa, E. J. Oral Tradition among the Ijo of the Niger Delta. *The Journal of African History*, *7*(3), 1966, 405–419. http://www.jstor.org/stable/180110
[37] Derefaka, A. A., & Anozie, F. N. Economic and Cultural Prehistory of the Niger Delta. *African Arts*, *35*(1), 78–96. 2002, http://www.jstor.org/stable/3337827.
[38] Derefaka, A. A., & Anozie, F. N. Economic and Cultural…p.94.

and leaves of the mangrove trees. The roots of these trees were burnt and the ash solution was filtered and evaporated. There was also the simple evaporation of seawater. But the more widespread method was to get it by burning the shorts, roots, and leaves of the mangrove tree, a solution of the ashes was filtered and then evaporated. Salt was an extremely valuable article of trade in the period before its importation, and even today, some cooks prefer local salt to imported salt for the preparation of certain dishes.

Blacksmithing was another important industry in the Niger Delta area and it was conditioned by the level of technological progress of the society in general. The local blacksmiths produced metal tools for use. Some of the items produced by the blacksmiths included Spearheads, machetes, hoes, and knives were among the products. The source of raw materials used for blacksmithing is not clear. Nevertheless, European origin is persuasive though evidence of local derivation seems more probable. Another profession was weaving. The most skilled weavers were found in coastal villages where fiber products were derived from swamp forests. In tune with their fishing needs, coastal people became popular in weaving esihi, a small conical net used for crayfish and shrimp fishing. Other products were mbri and ikan which were popular sleeping mats. Raffia material was used for weaving cloths, bags, and ntinya, a hat for a traditional ruler among the peoples of Akwa-Ibom. Therefore, Farmers, traders, carvers, blacksmiths, fishermen, and other producers exchanged their commodities for other goods which they lacked. In domestic or local trade, articles like fish, salt, and other seafood produced from the coastal area were taken inland for exchange to obtain other items. Important markets were generally found in different parts of the Niger Delta Region.

1.8 Research Methodology

The research methodology is historical and the analysis is based on a qualitative data set. Data was collected from both secondary and primary sources. Under the primary sources, oral interviews were conducted. Information was gathered from a few communities in the Niger Delta Region where oil and gas are explored by the TNCs on the one hand and workers in the TNCs on the other hand. Data for the study were collected by interviewing some persons between the ages of 18-70 years randomly in some selected communities in the study area. People of 18 years are already adults and have fair knowledge of the activities of SPDC while the terminal age blanket of 70 underscore the fact that people in this category are still sound in the brain to engage in critical conversation on the subject matter. The interview was face-to-face while the researcher took down notes and recorded them with a phone recorder. Also, samples of media reports and public comments gathered from internet sources were included in the study.

Primary data was complemented with secondary and tertiary data, made up of books, newspapers, case studies, and archive materials. In the course of the research, the researcher visited some public and private libraries to conduct research and collect data from academic books, journals, and archives. The libraries include the John Harris Library at the University of Benin, the Edo State Library, and the Benson Idahosa University Library. Journals, newspapers, magazines, academic publications, and reference books were obtained from these libraries. With the aid of this literature(s), the perspectives and factual claims of the authors and speakers were applied to the study.

1.9 Conclusion

Chapter one of this study lays a general background to this research. It establishes how TNCs have been agents of imperialism and have continued to sap the economic vitality of the Niger Delta Region since they have found themselves in this part of the country. This frame of understanding has laid a solid background to articulate the activities of SPDC in the Niger Delta, and their contribution to the socioeconomic development of the area. To properly achieve this, the study looks into the statement of the research problem, the aim and objectives of the study, the significance of the study, the scope and limitations of the study, the peopling of the Niger Delta, The economic organization of the people and the research methodology. These parts collectively form the general background for the investigation, analyses, and documentation of the TNCs and socioeconomic development in the Niger Delta Region of Nigeria.

CHAPTER TWO

REVIEW OF RELATED LITERATURE AND CONCEPTUAL FRAMEWORK

2.1 Introduction

This chapter discusses the existing literature on the topic of this research; 'Transnational Oil Corporations and Socioeconomic Development in the Niger Delta'. The essence of a review of related literature and examination of conceptual studies is to look into the gaps other researches in the area have failed to identify and bridge such gaps. By doing this, the researcher takes stock of what has been said on the subject matter while noting what has been left out to close this gap. In line with this, it is observed by scholars that a literature review is a formalization tour or excursion into what has been done or not on the subject matter.[39] It is in this wise that this study undertakes the review of the related literature and conceptual examination of works on multinational corporations, their activities in the Niger Delta, issues of developmental challenges, and policy options in the Niger Delta Region.

2.2 Conceptual Framework

The conceptualization of the key concepts is necessarily germane to the progress of this work. This is because conceptual issues determine the selection and arrangement of facts and our evaluation of them, they also determine what the researcher either observe or fail to observe during the process of gathering and interpreting data. It is on this framework of wisdom that Okpeh, O.[40] tersely contends:

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[39] Orngu, C. "A History of Socio-Political Conflicts in Nigeria, 1953-2005: Implications for External Relations", 2009, Ph.D. Thesis, Post-Graduate School, Benue State University, Makurdi, 49.

[40] Okpeh, O.O. 'Conceptual and Theoretical Issues Arising From Studies in Inter-Group Relations in Nigeria in the 20th Century'. Akinwunmi, O. et, al (eds.), *Inter-Group Relations in Nigeria During the 19th and 20th Centuries*, Makurdi: Aboki Publishers, 2009, 5.

> Conceptual issues are therefore, are of utmost importance for any researcher to first of all establish the central concepts or theories regarding his subject matter before plunging into the shifting sands of interpretation. This, it has been observed, is the ultimate wisdom in empirical research and for our purpose in this essay, interpretative history.

Conceptual issues define the direction of analytical and interpretative historical study. They also give the researcher a boundary or limit in course of analysing and interpreting his collected data within his chosen topic.

2.2.1 Concept of Transnational Oil Corporations

The concept to be explained in this study are Transnational Oil Corporations and Socioeconomic Development. This is because these two concepts hold the key to unveil the discussions in this dissertation. Transnational oil Corporations (TNCs) are those oil companies in the Niger Delta Region owned by foreign firms and they have established their branches across the globe. The concept of TNCs is often used with MNCs but has been defined differently by scholars. For instance, Akpofure[41] defines TNCs as "a business empire characterized by a parent company and numerous subsidiaries. The parent or mother company is usually located in the center of imperialism in Europe and America, while the subsidiaries are established in less developed countries, such as those in Africa". Reinforcing this argument is Nwaorgu[42] who avails that TNCs are:

> …a multinational corporation…most frequently… entails foreign direct investment by the corporation and the ownership of economic units (services, extractive industries, or manufacturing plants) in several countries. Such direct investment (in contrast to portfolio investment) means the extension of managerial control across national boundaries…They have integrated the world economy more extensively than ever in the past, and they have taken global

[41] Akpofure, E. A. Oil Spillage in the Nigeria's Niger Delta. Psycho-morphological and Empirical Overview, International Association of Impact Assessment, Opulence Environmental Service Ltd. 2008, 7.

[42] Nwaorgu, O.C. *Monopoly Capitalism and the Development Tragedy: A Study in Imperialism, Globalization and Underdevelopment*, Aba: Ker Experts Books, 2006, 76.

economic interdependence beyond the realms of trade and money into the area of industrial production.

TNCs are, therefore, a corporate organization that owns and controls the production of goods and services in at least one country other than its home country. These usually comprise companies or other entities whose ownership is private, state, or mixed in such a way that one or more of them may be able to exercise a significant influence over the activities of others, and, in particular, to share knowledge and resources with the others.

Differentiating TNCs and MNCs is a daunting task looking at their levels of operations. It is on this note that MNCs are seen as a company that has business operations in at least one country other than its home country. By some definitions, it also generates at least 25% of its revenue outside of its home country. This implies that MNCs have offices, factories, or other facilities in different countries around the world as well as a centralized headquarters that coordinates global management. The distinguishing feature of MNCs is their centralized headquarters whereas TNCs had their headquarters in their host countries.[43] Looking at this lane difference, we can argue that MNCs operate in their home countries vis-a-vis other countries as well. Their decision-making mechanism is centralised in their mother countries. That is why most of these oil companies operating in the Niger Delta region are categorised as TNCs. They have their headquarters in Nigeria and also operate like a government, especially by influencing government decisions.[44] The study therefore adopted TNCs looking at the operation of SPDC in Nigeria.

[43] https://www.investopedia.com/terms/m/multinationalcorporation.asp. Accessed, 21-02-2024.

[44] Difference Between Multinational and Transnational | Difference Between http://www.differencebetween.net/business/difference-between-multinational-and-transnational/#ixzz8SNgSXN55. Accessed, 21-02-2024.

2.2.2 History of Transnational Oil Corporation in Nigeria

Greer and Singh[45] 'A Brief History of Transnational Corporation', gives a historical origin of transnational corporations. The study established the link between imperialism and colonialism of Western European powers especially England, and Holland, vis-à-vis their activities in the 16th century as TNCs. The authors singled out the British East India Trading Company which acquired territories in the Far East, Africa, and the Americas as one of the famous and notable TNCs. They also argued that what is known today as TNCs appeared again in the 19th century as a result of industrilisation, the emergence of the factory system, more capital-intensive manufacturing processes; better storage techniques; and faster means of transportation. Greer and Singh aver that in the 19th and 20th centuries, the scramble for resources including minerals, petroleum, and foodstuffs, and the quest to protect and increase markets pushed TNCs majorly from the United States of America (USA) to dominate Latin America, Asia, Africa, and the Middle East in terms of investments. United Fruit Company was singled out for controlling about 90 percent of US banana imports by 1899, while at the beginning of WWI, Royal Dutch/Shell accounted for 20 percent of Russia's total oil production. The authors argued that the driving impetus for TNCs is the quest for natural resources. The work gives an insight into the very nature of most TNCs in Third World Countries. In Nigeria, TNCs are in sensitive areas where abundant mineral resources are found. They have acquired primitive capital and exercised power and authority over the government of African states. It is in this wise that the work of Greer and Singh is relevant to this study.

[45] Greer, J. and Singh, K. A Brief History of Transnational Corporation', Global Policy Forum, https://archive.globalpolicy.org/component/content/article/221-transnational-corporations/47068-a-brief-history-of-transnational-corporations.html.

AGIP Oil Company Limited started operation since 1962 when the company signed oil prospecting agreement with the Nigerian Government.[46] This agreement was in line with the company's World Wide Policy whereby the government of the host country participate in its exploration and production programmes. Therefore, this agreement gives the Nigerian government about 33.33 percent participation. It should be noted that within the same year of 1962, Nigeria AGIP got oil prospecting license which covers about 5,313.5 square kilometers specifically in the Delta State.[47] Immediately gotten the prospecting license, AGIP started surveying which led to exploration with the drilling of two oil wells, Sangakubu1 and Obama1. By 1979 AGIP went into partnership with Nigus petroleum and ELF Aquitaine of France and Nigerian Government specifically in area of Risk Service contracts with the NNPC. The contractual terms spanned Off-shore and On-shore areas. It was inline with this agreement that AGIP Energy and Natural Resources Company provide the up-front capital and technical services for production. The partnership was premised on the agreement that if there is lack of oil in commercial quantity, the company will not be compelled to repay the partners in the enterprise but if successfully the company was to be allowed an option of converting the agreement to production sharing contract.[48]

By 1985 AGIP was the sole enterprise that made success story in discovering oil fields at Agbara. This oil fields are recorded to be the Nigeria's petroleum

[46] Orogun, P. S. Resource control, revenue allocation and petroleum politics in Nigeria: the Niger Delta question. *GeoJournal*, *75*(5), 2002, 459–507. http://www.jstor.org/stable/41148413.

[47]Eweje, G. Environmental Costs and Responsibilities Resulting from Oil Exploitation in Developing Countries: The Case of the Niger Delta of Nigeria. *Journal of Business Ethics*, *69*(1), 2014, 27–56. http://www.jstor.org/stable/25123935

[48] Ikelegbe, A. Civil Society, Oil and Conflict in the Niger Delta Region of Nigeria: Ramifications of Civil Society for a Regional Resource Struggle. *The Journal of Modern African Studies*, *39*(3), 2001, 437–469. http://www.jstor.org/stable/3557319

industry.[49] The other AGIP partners did not have this success story since 1079. Also, AGIP partnered with the government specifically for the purpose of promoting Nigeria's Liquefied National Gas project. In this pact, AGIP, Shell, ELF, and the NNPC accepted to promote the marketing of Nigeria's Liquefied-natural gas so as to stop European countries. In this regard, the agreement gives vent for 10 percent interest in favour of AGIP while the NNPC, ELF and Shell shared the remaining percentage of interest. Furthermore, AGIP was to supply the gas plant at Bonny with 175,000 MSLF/D of gas from its fields located at Idu and Oshi. This responsibility was given to AGIP Oil Company in appreciation of its tactical position of being the leading association of natural gas producers in Nigeria for domestic and international markets.

Therefore, all these advantages gave AGIP a better opportunity to operate in the Niger Delta Region. In the course of generating heavy profit, AGIP uses a small percentage for the development of the various host communities. Besides the crude oil extracted from these local communities, the communities also incur heavy social costs. This is why it is justified that AGIP and other TNCS have social corporate responsibilities in their various host communities. To access these responsibilities forms the next chapter of this study. What needs to be done at this point is to see how the people of the Niger Delta resisted the operation of these companies, which in the final analysis led to the kinds of social corporate responsibilities in the Niger Delta Region.

Total Energies Nigeria (TEPNG) has operated in Nigeria for over 60 years and makes over 3.6. Billion barrels of oil and gas production. Precisely, incorporated in 1962, the company maintains a partnership with the NNPC, and other indigenous

[49] Ikelegbe, A. Civil Society, Oil and Conflict in… p. 449.

companies, in developing the country's hydrocarbon industry. Like other similar companies, NNPC/TEPNG operates a share ration of 60%/40% respectively. Other firms that have shares with TEPNG are TotalEnergies Gaz Electricite Holdings France (TGEHF), with 15%, and it operates 6 LNG liquefaction trains on Bonny Island. In addition, TEPNG has non-operated interests in the SPDC-operated joint venture (10%), the Bonga field (12.5%), and the Usan field (20%). Another TotalEnergies affiliate, TotalEnergies Upstream Nigeria Limited (TUPNI), operates the Akpo and Egina fields in the OML 130 deepwater lease.[50] The company tries to keep up with its social responsibility by working closely with its host communities. The company also claimed to have been supporting many projects in the areas of health, education, environmental conservation, infrastructure and economic development, through its sustainable development and community relations programmes.

The company operates both downstream and upstream activities. The downstream activities are managed by TotalEnergies Marketing Nigeria Plc (TMNPLC), which came into operation in 1956. However, the company takes lead in downstream sector with over 577 service stations. The company also has five White Product Depots, two Lubricants blending plants and numerous industrial outlets which are strategically located across Nigeria to ensure smooth delivery of products to customers.

Ha-Joon's [51] study; 'Globalisation, Transnational Corporations, and Economic Development: Can the Developing Countries Pursue Strategic Industrial Policy in a

[50] Manby, B. The Role and Responsibility of Oil Multinationals in Nigeria. *Journal of International Affairs*, *53*(1), 1999, 281–301. http://www.jstor.org/stable/24357796
[51] Ha-Joon Chang 'Globalisation, Transnational Corporations, and Economic Development: Can the Developing Countries Pursue Strategic Industrial Policy in a

Globalising World Economy?', is useful also in this study. Chang's studies articulate how TNCs are agents of development in the globalising world. TNCs according to the study promote the integration of developing nations into the emerging network of globalised production thus enhancing their efficiency and growth. The study states that because of the importance of TNCs today, countries should adopt favourable policies that could accommodate them in their various domains. The author went ahead to demonstrate how Taiwan and South Korea have achieved accelerated development as a result of TNCs in their various states.

Kirkpatrick and Nixson's work[52] 'Transnational Corporations and Economic Development', discusses the characteristics of T.N.C.s, and their mode of operation in the different sectors of the African economy. The authors articulate the impact that they make on the process of economic growth and development, and the problems that are associated with their activities, within a broad theoretical framework that attempts to encompass both economic and political factors. The authors follow the ideas of Kweme Nkrumah of Ghana that TNCs are agents of neo-colonialism and imperialism. To demonstrate this fact, the authors focus their attention on mining and manufacturing as it is for these sectors that most information is available on how TNCs are agents of neo-colonialism.

Very fundamental to this study, the authors establish that TNCs possessed the qualities of oligopoly (that is, they dominate in markets effectively controlled by a few buyers or sellers), and their key features (rapid process and product innovation, product differentiation, heavy advertising) are both characteristics of, and in turn

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Globalising World Economy? In Globalisation, Economic Development and the Role of the State, London and New York: Zed Books Limited.

[52] Kirkpatrick C, Nixson F. Transnational Corporations and Economic Development. *The Journal of Modern African Studies*. 19(3): 1981, 367-399. doi:10.1017/S0022278X00014932.

reinforce oligopolistic structures. The attention of the authors was focused on oil and minerals, services, and manufacturing, among others. The authors also admit that TNCs have a unique feature of viewing the world as a single economic unit which enables them to plan, organise, and manage their activities on a global scale.

Foley, Hines, and Wessel[53] in their work 'Multinational Corporations in the 21st Century Economy', were more critical of MNCs. Their studies made a juxtaposition of the MNCs which they argue seek to monopolize markets, exploit foreign and domestic labor, avoid paying taxes, dodge government regulations, manage innovation inappropriately, and exploit their financial positions to the detriment of other companies. They note that large multinational firms are uniquely capable of deploying their market positions and influence over the government to solidify their control, obtaining outsized profits with actions that undermine the public interest. On the good side of the MNCs, the authors again posit that multinational firms represent the epitome of modern capitalism, producing the benefits of economic life that many take for granted. They argue that multinational firms propel innovation and productivity, thereby contributing to rising living standards, both at home and abroad. By such balancing, the authors were able to draw the strengths and weaknesses of the MNCs thereby enriching this present research work.

The study conducted by Duncan G.[54] 'Transnational Corporations as Drivers and Targets of Change', is also relevant to this current study. The author's chapter articulates how TNCs are heavyweights and players for political and social change in

[53] Foley, C.F. Hines, J.R., and Wessel, 'Multinational Corporations in the 21st Century Economy'. Global Goliaths: Multinational Corporations in the 21st Century Economy, Brookings Institution Press, 2021, 78.

[54] Green, D. 'Transnational Corporations as Drivers and Targets of Change', *How Change Happens* (Oxford, 2016; online edn, Oxford Academic, 20 Oct. https://doi.org/10.1093/acprof:oso/9780198785392.003.0010, accessed 20 Feb. 2024.

any nation they have found themselves. Of specific interest to this study, the work establishes how TNCs drive change through such ways as business operations, and their active engagement in the politics of their host nations. Therefore, the author sees TNCs as the epitome of power, with a lot of political connections that could influence policymakers. The author, therefore, suggests ways in which activists too can influence TNCs.

Alina Voiculet's [55] The study asserts that TNCs are the most innovative companies. To the author, TNCs are responsible for the majority of private expenses for research and development. In the 21st century, competitive advantages no longer consist of products and technologies but also depend on the speed with which innovation is produced and with which new products can be created and distributed. This acceleration of global competition has been enhanced by the evolution of information. As national and local economic spaces open up to the global economy, it becomes more clear that large corporations rather than national economies are the coordinating units of economic relations. It has become possible and advantageous for a transnational company to profit from the differences that exist between regions regarding pay, market potential, standards and employment, taxes, ecological regulations, human resources, etc. Their priority in production, trade, investments, and transfer of technology all over the world is unique. Transnational companies have developed from national companies into global concerns that use foreign investments to exploit their competitive advantages. The gap of missing link in this study is that it did not see the inherent weaknesses of TNCs rather than its elements of developmental strides.

[55] Alina Voiculet's 'The Niger Delta crisis: Issues, challenges and prospects" African Journal of Political Science and International Relations Vol. 3 (5), May 2009, 191.

2.2.3 Types of Transnational Oil Corporations in Nigeria

Chevron is considered to be one among the biggest producers of oil in Nigeria. The company originated in the Pacific Coast Oil Company since 1876.[56] The company later changed its name to the Standard Oil Company of California. Finally, the company changed its name to Chevron Corporation. In 1984, the company acquired Gulf Oil Corporation and combined with Texaco (formerly The Texas Fuel Company, formed in Beaumont, Texas, in 1901) in 2001 and later again acquired Unocal in 2005. It should be noted that these mergers positioned Chevron in the energy sector.

Coming back to Nigeria, Chevron stated doing business since 1913. By 1963, American Overseas Petroleum Ltd - which later became Texaco Overseas (Nigeria) Petroleum Co - discovered oil at the Koluama Field, offshore Nigeria.[57] In that same year, the company began to drill near the Escravos River and found the Okan Field. In 1996, Chevron built its 103,000-barrel state-of-the-art storage terminal and loading gantry in Apapa in present Lagos State. The operation of Chevron is onshore and near off-shore areas in some places in the Niger Delta region. Apart from this, the company operates deepwater offshore projects in Nigeria in places like Agbami Field which is estimated to hold potentially recoverable volumes of 900 million barrels of crude oil and natural gas liquids. By 2009, Agbami Field daily production hits

[56] Chukumeka H. O. The Oil Rich Niger Delta Region: A Framework for Improved Performance of the Nigerian Regulatory Process. *Ambio*, *32*(4), 2003, 325–326. http://www.jstor.org/stable/4315389.

[57] Eweje, G. Environmental Costs and Responsibilities Resulting from Oil Exploitation in Developing Countries: The Case of the Niger Delta of Nigeria. *Journal of Business Ethics*, *69*(1), 2006, 27–56. http://www.jstor.org/stable/25123935.

250,000 barrels[58]. Chevron also has Escravos Tank Farm, an export terminal, Escravos gas gathering project, and an office complex. In Delta state, the major fields of the firm include Okan, Delta South, Meren, Meji, Isan, and Abiteye.

Chevron exploration and production activities is conducted under the banner of joint ventures specifically with the Nigerian National Petroleum Corporation (NNPC). NNPC has about 55 to 60 percent of the oil shares while Chevron has only 40% shares.[59] However, the company is the second largest producer of oil in Nigeria with an estimated production metrics of 400,000 barrel per day.[60] Centrally to this study, the activities of Chevron have led to water and soil pollution.[61] For instance, water pollution as a result of the oil spills is not good for food preparation, and bathing, washing clothes and dishes, and flushing toilets. This is because of poisonous gases from oil spills that appear on the water surface makes it useless for the peoples of the area.[62] The researcher related this argument by observing the sea water in Ogidigben area where a such materials clogged the waterways causing declines in fish and other species. Due to the activities of the Chevron oil company there is gross shortage of water for consumption. Although, it has also been gathered that the company tries to cushion the effect of water shortage by given to millions to community leaders who embezzled for their personal aggrandizement.[63]

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[58] Eweje, G. Environmental Costs and Responsibilities Resulting from Oil Exploitation in Developing Countries: The Case of the Niger Delta of Nigeria.
[59] Owolabi, O., & Okwechime, I. Oil and Security in Nigeria: The Niger Delta Crisis. *Africa Development / Afrique et Développement*, *32*(1) 2007, 1–40. http://www.jstor.org/stable/24483884
[60] Owolabi, O., & Okwechime, I. Oil and Security in Nigeria: The Niger Delta Crisis.
[61] Oral interview with Paul James Brown, Age 56 years, in Ogidigben Seashore, Delta State.
[62] Oral interview with Paul James Brown, Age 56 years, in Ogidigben Seashore, Delta State.
[63] Oral interview with Paul James Brown, Age 56 years, in Ogidigben Seashore, Delta State.

Another effect of the activities of Chevron and other TNCs in oil sector in the Niger Delta is the destruction of soil, vegetations, and seafood. The nature of soil degradation as a result of the activities of Chevron included deforestation and erosion of soil fertility. In Madagho, the researcher was able to observed how the soil erosion has damaged buildings and trees. The effect of this is destruction of buildings and economic trees in the study area. It is in light of these incidents that the community Chief for Ugborodu, without mixing words stated that 'quarrying, you normally have to clear the land surface and drill huge manholes and pits. There are many of Chevron's pipes beneath the water, these pipes are linked and connected to our communities. When the oil spills it spills into the land too'.

ExxonMobil otherwise called Mobil Oil Company operates in Nigeria as one among the biggest oil producers in Nigeria. Mobil started operations in Nigeria in 1955 with the name of Mobil Exploration Nigeria Incorporated (MENI)[64]. Today, the company operates in corroboration with the Federal Government of Nigeria, via the platform of the Nigerian National Petroleum Corporation (NNPC). It has been established that the Federal Government's share with the company is 60 percent, while the company takes the remaining 40 percent.[65] Since 1961, when the company was granted an Oil Prospecting License (OPL) offshore in present Akwa Ibom State, the company contributed greatly in oil and gas. It has been established that the company has more than 100 offshore platforms on 800,000 acres (3,200 km²) of

[64] Obi, C. Nigeria's Niger Delta: Understanding the Complex Drivers of Violent Oil-related Conflict. *Africa Development / Afrique et Développement*, *34*(2), 2009, 103–128. http://www.jstor.org/stable/24484022.
[65] Ibid.

territory comprising about 300 producing wells at a capacity of over 900 thousand barrels a day of crude, condensate and natural gas liquids (NGL).[66]

Some of the activities of the company is Oil and Gas exploration, production, transportation and marketing across over 200 countries. The company also manufactures basic petrochemicals such as Aromatics, Polyethylene, Polypropylene plastics and Olefins. These products are supplied to over 40,000 services stations operating under the brand name Exxon-Mobil and Esso.

Among the numerous fields the company has it is important to isolate and discuss one. Here, the attention of this study is on the Amenam-Kpono field, located about 30km off the eastern part of the Niger Delta. The gas plant is mounted on a sea water depth of 40 metres. [67] The field made a peak production of 125,000 barrels of oil per day (bpd) in the earliest years of its establishment. The emission generated is also enamours, for instance the gas plant has been generating an estimated annual emissions of 15 million metric tons of carbon dioxide equivalent. This is quite dangerous to the entire area of Niger Delta.

Another fundamental impact of the activities of Mobil plants across Niger Delta region is in terms of oil spills that damage the water, land, and air. For instance, in 1998 one of Mobil's oil wells in spilled. This incidence was as a result of leakage from the pipeline connecting Mobil's Idoho's platform with its Qua Iboe onshore terminal in Akwa Ibom State. It is believed that about 40,000 barrels of crude oil link into the sea environment and more than 90 percent of the oil evaporated and dispersed

[66] Asuni, J. B. *Blood Oil in the Niger Delta*. US Institute of Peace. 2009, http://www.jstor.org/stable/resrep12177.

[67] Ukiwo, U. From "Pirates" to "Militants": A Historical Perspective on Anti-State and Anti-Oil Company Mobilization among the Ijaw of Warri, Western Niger Delta. *African Affairs*, *106*(425), 2007, 587–610. http://www.jstor.org/stable/4496484

naturally. To prevent further occurrence, the company put in place offshore protection measures and clean-up activities. But, due to the activities of oil theft a similar incident happened in November 2020, when communities like Eket and Ibeno were affected by spills from Mobil's Qua Iboe Terminal. The company fails to adequately compensate for the damages in those affected communities.

2.2.4 Studies on the Impact and Challenges of Transnational Corporations

Eze & Okonkwo[68] their study, 'Petroleum Industry Act (PIA), Transnational Corporations (TNCs) and the Prospects of Peace and Development in the Niger Delta', gives a story of the emergence, development, and activities of TNCs in the Niger Delta Region. They contend that the arrival of TNCs in the oil sector links with the discovery of crude oil in commercial quantity in Oloibiri present-day Bayelsa State in 1956. The authors, therefore, regretted that since the explorations of these TNCs in the Niger Delta region the economy of the host communities has not been helpful. They admitted that the Ogoni clashes are unconnected to this fact. They vividly recall some of the models adopted by various TNCs in the Niger Delta Region since the 1960s, thus:

> Community Assistance (CA) developed in the '60s whose goal was to promote community development. In this model, TNCs implement programmes or projects of their choice with the goal that those projects will help promote development. These consist of but are not restricted to only agricultural programmes. The next is Community Development (CD). Here, programmes are designed by the TNCs to reflect the yearning and desire of the communities. Sustainable Community Development (SCD) was introduced owing to inherent contradictions or flaws in the past. Early 2000 witnessed the introduction of a Memorandum of Understanding (MoU) where host communities sign an MoU with their guest- firm on a totality of things they want the TNCs operating in their locality to do for them, to enjoy acceptability and liberty to operate. Most recently, in 2005 and 2006 Chevron and Shell Nigeria respectively,

[68] Eze, p. & Okonkwo, N. 'Petroleum Industry Act (PIA), Transnational Corporations (TNCs) and the Prospects of Peace and Development in the Niger Delta', University of Nigeria Journal of Political Economy: Volume 12, number 2. 2002, 67-73.

introduced a new model, Global Memorandum of Understanding (MoU) which is a major departure from previous models.[69]

Besides, is it on record that the Petroleum Industry Bill which made provision for the Host Community Development Trust Fund (HCDTF) could be useful for the development of the peoples of the Niger Delta region. For instance, according to the HCDTF, host communities will be funded with 3% of the money derived from their various communities. The authors, therefore, question the viability of this Act given the high level of corruption on the side of the elites, while the TNCs are seen never to be sincere in keeping with their promises.

The study conducted by Odemudia[70] established the narrative of TNCs in the Niger Delta Region and community violence. The author argued that in recent times, TNCs have taken their corporate social responsibilities with absolute seriousness. As a result, oil TNCs have increasingly responded to this challenge by adopting partnership strategies as a means to contribute to poverty reductions in their host communities as well as secure their social license to operate. The author demonstrated this with the community development partnership (CDP) initiatives adopted by Shell, Exxon Mobil, and Total for the development of their various host communities. Although, the author, having assessed critically the CDPs regrets that they have had a positive impact on poverty reduction in the Niger Delta.

Egbe[71], et al., 'Social Unrest: Emerging Trends on Transnational Companies and Oil-Producing Communities in the Niger Delta Region of Nigeria', has been

[69] Eze, p. & Okonkwo, N. 'Petroleum Industry Act (PIA)… 2.
[70] Idemudia, U. Oil Extraction and Poverty Reduction in the Niger Delta: A Critical Examination of Partnership Initiatives. *Journal of Business Ethics, 90*, 2009, 91–116. http://www.jstor.org/stable/40295087.
[71] Egbe, G., Ahmadu, F.O., Imhonopi, D., Iruonagbe, C.T. & Jegede, A.E. Social Unrest: Emerging Trends on Transnational companies and Oil-Producing

useful for the writing of this dissertation. The study links youth restiveness in the Niger Delta region of Nigeria to the Activities of the TNCs. The authors argue that the people inhabiting the Niger Delta region faced life-threatening challenges such as pollution of underground and surface water, destruction of land fertility, death of aquatic life arising from oil spillage orchestrated by the activities of Transnational companies, and youth restiveness. To resolve these issues, the authors collectively agreed that there is a need to ensure that corporate social responsibilities, youth empowerment, and employment are provided to guarantee the collective development of the people to guarantee lasting peace in the area. In as much as the suggestion looks fantastic, the authors at the same time refused to admit that TNCs have provided tangible socio-economic amenities in the Niger Delta Region.

Salih, I.I.[72] the study, 'Duty of Transnational Oil Corporations about Harm Caused in Countries of Operations: Alternative Mechanism for Effective Compensation: The Case of Oil Industries in Nigeria', establishes how TNCs in the oil sector have contributed to the economic viability and growth of Nigeria. The Author also argued that the TNCs in the oil sector have also contributed to the Niger Delta crisis. To the author, 'this opposing role eliminates the TNCs from ordinary bystanders and imposes a duty to act; not merely to achieve equitable balance but also to ensure the balance meets with legitimate expectation and international standard'. The arguments generated from this line of reasoning were derived from the study of the Bodo Community and other areas where Shell Petroleum Development Company of Nigeria Ltd has plants. Some of the reasons streamlined as causes of these conflicts

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Communities in the Niger Delta Region of Nigeria', Covenant Journal of Business & Social Sciences (CJBSS) Vol. 10 No.1. 2019, 87.

[72] Salih I.I. 'Duty of Transnational Oil Corporations in Relation Harm Caused in Countries of Operations: Alternative Mechanism for Effective Compensation The Case of Oil Industries in Nigeria'. University of Windsor. 2007, 89.

include lack of agreement on the fundamental issue, unstructured settlement agreement, and lack of follow up have done nothing to improve the life of the community inhabitants. It is against this backdrop that the author as a way of policy options advocates the need for TNCs to adopt an Alternative Corporate Resolution Initiative (ACRI) to facilitate the fulfillment of their contractual obligations, respect human rights, own up to their mistakes, provide a meaningful remedy, and follow up on it.

Ebeku, K. S. A. 'Oil and the Niger Delta People: The Injustice of the Land Use Act. Oil'[73] gives the earliest statistics of oil production in the Niger Delta Region. The author argues that the exploitation of oil started in 1956 with production of 5,100 barrels per day (p/d), and this first export was made to Europe. After 1960, precisely in 1960, crude oil production hit 20,000 barrels p/d. In 1961, production hit 46,000 p/d. These developments saw the construction of the trans-Niger pipeline in 1965 and the exploitation of offshore fields. At this point, the production hit 275,000 p/d and continued to 420,000 before the Nigerian Civil War began in 1967. By 1970, in the aftermath of the Civil War, and 1973, production of oil and gas doubled to 2.06 million p/d. The author, therefore, blamed the Land Use Act, which gave native lands to the government, as the major cause of the Niger Delta predicaments. This is because the quantum of production made in oil and gas in the Niger Delta region would have taken the entire people out of poverty.

[73] Ebeku, K. S. A. Oil and the Niger Delta People: The Injustice of the Land Use Act. *Verfassung Und Recht in Übersee / Law and Politics in Africa, Asia, and Latin America*, *35*(2), 2002, 201–231. http://www.jstor.org/stable/43239024

Obi, C. I. 'Enter the Dragon? Chinese Oil Companies & Resistance in the Niger Delta'[74] gives a narrative of how Chine joined European oil companies in the Niger Delta for oil exploration. The author justifies the entry of China based on the 'new scramble for Africa' the desire of the Nigerian ruling elite to boost oil revenues, diversification of oil business partners, and better market terms and conditions among others. The result was agitations, especially by the Ijaw militia group which began on 29th of April 2006. This was followed by the Movement for the Emancipation of the Niger Delta (MEND). The activities of MEND included car bombing, for example, in the city of Warn. This was a strong warning to the Chinese oil companies to stay away from the Niger Delta otherwise they could face serious attacks. The author reinforces this argument that immediately, Chinese expatriates were attacked, kidnapped, and taken hostage while their pipelines were vandalised.

Helbert, M., & O'Brien, S. work[75]; 'Transitions in the Niger Delta: Oil, Poverty, and Environmental Degradation', is another piece consulted for this study. The study shows how poverty in the Niger Delta stringer about 600, 000 women in July 2002 and September 2003 to carry out protests against the oil facilities of Chevron, Texaco, and Shell. These Itsekiri women threatened to disgrace male officials of these companies by going naked if their wards and husbands were not given job opportunities. The women wanted these companies to build them schools, water systems, and other social amenities. The protest was the culmination of decades of oil activities that had dispossessed the local population. TOCs and the government

[74] Obi, C. I. Enter the Dragon? Chinese Oil Companies & Resistance in the Niger Delta. *Review of African Political Economy*, *35*(117), 2008, 417–434. http://www.jstor.org/stable/20406530.

[75] Helbert, M., & O'Brien, S. Transitions in the Niger Delta: Oil, Poverty, and Environmental Degradation. *RCC Perspectives*, *1*, 56–62. 2020, https://www.jstor.org/stable/26937554

were accused of illegally appropriating land, breaking economic development contracts, and illegally spilling oil and flaring gas.

Rosenau, W., Chalk, P., McPherson, R., Parker, M., & Long, A. study titled the 'Royal Dutch Shell in the Niger Delta',[76] has been also consulted for this dissertation. The study mentions those transnational oil companies that operate in the Niger Delta Region to have included ExxonMobil, Chevron, and TotalFinaElf, among others. The study, however, pointed at the Royal Dutch Shell as the oldest and largest facility owner in the Niger Delta. The authors also give the statistics of about 850,000 barrels of oil per day in 2008 or nearly half the country's average daily total carried by Shell. Other important statistics produced by the author concerning facilities that Shell has in the Niger Delta are; 6,000 km of the pipeline; 90 oil fields; 1,000 producing wells; 73 flow stations, and two oil export terminals. The company employs 4,500 people directly, and another 20,000 work for Shell Nigeria contractors.

Olusakin, A. M. study[77] 'Peace in the Niger Delta: Economic Development and the Politics of Dependence on Oil', tries to provide ways that could ensure lasting peace in the Niger Delta Region. The study opines that, besides oil, which is a source of struggle in the Niger Delta, there is every reason for the activation of other mineral resources in the Niger Delta Region.

From the foregoing studies, it is vivid that the attention of authors relies on the history of TNCs in the Niger Delta, their activities in terms of exploration, poverty amid oil money, resistance, and conflicts by the local people, hence the inevitability

[76] Rosenau, W., Chalk, P., McPherson, R., Parker, M., & Long, A. Royal Dutch Shell in the Niger Delta. In *Corporations and Counterinsurgency* (1st ed., pp. 9–16). RAND Corporation. 2009, http://www.jstor.org/stable/10.7249/op259.9

[77] Olusakin, A. M. Peace In The Niger Delta: Economic Development And The Politics Of Dependence On Oil. *International Journal on World Peace*, *23*(2), 2006, 3–34. http://www.jstor.org/stable/20752732

of violence in the Niger Delta Region. There were nearly no records on the contributions of the TNCs in the development of the communities in the Niger Delta region. Therefore, this study sets out to fill this vacuum.

2.2.5 Concept of Socioeconomic Development

Another concept that needs to be clarified, as noted earlier on is socio-economic development. The concept endeavors to justify the comfort level of citizens in a given society or country. The concept also emphasizes the process of social and economic development in a given society. It seeks to identify both the social and economic needs within a community and seeks to create strategies that can address such needs in practical ways and the best interests of the community. The general idea of the concept of socioeconomic development is to find ways that can improve the standard of living within an area, while also making sure that the local economy is healthy and capable of sustaining the population.[78] Socioeconomic development also considers the availability of essential services within an area. Such services include; the presence of schools and colleges to teach children and prepare young people for better careers, attracting services such as medical practitioners and health facilities to the area, and creating and maintaining viable law enforcement agencies that help to maintain order and protect citizens.

Research has established a link between settlement patterns and socioeconomic development. The World Bank's 1991 seminal report on *Urban Policy and Economic Development: An Agenda for the 1990s*, to more recent work by the Commission on Growth and Development, and the Global Commission for the Economy and

[78] World Bank, *Urban Policy and Economic Development: An Agenda for the 1990s*, Washington DC, USA: World Bank, 1991, 56.

Climate[79] have demonstrated the nexus between urban areas and social infrastructural development. To elucidate further, for example, metropolitan cities in Nigeria like Abuja, Lagos, Kano, Kaduna, and Makurdi among others are places where big industries are located and they provide gainful employment which increases the standard of living of the inhabitants. These cities are also commercial hubs and administrative centers where government and private enterprises concentrate on the provision of social and economic infrastructure like feeder roads, telecommunication, transport services, health facilities, schools, and recreation centres among others. Such services improve the life quality of the inhabitants.

Socioeconomic development has various indices that project development and underdevelopment. For instance, the Gross Domestic Product (GDP), Human Capital Index (HCI), Gender Development Index (GDI), Human Poverty Index (HPI), and Per Capita Income Index (PCII).[80] Among these numerous economic indicators, the per capita income index has been widely used for measuring socioeconomic development. It is a primary index that measures the economic performance of a country. Furthermore, for measuring the rate of economic development; national and international agencies mostly use the per capita income index and it has tremendous conceptual and statistical merits.[81] Apart from these indicators, changes in less-tangible factors are also considered. These are personal dignity, freedom of

[79] Floater, G. et al. *Cities, and the New Climate Economy: the Transformative Role of Global Urban Growth,* London, UK: Global Commission on the Economy and Climate, 2014, 32.
[80] Greene, J. And Villaneuva, D. Private Investment In Developing Countries: An Empirical Analysis. Imf Staff Paper 38,1991, 33–58.
[81] Idachaba, F.S. Instability of national agricultural research systems in sub-Saharan Africa: lessons from Nigeria, The Hague: ISNAR Research Report No.13. 1998.

association, personal safety, freedom from fear of physical harm, the extent of participation in civil society *et cetera*. Drewnewski and Scott[82] reinforce that:

> In the standard of living of people, socioeconomic development is supportive and it involves increased per capita income and the creation of new opportunities in the education, healthcare, and employment sectors. Development is of limited significance if it does not lead to economic welfare. Economic development implies increased per capita income, reduced income inequalities and satisfaction of the people as a whole.

Socioeconomic development in the context of this dissertation can be better appreciated when there is the existence of a good road network linking various settlements so that socioeconomic goods and services can be obtainable.

The concept also emphasizes the availability of health facilities, electricity, good schools, good drinking water, communication facilities, presence of government security agents to protect the people from internal and external attacks. They should also be the availability of market centres where people can engage in various kinds of businesses and also market their agricultural produce. Furthermore, socioeconomic development measures life expectancy, literacy, and levels of employment of the citizens. It is taken to be the structural transformation of an economy by introducing more mechanized and updated technologies to increase labour productivity, employment, income, and the standard of living of the people. It involves a sustained increase in the economic standard of living of a country's population, normally accomplished by increasing its stocks of physical and human capital and thus improving its technology. These are parameters that measure socioeconomic development globally hence its application in this study.

[82] Drewnewski, J. and Scott, W. *Cost and Standard of Living, Indexcifers*, Geneva: United Nations Research Institute for Social Development, 1966, 67.

2.3 Empirical Review

The conflict in the Niger Delta is triggered by a number of factors including but not limited to; cracks in the revenue allocation formula, resource control, fiscal federalism, environmental degradation, state predation, unfulfilled political promises to mention a few. In this section, a synthesis of the existing literature regarding the conflict shall be undertaken. Omotosho[83] situated the crisis within the context of the structural asymmetry and lopsidedness inherent in Nigeria's federalism, the effect of which has been gross discontentment, conflict and agitation by the two other tiers against the federal government for self reliance. For federations to endure, a level of agreement guaranteeing fiscal decentralization and some measure of financial autonomy has to be reached between the central government and component units. Unfortunately, in the Nigerian state, this has been on a reverse gear as the country has witnessed fiscal centralization owing to long years of militarism. Federal-State finance becomes extremely important and controversial because it allocates administrative responsibility, assigns fiscal powers, dictates political balance, and defines the scope of administration.[84]

Furthermore, the fiscal centralization of the Nigerian federal state has alienated the oil-producing minorities in the Niger Delta from the oil wealth emanating from the region. This has, in recent times, been consolidated by the slow pace of systemic reforms due to overdependence on oil revenue.[85] This over-dependence on the oil revenues emanating from the Niger-Delta has focused demands on the system and

[83] Omotosho, F. Nigerian Fiscal Federalism and Revenue Allocation Formula for Sustainable Development in the Niger Delta. *Journal of Social Sciences*, 5 (3): 2020, 246-253

[84] Watts, R. Administration in Federal Systems. London: Hutchinson Educational Limited, 2001, 45.

[85] Usoro, A.A., Ekpeyong, O.E., and Effiong, C. Conflict Management: The Nigerian Government's Strategies and the Question of Enduring Peace. *Journal of Business and Management Research*. Vol. 3, No. 2; 2014.

inevitably birthed and sharpened contradictions among different communal groupings in the country. As a result, the politics of oil inevitably locks into the politics of communalism.[86] The politics of resource control further animated the conflict, it is on this basis that Shebbs and Njoku[87] opined that resource control, issues of politics and legality lie at the heart of the conflict. Legality and use of laws for resource control was introduced by the colonial regime-the colonial state, which, through the 1914 'Colonial Minerals Ordinance' granted the monopoly of oil concessions in Nigeria to British or British-allied capital.

Consequently, the colonial era witnessed the gradual proliferation of resource control protests and agitation. In a bid to stem the tide several committees were set up whose terms of reference were never geared towards providing a lasting solution to the crisis. These structural defects were later consolidated by the postcolonial Nigerian state through the enactment of draconian laws such as the Land Use Act of 1978, and the Petroleum Act of 1969 which transferred full ownership and control of both the land, sea and its constituents to the Federal Government of Nigeria (FGN).[88] With the implication being that the FGN appropriates a large share of revenues from economic activities like oil exploration and exploitation.

Again, policy measures such as 'Derivation Fund' and 'Revenue Sharing Formula' have been constantly manipulated to the disadvantage of the Niger Deltans. Even development programs such as the Oil Mineral Producing Area Development

[86] Olusola, O. The Consequences of Militancy in Nigeria's Niger Delta. JORIND 11(2), 2013.
[87] Shebbs, E.U. and Njoku, R. Resource Control in Nigeria- Issues Of Politics, Conflict and Legality as Challenge to Development of the Niger Delta Region. Journal of Good Governance and Sustainable Development in Africa, Vol. 3, No 3, 2016.
[88] Ngerebo, T.A. Unraveling the Uncertainty of the Niger Delta Crisis through Taxation. *Asian Economic and Financial Review,* 2013, 3(2):186-195.

Commission (OMPADEC), Niger Delta Development Commission (NDDC) and the Niger Delta Ministry were or are either stifled of funds or are tailor-guided to award over-inflated contracts to non-indigenes of the region. Sometimes these contracts are not effectively executed, further throwing the people into endless hopelessness.[89] Adebanjoko and Asu[90] pegged the crisis around the concerns of gross exploitation, environmental degradation and pollution which in turn have resulted in poverty, unemployment, health hazards, conflicts and death in some cases, since for the most part, 70% of the Niger Deltans live below the poverty line.

Some other scholars, have faulted the federal government and the multinational oil firms for the underdevelopment of the region given that the Nigerian state is weak in relation to the oil multinationals, and consequently lacks the capacity to call the oil firms, who are the neo-colonial agents in Africa to order and do the needful in areas of environmental remediation and corporate social responsibility.[91] Again, the politics of marginalization and social exclusion been perpetrated by the Nigerian state has been a source of worry. The feelings of alienation and political exclusion have been another driver to the conflict.[92] Explaining the restiveness, Dialoke and Edeja[93] opined that state sponsored violence and continued suppression of peaceful agitations have been at the core of the conflict, this is aggravated by high levels of poverty in the region coupled with social issues which further animate the conflict. High rate of

[89] Ngerebo, T.A. Unraveling the Uncertainty of the Niger Delta Crisis through Taxation. *Asian Economic and Financial Review*, 2013, 3(2):186-195.
[90] Adebanjoko, A. and Asu, O.T. An Assessment of the Niger - Delta Crisis and Nigeria's External Relations - From 1992-2008. *International Journal of Humanities and Social Science*. Vol. 3 No. 8, 2014, 79.
[91] Alabi, A.O. Management of Conflicts and Crises in Nigeria: Educational Planner's View. *Current Research Journal of Social Sciences*. 2(6): 2020, 311-315.
[92] Dialoke, I. and Edeja, M.S. Effects of Niger Delta Militancy on the Economic Development of Nigeria (2006-2016). International Journal of Social Sciences and Management Research Vol. 3 No.3, 2017, 123-129.
[93] Dialoke, I. and Edeja, M.S. Effects of Niger Delta Militancy on the Economic Development of Nigeria (2006-2016). 124.

unemployment among the youths has also helped to drive and sustain the incidence of violence and criminality throughout the Niger Delta region.

The continuous suppression of peaceful agitations leaves the inhabitants with no other alternative other than to militarize the struggle so as reduce their vulnerability to attack. Thus, resulting in the proliferation of many militant groups within the region such as; Movement for the Emancipation of the Niger Delta (MEND), Niger Delta Vigilante (NDV), Movement of the Niger Delta People (MONDP), Niger Delta People's Volunteer Force (NDVF), Niger Delta People Salvation Front, and Niger Delta Avengers whose sole mandate is to cripple the country's economic activities. Arguing along this direction, Ekeh[94] observed that the main causes of the Niger Delta crises include greed, selfishness, deprivation, poverty and social injustice. Aside from the poverty of the people, another issue worth mentioning here is that of corporate complicity, that is, the role of oil multinationals in pitting one group against the other in the host communities. This is sometimes evident in the execution of 'development' projects that have caused more social divisions and problems in the Niger Delta.[95] Related to this is the role of the Nigerian state, its politics and mode of surplus extraction which make it possible for the oil corporations to conduct their businesses in a veiled manner. The response of the Nigerian state to the crisis in the region has been to militarize the region by stationing an 'army of occupation' with the main objective of keeping militancy at bay while trying to maintain peace. This state predation whether expressed or implied comes in the form of repression of legitimate

[94] Ekeh, P. P. 'Minorities and the Evolution of Federalism', in Agbaje, A.A., Diamond, L. & Onwudiwe, E. (Eds.), Nigeria's Struggle for Democracy and Good Governance, Ibadan University Press, Ibadan, 2004, pp. 19-27.
[95] Okojie, U.M. Impact of Niger Delta Crisis on Nigerian Economy. The Nigerian Journal of Research and Production Volume 15, No 2, 2009, 68.

agitations as well as military invasion and occupation of host communities in the pretext of civil unrest.[96]

In line with socioeconomic practices in oil bearing communities especially in developed climes, oil discovery always brought hope and great excitement that civilized and modern infrastructure would be the attendant consequences of its exploration, this was not to be the case in the Niger delta as initial hopes and excitements were dashed due to unrestrained and unhealthy exploration by oil multinationals. On the whole, the politics of failed expectation alongside poor human capital development gave credence to the Niger delta struggle; it was thought that as oil companies commenced their operations and implement the ideas embodied in their corporate social responsibility, more people would have the opportunity to be gainfully employed. However, in the context of prolonged denials and frustrations, neither the oil companies nor government ever came to terms with these pervasive social expectations.[97] Recent clamours by the elite in the region for distributive justice have compounded several attempts at mediation and peaceful resolution. For the people of the Niger Delta, the struggle for a just revenue allocation formula is a manifestation of a collective sense of deprivation on the part of a people who see themselves as the producers of the entire Federation's wealth.[98] From the foregoing thus, the crisis in the Niger delta can be seen to revolve around some fundamental issues which include but not limited to; colonial legacy, distortions in the country's

[96] Chukwuma, O. The Political Ecology of the Niger Delta Crisis and the Prospects of Lasting Peace in the Post-Amnesty Period. Global Journal of Human Social Science, Volume 13, Iss.3, 2013, 234.
[97] Afinotan, L., and Ojakorotu, V. 'The Niger Delta Crisis: Issues, Challenges and Prospects'. In Ojakorotu, V. (Ed.), Contending Issues in the Niger Delta Crisis of Nigeria. Bangkok, Houston, San Jose, Delray Beach: JAPSS Press, Inc. 2009, 67.
[98] Babalola, D. The Underdevelopment of Nigeria's Niger Delta Region: Who is to Blame? *Journal of Sustainable Development*. Vol. 7, No. 3, 2014, 125.

legal system, state predation and kleptocracy, marginalization and social exclusion, unbridled exploration by oil multinationals and cracks in the country's revenue allocation formula all of which have bred systemic contradictions in the centre's relations with its constituent units.

2.4 Conclusion

The Chapter is on the review of the related literature, and conceptual examination of key terms. Here, works on TNCs, and MNCs were reviewed with a special spotlight on oil companies and their activities in the Niger Delta Region. It was discovered that most of the literature on this subject matter failed to consider the level of development TNCs bring to the people of the Niger Delta. The attention of most scholars in this respect was to look at how TNCs operating in the Niger Delta Region created environmental degradations, poverty, and underdevelopment leading to conflicts. Therefore, this present work would fill in this gap by providing indices of achievements carried out by one of the TNCs (SPDC), for the development of the study area hence the vitality of this study. The study also explains the concept of socioeconomic development based on the availability of road networks, schools, hospitals, and the standard of living of the people among other variables.

CHAPTER THREE

HISTORY AND OPERATIONS OF SPDC IN THE NIGER DELTA

3.1 Introduction

Shell Petroleum Development Company of Nigeria is one of the Transnational Oil Corporations in Nigeria and is also one of the critical stakeholders in the Nigerian Oil and Gas industry in Nigeria. They carried out the production and sale of oil in gas in different communities in the Niger Delta Region. Therefore, this chapter explores the activities of SPDC in those various communities in the Niger Delta Region. The activities of these companies generate huge capital for the Nigerian government. Their activities do not translate into the socioeconomic viability of their host communities. The exploration of oil and gas resulted in spillage damaging farms, aquatic foods, and pauperisation of the host communities resulting in conflicts, riots, and revolts as shall be seen in various sub-themes.

3.2 History of Shell Development Company of Nigeria in the Niger Delta

Before the discovery of oil in the Niger Delta region, the people of this area were good at the production of salt, fish, cloth, palm oil, and agriculture although on a small scale. Elements of cordiality existed among the people until oil was discovered putting the people in anarchy and chaos. It has been established by historical sources that the exploration of oil and gas was seen at Araromi in the present Ondo State. This stimulated the German company, the Nigerian Bitumen Corporation to begin to search in honesty for hydrocarbons in Nigeria in 1908. Unfortunately, this pioneering effort did not last long, and the company terminated its operations at the outbreak of the

First World War in 1914. After two decades, Shell BP continued with this exploration as noted by Olusakin[99]:

> The next significant development was the granting in 1937 of the exclusive rights to Shell D'Arcy Company for oil exploration throughout the length and breadth of the country. It was not, however, until some 20 years later that Shell-BP discovered oil in commercial quantity in the Niger Delta. With the first oil shipment in 1958 (at a rate of 6,000 barrels per day), the oil sector began to assume an increasing importance in the nation's economic life. More discoveries were made and production in the early period was mainly from the eastern part (part of the Niger Delta) of the country. One of the milestones during this period was the commissioning of the first Export Terminal by Shell-BP at Bonny, Rivers State in 1961. The commissioning of the Trans-Niger pipeline in 1965 facilitated crude oil evacuation from fields in the then Bendel State

What has been deducted from this analysis is that it was Shell BP who made viable discoveries that led to the exploration of oil in commercial quantity in Nigeria's Niger Delta Region.

It should be noted that Shell D'Arcy's activities were interrupted by the Second World War and exploration did not resume until 1947. After several years of continuous search, and investment of over #30 million, petroleum was discovered at Oloibiri in the Niger Delta in 1956. Thus, this encouraged SPDC to begin the production and export of crude oil from the Oloibiri field in the present Bayelsa State in 1958 at a rate of 5,100 barrels per day.[100] This quantity doubled the following year, and, crude oil production in Nigeria attained its all-time peak in January 1979 at the rate of 2.44 million barrels per day.

With the increase in production and revenue generation, Nigeria's Federal government reviewed the monopoly power granted to SPDC In 1959 and other

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[99] Olusakin, A. M. Peace in the Niger Delta: Economic Development and the Politics of Dependence on Oil. *International Journal on World Peace*, *23*(2), 2006, 3–34. http://www.jstor.org/stable/20752732.

[100] Olusakin, A. M. Peace in the Niger Delta…, p. 26.

companies also got similar privileges. By 1961, Mobil, Gulf, Agip, Safrap [now ELF], Tenneco, and Amoseas [now Texaco/Chevron] had joined the explorers, for oil in the onshore and offshore areas of Nigeria. The first offshore discovery of petroleum was by the Gulf on the Okan structure of Bendel State [now Delta State] in 1964 and many of the newcomers also made significant discoveries[101]. Today, apart from foreign companies, licenses have been granted to indigenous companies to also explore, produce, and market petroleum products. Local refining of crude oil is now a popular business in the Niger Delta. Its owners and operators are mainly members of the militant groups, who, because of the huge money they make from the business, do not seem to care about the enormous health risks that it entails.

Shell is one of the largest businesses in the world with sales in 2000 of almost $94 billion. Technically, Shell is not one company but a group of more than 200 separate companies governed overall through two legally independent but collaborating holding companies in the Netherlands and Great Britain. Overall, these companies employ more than 100,000 workers and operate in more than 120 countries. A six-person Committee of Managing Directors provides executive direction to the overall Shell group. The Shell Group of companies is involved in exploration and production of petroleum, the distribution and marketing of refined products, chemical manufacturing, as well as various other activities they list under the broad category of Renewables.[102] Shell has been involved in Nigeria since 1937, when they undertook initial exploration. They discovered oil in 1956 and began commercial production in 1958. Although the oil fields in the Nigeria Delta are small,

[101] Helbert, M., & O'Brien, S. Transitions in the Niger Delta: Oil, Poverty, and Environmental Degradation. *RCC Perspectives, 1*, 2020, 56–62. https://www.jstor.org/stable/26937554.

[102] Egbunan E. Amadife, "Liberalization and democracy in Nigeria: The international and domestic challenge," *Journal of Black Studies*. Thousand Oaks: Sage Publications. Vol. 29: 1999, 619-645.

there are a large number of them, a goodly proportion lying off shore. Two consequences result from this situation. One, it is necessary to link the various fields through increasingly complex networks of pipelines. Two, in order to remain productive, oil companies are required to continuously explore for other new fields in the area. In Nigeria the Shell Petroleum Development Company of Nigeria Limited (SPDC), operates a joint venture, in which Nigerian government through the Nigerian National Petroleum Company (NNPC) has a 55% share while Shell has 30%, Elf 10%, and Agip 5%. It currently operates more than 1000 wells, 87 flow stations, and more than 6000 kilometers of pipelines in the Niger Delta. SPDC directly hires about 4000 employees and works with about 5400 on contractual bases. Aside from about 250 expatriates, all the employees are Nigerian and 60% come from the Delta.[103]

Once oil had been discovered Shell as well as other international oil companies rapidly expanded their operations. As Nigeria was beginning its own independent existence, Shell was involved in drilling wells, laying pipelines, constructing refineries, building port facilities, developing flow stations and exploring for new oil. They were creating a sizeable number of new but short term jobs, typical for the start up and construction phase of mining companies, as well as many on-going position. They were as well contributing to the government through taxes and royalties. During the Biafran war, they withdrew temporarily from the Delta. The war had in part been occasioned by disputes over the degree to which regional, local, and/or the federal governments should be able to control the wealth created by oil production. Shell's operation in Nigeria further expanded during the seventies and eighties. Their status within the country shifted. They had begun largely as an

[103] William Ascher. Why Governments Waste Natural Resources: Policy Failure in Developing Countries. Baltimore and London: The Johns Hopkins University Press, 1999, 3.

international firm working as senior partners with British Petroleum with a mixture of foreign and domestic workers, Nigerian government moved to nationalize or indigenize their operation. They bought out the BP part of the collaboration, and they demanded a larger portion of the royalties as well as taxes. Shell responded in the same way both to the exertion of greater governmental financial control as well as to the ongoing history of governmental instability and autocracy.

They assumed that their primary responsibility was to operate as an effective and honest petroleum company. They worked to maintain the autonomy of their operation free from government intervention, to manage their operation in a business-like way, to obey the laws, and to meet their tax obligations. They committed themselves not to condone bribery and not to get involved in politics. Overall, they sought to be good corporate citizens, as they understood that idea. From the beginning, they had made certain kinds of social investments. Even before they struck oil, they had set up a fund to offer scholarships for Nigerian students studying in Britain. Over the years, they had established more of these for students in Nigeria. They contributed to building a local health clinic and schools.[104]

3.3 The Activities of Shell Development Company of Nigeria in the Niger Delta

Shell is the first and largest producer of oil and gas in the Niger Delta Region. Shell started its business in Nigeria in 1937 with the name "Shell D'Arcy". The Federal government of Nigeria gladly granted the company a license to explore. By 1956, Shell discovered large commercial Oil and gas quantity at Oloibiri and quickly engaged in exploration by 1958.[105] It should be noted that the entry of the company in the exploration of oil in Nigeria in 1937 was a watershed for the discovery of oil and

[104] Richard M. Auty. Sustaining Development in Mineral Economies: The Resource Curse Thesis. London and New York: Routledge, 1993, 6.
[105] Asuni, J. B. *Blood Oil in the Niger Delta*. US Institute of Peace. 2009 http://www.jstor.org/stable/resrep12177.

gas in the twilight of British colonial rule. The Anglo-Saxon Petroleum was renamed by the Shell Overseas Exploration Company under the official license in 1937. Seismic surveying started in earnest in Enugu, and the area serves as a temporary base of the company.[106] It should be noted that about 15,000 square miles of land was given to Shell by the British colonial administration on the coast of Lagos. This gave the company the impetus to explore areas such as Nsukka, Okigwi-Afikpo, Port-Harcourt, Benin City, and Cross River.[107] It should be noted that an earlier survey of the Nigerian Bitumen Company in this area encouraged Shell to focus on them until larger quantities of oil were discovered.

The activities of the Shell BP company in the Niger Delta were drilling wells. The process of drilling oil and gas wells involves several stages, including exploration and appraisal, well drilling, development, and drilling techniques.[108] The process involves seismic surveys, exploratory wells, appraisal drilling, and well completion. Onshore drilling is the standard method, while offshore drilling is used for deeper water and integrated gas positions. Drilling techniques include rotary drilling, which involves a large structure, a drill bit and string, and drilling fluid. Casing and cementing stabilize the wellbore, while directed/horizontal drilling is used to maximize oil recovery from scattered fields. Well completion and production involve perforating, tubing installation, and directing oil and gas to flow stations or FPSO

[106] Obi, C. I. Enter the Dragon? Chinese Oil Companies & Resistance in the Niger Delta. *Review of African Political Economy*, *35*(117), 2008, 417–434. http://www.jstor.org/stable/20406530.
[107] Olusakin, A. M. Peace in the Niger Delta: Economic Development and the Politics of Dependence on Oil. *International Journal on World Peace*, *23*(2), 2006, 3–34. http://www.jstor.org/stable/20752732.
[108] Olusakin, A. M. Peace in the Niger Delta: Economic Development and the Politics of Dependence on Oil. 5.

vessels for transportation.[109] The Niger Delta's geology, logistics, and mature fields make it a challenging environment for drilling. Onshore operations often require specialized equipment, while mature fields may require techniques like radial drilling and well intervention to re-enter existing wells and boost production.

Next stage is laying pipelines and the process is divided into several key phases, using specialized techniques for different terrains. The first phase involves onshore/swamp pipeline laying, which involves surveying and route preparation, pipe fabrication and coating, trenching and installation, crossing obstacles, and backfilling.[110] The second phase focuses on offshore pipeline laying in deepwater fields, such as Bonga, where pipelines are laid on the seabed to transport crude and gas. The process faces unique challenges such as terrain, corrosion, security, and environmental impact. The dense swamp, high water table, and soft soils complicate dredging, excavation, and the need for specialized equipment. The damp, corrosive environment and the age of the pipeline infrastructure make corrosion protection and maintenance a constant challenge.[111] Pipeline vandalism and crude oil theft are major issues, and construction can destroy sensitive mangrove forests.

They also generated contract jobs for a good number of Nigerians. The activities of Shell were later on truncated by the Biafran War in 1967-1970. The war itself was partly a result of the economic wealth generated by TNCs in Nigeria. The Biafran secessionists wanted to take advantage of the rich oil and mineral resources of

[109] Olusakin, A. M. Peace in the Niger Delta: Economic Development and the Politics of Dependence on Oil. 6.
[110] Olusakin, A. M. Peace in the Niger Delta: Economic Development and the Politics of Dependence on Oil. 21.
[111] Olusakin, A. M. Peace in the Niger Delta: Economic Development and the Politics of Dependence on Oil. 20.

the Biafran State.[112] The Nigerian government also created open-door policies that would encourage indigenous companies and other TNCs to take advantage. Consequently, indigenous oil companies were registered and obtained licenses for oil drilling from the petroleum ministry, particularly Henry Stephen Delta Oil, Niger Oil Resources, and the Niger Petroleum Company which later became significant oil business ventures in the country.[113] Today, Shell BP accounts for Nigeria's oil and gas at an estimated rate of 49.12%. These statistics show that Shell has monopolised oil and gas production in Nigeria. The company engages in the exploration and production of petroleum, the distribution and marketing of refined products, chemical manufacturing, as well as various other activities they list under the broad category of Renewables.

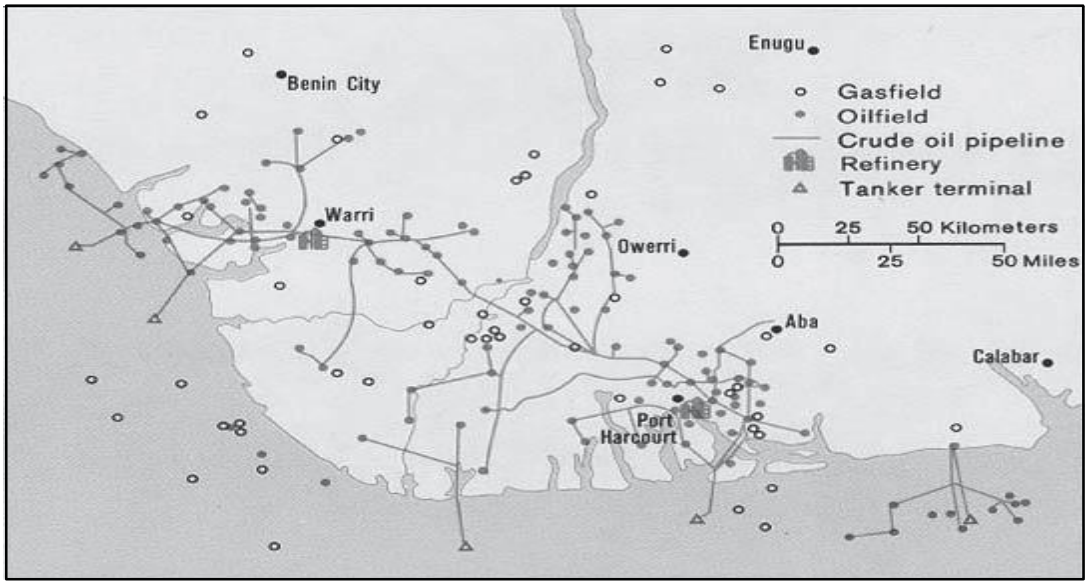
Shell has various branches. There is what we call Shell Petroleum Development Company (SPDC). It is the largest producer of consumable fuel and operates more than 6,000 kilometres of pipelines and flowlines. The company also has about 87 flow stations, 8 natural gas plants and more than 1,000 producing wells. The major role of the SPDC's the Shell Nigeria family is to extraction of petroleum. It is an operator of the joint venture, which composed of Nigerian National Petroleum Corporation (55%), Shell (30%), Total S.A. (10%) and Eni (5%). Until relatively recently. It operated largely onshore on dry land or in the mangrove swamp.

Another branch of Shell is the Shell Nigeria Exploration and Production Company (SNEPCO) was established in 1993. It operates two offshore licenses, including for the Bonga Field. The Shell Nigeria Gas (SNG) on the other hand came

[112] Owolabi, O., & Okwechime, I. (2007). Oil and Security in Nigeria: The Niger Delta Crisis. *Africa Development / Afrique et Développement*, *32*(1), 1–40. http://www.jstor.org/stable/24483884.
[113] History of Shell and Stake in Nigerian Oil and Gas. Available at; https://www.schoolsoftware.com.ng/history-of-shell-stake-in-nigerian-oil-gas/. Accessed, 01-03-2024.

into existence since 1998 and specialises in the production and transmission of natural gas. Shell Nigeria on Oil Products (SNOP), on its own deals with marketing of Shell petroleum products. There is also the Nigeria LNG (NLNG) is a joint venture for liquefied natural gas production. Shell has a share of 25.6% in this company and is also its technical adviser. Other partners are Nigerian National Petroleum Corporation (49%), Total (15%) and Eni (10.9%).[114] The Figure 1. Below demonstrate the activities of Shell and other TNCs in the Niger Delta Region.

Figure 1: The Shell and other TNCs Oil Fields, Gasfieds, Refineries, and Pipelines In Niger Delta



Source: Courtesy of the University of Texas Libraries, The University of Texas at Austin.

The figure has demonstrate areas or settlements that Shell BP has pipelines, gas fields, oil fields, refineries among others in the Niger Delta Region. One fundamental impact of the activities of Shell is oil spillage occasioned by the activities of oil criminals or what has been termed oil bunkering. Such spillage stems from factors like corrosion, a lack of regular maintenance of the equipment, and

[114] Rosenau, W., Chalk, P., McPherson, R., Parker, M., & Long, A. Royal Dutch Shell in the Niger Delta. In *Corporations and Counterinsurgency* (1st ed., pp. 9–16). RAND Corporation. 2009, http://www.jstor.org/stable/10.7249/op259.9

overall underinvestment in the equipment being used. Shell has reported over 18.7% of such spills in 2011. For example, in 1970, Shell loses over 250 barrels of oil which lead to destruction of sea foods, farm lands, economic trees among others. Other effects of this spills included pollution of the surrounding air, water, and soil, as well as, a loss of the surrounding ecological and aquatic species. Again, during 1978, Shell loses about 580,000 barrels of oil. The resulting impacts were air, water, and soil pollution in the area of the spill.[115] Furthermore, similar experiences have been reported in 2006 when a team of experts in environmental assessments from Nigeria, the United Kingdom, and the United States were independently organized to conduct a Natural Resource Damage Assessment in the Niger Delta. They concluded that over the past fifty years, around nine million to thirteen million barrels of oil had been estimated to have spilled in the Niger Delta. Shell is responsible for around fifty percent of the oil production in Niger Delta. Between 1998 and 2009, Shell oil was responsible for 491, 627 barrels of oil spilled, averaging about 41,000 barrels per year. All these spills created environmental challenges for the host communities.

3.4 Challenges of Shell Development Company of Nigeria in the Niger Delta

SPDC Nigeria has faced a lot of challenges, especially with their host communities in the Niger Delta area. The People living in this area raised many different sorts of complaints. They complained at the way their environment had been degraded. Levels of pollution in the rivers and swamps had greatly increased. This adversely affected fishing. Fishermen often had to travel much further and spend greater effort to return with even smaller catches. Farm lands had been dug up for new pipelines, sometimes without appropriate consultations and negotiations. Increasing

[115] Uwasomba, C., & Alumona, V. S. Militancy in the Niger Delta and the Deepening Crisis of the Oil Economy in Nigeria. *Africa Development / Afrique et Développement, 38* (3–4), 2013, 21–32. http://www.jstor.org/stable/afrdevafrdev.

number of oil spills and leaks occurred, in part because of corrosion to old pipelines. Whatever the cause, these spills and leaks polluted lands and water and were not always cleaned up quickly. Shell burned off almost all the natural gas that was extracted along with the oil. In the mid nineties 87% of the associated natural gas was being flared in Nigeria. This compared unfavorably with flaring rates of 21% for Libya and 0.6% for the United States.[116] Delta residents complained especially at the way this flaring polluted the air they had to breathe. They felt that they experienced more illness because the air was contaminated by chemical produced by the constantly burning gases. They might have complained for an additional reason: namely, that by burning these gases, Shell and the other petroleum companies were using up and wasting a huge natural resource, which, if it were properly used, might have produced additional sources of revenue worth billions of dollars.

However, few voices were overtly raised about the loss of this immense foregone opportunity. Indirectly, villager voiced their concern about this matter when they complained about the absence of electricity, which might have been produced by gas generators. Although Shell's operation provided wages and job opportunities for several thousand workers from the Delta, the numbers employed seemed to many to be insignificant in a population of seven million in which the rates of un- and under-employed had been steadily growing. Some were hired full time. Others received contractual work. Still, the highest paid positions seemed to go either to foreigners or people from other parts of Nigeria. [117]

Shell's social investment projects generated similar responses. Those who benefited were appreciative. Others, in contrast, felt over-looked and left out. Many of

[116] The Shell Petroleum Development Company of Nigeria Limited (SPDC) (1997a). Ogoni and the Niger Delta. Lagos, Nigeria.
[117] The Shell Petroleum Development Company of Nigeria Limited (SPDC) (1997a). Ogoni and the Niger Delta. Lagos, Nigeria.

Shell's social investment projects never fully became operational. In the years between 1992 and 1997, only 36 of the 64 roads that Shell helped to build had become functional. Only a little over half the efforts to support the building of town halls (15 out of 28 projects) had become functional. Their success rate for school building construction projects was higher (156 out of 286 project). However, their success rate for water projects was very disappointing. In only 24% of their drilling attempts (28 out of 115 efforts) were they able to gain access to potable water that met national standards.[118] The failures here occurred because even the water in deeply drilled wells often contained levels of iron in excess of healthy standards. The fact that so many villages lacked adequate fresh water sources made this situation particularly aggravating. This record is very interesting. It demonstrates that Shell was in fact seriously involved in social investment projects. However, the failure to succeed with many of these efforts no doubt aggravated the expectations of those affected. If Shell could succeed with the complex enterprise of mining petroleum that generated so much wealth for others, then why were they not able to succeed with these seemingly simple operations that might have helped some of the people most adversely affected by oil production business?

The chief source of resentment among the various peoples of the Delta was the way that the oil business, which polluted their air and water, tore up their lands, and disrupted their traditional ways of life and sense of community, produced extravagant amounts of wealth for others. Military dictators and high-ranking officers got rich. Extravagant public buildings were constructed. Many business and professional

[118] The Shell Petroleum Development Company of Nigeria Limited (SPDC) (1997a). Ogoni and the Niger Delta. Lagos, Nigeria.

people in far off Lagos enjoyed high salaries.[119] Much of the revenue were being spent in other parts of the country with which the Delta people had almost no sense of relation. Foreign companies were thriving. But the Delta people remained impoverished, far worse off in the nineties than they were in the early eighties. Moreover, the people of the Delta feared that the oil reserve would become depleted before they would experience any real benefit.

In the early nineties officials at Shell had not yet become fully aware of how difficult the situation was becoming from the perspective of peoples of the Delta. In modest ways they were becoming more socially and environmentally conscious.[120] They were now regularly undertaking Environmental Impact Assessments before each new project. Their spending on social investment projects increased. It had reached $23 million per year by 1996. At Shell's urgings, in 1992 the federal government had created Oil Mineral Producing Area Development Commission (OMPADEC) to serve as a vehicle for investing oil royalties for economic and social development projects in the Delta and other oil producing areas in the northeast. However, the government rendered OMPADEC ineffective by diverting to it only 3% of these funds. Shell promised within a few years to construct a liquefied natural gas plant. Associated gas produced while extracting oil could then be piped there and turned into a valuable product and subsequently shipped to markets in the industrialized countries. At the same time Shell felt increasingly embattled. The numbers of voiced complaints grew. Security became more of a problem.

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[119] The Shell Petroleum Development Company of Nigeria Limited (SPDC) (1999). People and the Environment Annual report.

[120] The Shell Petroleum and Development Company of Nigeria Limited (SPDC) (2002a). "Proceedings of the SPDC Integrated Environment and Community Development Stakeholders' Workshop." Lagos, Nigeria

There was an increase in the acts of sabotage against their pipelines and facilities. They agreed to provide compensation for all damages suffered from accidents or spills that were their fault but not ones caused by vandalism. However, they were accused of narrowly construing this standard for their own advantage.[121] The relation with the Ogonis became especially strained. The Ogoni had directly asked Shell to withdraw from their territory. More than half of the Ogoni people had participated in a huge public demonstration voicing this demand and asking as well for sizeable compensation for environmental damages and appropriate royalties for profits on oil extracted from their lands. Acts of vandalism against Shell pipelines and facilities had markedly increased in this area. Shell's responses were mixed. They asked for added protection from the state and federal governments. They also sought to strengthen their own security measures.

In addition, after the large public demonstration, they also agreed to withdraw at least temporarily. They did not seek directly to enter consultations or negotiations with MOSOP, the militant Ogoni association that had organized the demonstration. Shell views were as follows: "MOSOP's demand for a greater share of oil revenue from the government, political self-determination and ownership of oil beneath their land are political. SPDC as a commercial organization does not – and should not –be held accountable for actions that are the responsibility of a sovereign government.[122] Shell seemed largely to stand by as the government and unidentified armed gangs launched attacks against the Ogoni and as the Ogoni in turn protested. At the behest of the Rivers state government, Shell attempted to begin work on a pipeline in the area,

[121] The Shell Petroleum and Development Company of Nigeria Limited (SPDC) (2002a). "Proceedings of the SPDC Integrated Environment and Community Development Stakeholders' Workshop." Lagos, Nigeria

[122] Shell Prospecting and Development Peru (SPPD) (1998) People and the Environment: The Camisea Project, Peru.

using a contractor. They met with further protests, and withdrew. They remained publicly mute as Ken Saro-Wiwa and others were seized by the police, imprisoned without formal charges, finally tried by a military court on charges of murder, and eventually killed. They had initially sent a lawyer to the court, assuming the trial would consider all of the recent civil disturbances in the area. Their lawyer withdrew after one day when it was clear that this was just a murder trial. Using some forms of quiet diplomacy, Shell privately asked for a fairer trial and for clemency. The Chair of Shell had in fact written a letter to Genera Abacha pleading for clemency for the men who had been sentenced. Shell voiced little public concern about the several attacks on Ogoni villages and people. They viewed these instead as expressions of ethnic conflict. They expressed shock and outrage at the hangings. They also directly protested several charges that had been made during the trial. They had not, they said, had any involvement with the military, nor provided arms for militia, nor had they bribed any witnesses.

With respect to trial as well as the troubles experienced by the Ogoni, many people around the world felt that Shell was in some ways complicit, for what they had done (for example, contributing to the pollution), for what they did not do (mounting a more overt protest of the trial), and for what they were suspected of doing (in some way encouraging or supporting the raids on the Ogoni). In several ways SPDC sought to defend themselves and improve their status among the Delta people. In 1996 together with NNPC , Elf and Agip, they made the commitment to begin construction of a Liquefied Natural Gas Plant at the cost of $3.8 billion. They offered $220,000 in humanitarian aid to Ogoni and the Adoni, one of the neighboring people with whom the Ogoni had reputedly been in conflict. They supported the position of a recently

held Constitutional Convention, which proposed that as of 1998, 13% rather than 3% of the oil royalties from the Delta be invested in the area through OMPADEC.[123]

They arranged for a thorough environmental survey of the Delta, the same kind of assessment that had recently been undertaken by the World Bank. They sought to obtain a more objective account of their activities. They paid for a number of European reporters to come to Nigeria and review their operations, reporting on these as they saw fit. They increased their social investment budget from $22 million to $36 million. They made a number of overtures to foster better relationships with the Ogoni although they did not formally consult with the leaders of MOSOP.[124] They began replanting paths they had cut through the forest for seismic acquisitions. In the meantime, Shell International had begun to respond to these events as what they referred to as a "wake-up call." Because of events in Nigeria and the North Sea, they had suffered a sizeable blow to their reputation. Even though they had acted conscientiously and in keeping with relevant laws in both cases, the public perceived them as acting in ways that were seriously morally compromised. They treated the situation as one calling for serious "reputational management."

They initiated a series of multi stakeholder consultations. In fourteen countries they held roundtable discussions with community groups, academics, employees, and executives. In an initiative referred to as Society's Changing Expectations, Shell solicited participants' criticism and advice. They were viewed, they learned, as being too Eurocentric, too arrogant, too cavalier about environmental concerns, and too secretive. In response to these events and inquiries, Shell

[123] Royal Dutch/Shell Group. How Do We Stand? People, Planet, Profits: The Shell Report 2000.
[124] Human Rights Watch. The Price of Oil: Corporate Responsibility and Human Rights Violations in Nigeria's Oil Producing Communities, 1999, 67.

International launched three significant reforms over the next several years. One, they re-wrote their statement of business principles, which had been originally drafted in 1976. [125] They now acknowledged their accountability not only to employees, customers, and society but also to shareholders and all those with whom they did business. While reaffirming their pledge to stay out of politics, they acknowledged the responsibility to speak out on issues that they deemed relevant to their businesses. They also affirmed the importance for transparency in all their activities, especially in their audits. They again stated their opposition to any form of bribery. They stated that it was important for Shell companies to respect and support respect for human rights. In subsequent years, they have acted in several ways to reinforce the importance of these revised and augmented business principles. For example, much more prominently, Shell has called attention to these principles, translated them in more than fifty languages, and more frequently invoked them in relation to business strategy and practices. Shell has also produced handy guidebooks on both Human Rights issues and Bribery, providing useful advice for Shell employees on how to put these principles into practice in relation to situations that may be confusing and complex.

3.5 Reactions of the Peoples of the Niger Delta to Transnational Oil Corporations

From the forging discussion, it is obvious that TNCs in the Niger Delta Region have positioned themselves to exploit or sap the economic vitality of their host communities. They did this through corroboration with the government. The outcome is the underdevelopment of their host communities. Because of this singular factor, there is anger as a result of inequality leading to increase protest.

[125] Human Rights Watch. The Price of Oil: Corporate Responsibility and Human Rights Violations in Nigeria's Oil Producing Communities, 1999, 4.

The history of such protests has a link with the Ogoni people when Ken Saro-Wiwa led the way.[126] Although, most of these protests were not organised but were conducted by the local youths. Most of these protests were also never reported. The protest targeted the government in such a way that revenue generated in the host communities would be shared for the purpose of even development. There are also claims by most communities visited by the researcher that TNCs did not keep to environmental standards and also refused to adequately compensate the people for damages caused in terms of environmental degradation. Besides, the TNCs have failed to abide by land compensation to traditional institutions. The realities of the Nigerian legal system, however, make it difficult to establish or enforce such obligations.

These protests were conducted in groups, or individually. Even the women organisations were active in such a protest. While families also carried out this protests with respect to their own land that has not been adequately compensated by the oil companies. Furthermore, community-based organizations headed mostly by young men who feel excluded from the political system and the benefits of oil wealth were also active members of such protests.[127] It should be noted that such a protest halted production until compensations were adequately made. In other cases, young men have remained camped on flow stations for weeks or months, being paid by the oil companies as "security guards" in return for allowing production to continue. The oil companies were also required to pay large sums of money to known troublemakers

[126] Klieman, K. A. U.S. Oil Companies, the Nigerian Civil War, and the Origins of Opacity in the Nigerian Oil Industry. *The Journal of American History*, *99*(1), 2012, 155–165. http://www.jstor.org/stable/41510311.

[127] Adeyanju, O.D., An assessment of the impact of corporate social responsibility on Nigerian society: The examples of banking and communication industries. *Universal Journal of Marketing and Research*, 1(1): 2012, 17- 43.

at the expense of the entire communities. On some occasions, the protesters have damaged or stolen property or intimidated oil company or contractor staff.[128]

Because of these activities, sabotage of oil pipelines also occurs. Although it has been difficult to estimate the degree of such damage, and even some of the available evidences are also disputed between the companies and the communities. But at this point, it should be noted that incidents of hostage-taking have been rife in the Niger Delta Region. Although there are no records of expatriate oil workers being killed by protesters. Perhaps, such protesters did not have access to them because oil companies fly their staff around the riverine areas of the Delta by helicopter rather than using boats. [129] Also, the companies are protected by the Nigerian military. In fact, thousands of soldiers are deployed to defend oil production at oil facilities. There are also military bases throughout the Niger Delta region.

For instance, in the Western Delta, where there has been widespread ethnic violence, specifically in areas of oil production, a special military task force has been deployed to protect the oil company's facilities since 1997. Instead of carrying out their normal responsibilities, the soldiers are rather responsible for daily harassment of the local people. The soldiers also engaged in routine bribes at roadblocks or waterside jetties; beating up and occasionally summarily killing young men believed to be associated with the protest movements; and raping local women, among other offenses. Soldiers are reported to be responsible for more widespread human rights violations, usually in response to an uprising of protest, such as those organized by

[128] Adeyanju, O.D., An assessment of the impact of corporate social responsibility on Nigerian society: The examples of banking and communication industries. 17- 43.
[129] Amaeshi, K., B. Adi, C. Ogbechie and O. Amao. Corporate social responsibility in Nigeria: Western mimicry or indigenous practices? Research paper series. International Centre for Corporate Social Responsibility, 3(9): 2006, 1479-5124.

MOSOP or the demonstrations that followed the Kaiama Declaration, sometimes on an apparently random basis.

In the great majority of cases where the Nigerian military abuse civilian protesters close to the oil company's facilities, the oil companies remain silent. They always kept the secret of such instances. But these are human rights violations by the military forces who are meant to protect oil companies' facilities.[130] The protesters on the other hand are running a genuine course; their fight anchors on issues of environmental problems, requested financial compensation or employment among others. Although their protest was violent and posed a threat to oil production. Only if cases of abuse get to the international press does it appear that there is even a chance that the oil companies may overtly put their concern with the authorities, and even then, it is more likely that any concern voiced will be private, and thus stay unproven.

It should also be noted at this juncture that all the times the oil companies say they are not aware of arrests or beatings that have occurred, even when they have resulted from major incidents at their facilities. Shell, for example, when questioned about a major protest against the company involving several hundred people in Egbema, Imo State, in 1995—after which 30 people were detained for several weeks and charged with sabotage—stated that it was not aware of any arrests, and that "the issue was amicably settled with the community.

To further illustrate these two instances, need to be mentioned here. The first is Shell, which happens to be a crisis between the Ogoni Crisis and the Shell oil company. But the Shell's role garners international weight because of these reasons. One, Shell is the largest and longest oil producer in Nigeria. Two, Shell operates mostly onshore and its facilities are exposed to protests as a result of their location to

[130] Obi, Cyril, Nigeria's Niger Delta: Understanding the Complex Drivers of Violent Oil-related Conflict, in: Africa Development, 34, 2, 2009, 103.

inhabitable areas. And three, Shell was the main target of the campaign by MOSOP, as a result of the Ogoni genocide.[131]

Based on the foregoing, MOSOP in the early 1990s mobilized Ogonis, to fight the obnoxious policies of the government and Shell company. The protest led to the closure of the Shell Company in 1993. In retaliation, the federal government detained thousands of Ogonis while a good number of them were also beaten severely. In 1994, MOSOP spokesperson Ken Saro-Wiwa, together with his cohorts, were arrested and later murdered. There were several reports about Shell oil company collaborating with the government to fight the people of Ogoni even when the company totally closed down in 1993.

California-based Chevron had similar experience of Shell Company. Precisely in May 1998 Chevron Nigeria Limited's Parabe platform, 15 kilometers off the coast of Ondo State, was stunned with a group of over 120 young men who protested, and shut down production for several days. Two hundred Chevron staff and contractors were on the platform at the time. After negotiations failed to secure the release of the hostages and resumption of production, Chevron provided three helicopters to fly the navy and paramilitary Mobile Police to the platform. In the ensuing confrontation, the security forces shot and killed two protesters. While the company contested some aspects of the account of the incident given by the protesters.[132]

Similar experience of protest by Opia and Ikenyan, the two small Ijaw communities in the Warri North local government area of Delta State which had 500 people each, were attacked by Chevron contracted solder of over 100-armed people on January 4th, 1999. Using boats and a helicopter contracted by Chevron, the soldiers

[131]Okonta, Ike, and Oronto Douglas. Where Vultures Feast: Shell, Human Rights, and Oil in the Niger Delta, San Francisco: Sierra Club, 2001, 74.
[132] Okonta, Ike, and Oronto Douglas (2001), Where Vultures Feast … p. 94.

fired indiscriminately as they approached each village, killing possibly dozens of people and wounding others.[133] Each village was torched by the soldiers before they left, destroying virtually all the houses; canoes were sunk and other property destroyed. The reason was that members of these communities tempered with Chevron rig. From the foregoing discussion, the story of TNCs in the Niger Delta Region and their interaction of the host communities was not often peaceful but was characterised by animosity, violence, attacks, and counter attack leading to death of scores, while properties, and productive activities halted.

3.6 Conclusion

The chapter looked at the activities of TNCs in Niger Delta Region with spotlight on SPDC. It discusses how TNCs oil companies connived with the Nigerian government to carry out the business of oil extraction in the Niger Delta. Since Oil was discovered in this part of the country it continues to serve as the mainstay of the Nigeria's economy. The oil production in Niger Delta leads to destruction of seafood, water, soil, and air. The benefits of the host communities in the production areas are not adequate has the people protests. Therefore, the Ogoni people and the Ijaws in the Delta region often take arms against the Nigerian states and the TNCs. The next chapter interrogates the various ways in which TNCs/SPDC specifically provides socioeconomic infrastructure in the Niger Delta region to halt protest. An assessment of the impacts of these programes would also be made.

[133] Udotong IR, Sokari TG. Towards Total Conservation and Utilization of Aquatic Resources from Lower Qua Iboe River Estuary. I. Microbiology, Nutritional Quality and Heavy Metals Content of *Thais callifera* from Itak Abasi Creek, Akwa Ibom State, Nigeria. Trop. J. Environ. Sci. Technol. 1998, 2:4-10.

CHAPTER FOUR

THE SOCIOECONOMIC IMPACT OF SPDC IN THE NIGER DELTA

4.1 Introduction

The Niger Delta struggles is anchored on socioeconomic provision by the government and the TNCs. Therefore, this chapter focus on the kinds of socioeconomic infrastructure provided by these companies in the Niger Delta region with more emphasis on SPDC. An assessment of these projects and programmes would be made on the basis of their viable contributions to the host communities. The kind of infrastructures to be assessed here included development projects, scholarship schemes, roads, electricity, schools, and hospitals among others and how this has translates into development in those host communities.

4.2.1 Positive Impacts

The TNCs in oil sector have made various contributions that transform the communities and peoples of Niger Delta in the following ways:

4.2.2 Socio-Infrastructural Developments and Projects

Development spending by the oil companies has also brought schools, clinics and other infrastructure to remote parts of the country that might otherwise be neglected by the Nigerian government. Unfortunately, many of these projects are inappropriate for the needs of the communities where they are located, and others are incomplete or shoddily carried out. In any event, development spending by the oil companies has only reached significant levels since protests began to threaten oil production. For instance, SPDC partnered to build several schools and health centers with the government but when ethnic conflict began in various communities of the

Niger Delta the company has to back off. Besides, members of the community themselves were responsible for pulling down such facilities. It is in this regard that a senior commissioner for DESOPADEC Hon. Tebite Taleb[134] noted that:

> The lack of authentic and genuine leaders is a major challenge in Nigeria. Many of the challenges we face at state levels are reflected at national levels. Some of the challenges we see in this oil producing areas are as a result of class struggles and inability of the leaders to fulfill their role in serving the nation.

He further asserted that the GMOU process is slow; hence the growth and development process for these oil producing communities may take another 10 years.

However, a few social infrastructures conducted by the TNCs are worth mentioning here at this juncture. The Bonny Utility Company, for example, is a collaboration between oil and gas companies, the Nigerian government, and local communities. It delivers a safe and reliable electricity supply to more than 11,000 households and provides employment to more than 50 residents of Niger Delta.[135] While science schools have been built and equipped by shell, Chevron, Mobil and so forth in the area.

4.2.3 Scholarship Schemes to Children of Niger Delta Origin

The NNPC/Chevron joint venture beginning from 2005, has spent over $118 million on about 600 programs that have provided scholarships; built new schools, medical facilities, and housing; and supported agriculture development and infrastructure improvements. They achieve this feat in what they call the Global Memorandum of Understanding on community engagement in the Niger Delta. By such MoU, they give communities a greater role in managing their development through Regional Development Committees. To further reinforce this initiative, 2009,

[134] Oral Interview with Tebite Taleb, Age 66 Years, Interviewed in Delta State, 16-01-2024.
[135] Carmody, P. *The New Scramble for Africa.* London: Polity Press, 2011, 98.

Chevron and its Agbami partners adopted a scholarship scheme of what they tagged the Medical and Engineering Professionals scholarship program.[136] The programme engaged over 16,000 college students out of which 456 have graduated with first-class honors degrees in different universities across the globe. The Chevron-Agbami scholarship scheme also pay attention to the Blind. They scheme aids visually challenged students in the states where the company poerates.

The continuous efforts of Chevron to develop communities in the Niger Delta Region lead to the adoption of $50 million alliance with the U.S in 2011.[137] This partnership was tagged the Agency for International Development and the Niger Delta Partnership Initiative (NDPI). The partnership Foundation support a portfolio of programs designed to address socioeconomic challenges in the Niger Delta region. Therefore, part of the attention was to support educational sector. Chevron and its deepwater partners on the other hand have supported secondary schools in Nigeria by building and equipping 33 science laboratories and 18 hybrid – electronic and conventional – libraries.[138] These initiatives have contributed to the education of more than 16,000 students across 33 states.

Other companies like the Exploration and Production Company (SNEPCO) have also contributed in regards to scholarship scheme to Niger Delta children. SNEPCO Grants have been given to 1,356 secondary school students and 925 university undergraduates. SPDC's Cradle to Career programme, launched in 2010,

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[136] A.M.A. Imevbore, S.A. Adeyemi, Environmental Monitoring in Relation to prevention and Control of Oil Pollution "Proceedings of an International Seminar on the Petroleum Industry and the Nigerian Environment (Lagos: Thomopulos Environmental Consultants in Cooperation with the Petroleum Inspectorate, NNPC, 1981) p. 139.

[137] Aluko, M.A. Sustainable Development, Environmental Degradation and the Instrument of Poverty in the Niger Delta of Nigeria. Journal of Human Ecology, 15(1): 2001, 63-68.

[138] Philip Swanson, *Fuelling Conflict: The Oil Industry and Armed Conflict*, Oslo: Fafo Institute for Applied Social Science, 2022, p. 20.

paid for children from rural communities in the Niger Delta to attend some of the country's leading secondary schools: in 2014, 120 students were enrolled on the programme totalling 360 students since its launch.

4.2.4 Women and Youth Empowerment Programmes

Women and youth empowerment programmes occupied another critical area in which the oil companies have focused their attention. A few of these examples have been extracted from the Shell Sustainability Report in 2013. In this report, SPDC has several programmes in the Niger Delta region, and one of these programmes is to focus on building entrepreneurial skills among the most vulnerable people within the Niger Delta's communities.[139] SPDC report also noted that they had set up to 4 centers for women to be taught employment/career development skills. Areas targeted in this regard includes catering, fashion, design, and printing.[140] The company supported the Nembe City Development Foundation by given them 35 vehicles to help young people develop skills in the transport sector business.

Through the LIVE WIRE programme, Shell put in place the Youth Entrepreneurship Programme (YEP), which has been launched in Nigeria since 2003. It should be noted that YEP has trained about 6,000 young adults in the Niger Delta as of 2014 to set up and grow new businesses in their areas of specialisation.[141] While as of 2014, over 3,000 youths trainees received business start-up grants to begin their businesses. In 2014, the programme was broadened to focus on people with physical disabilities targeting 180 people to receive training and grants. LIVEWIRE spread to Ogoniland region of Rivers State. Ogoni is one of the hotbeds of protest in Niger

[139] Shell Nigeria Report 2013, p. 14.
[140] Shell Nigeria Report, 2013, p. 16.
[141] Ike Okonta, "Behind the Mask: Explaining the Emergence of the MEND Militia in Nigeria's Oil-Bearing Niger Delta," Berkeley, Calif.: University of California, Institute of International Studies, unpublished Niger Delta Economies of Vio- lence Working Paper No. 3, undated.

Delta as we have noted somewhere else in this study. The objective LIVEWIRE in Ogoni land is to raise the living standards of the poor masses and to also reduce crude oil theft by promoting alternative livelihoods.

The LIVEWIRE, Shell's YEP has been spread beyond the Niger Delta Region covering Lagos in which 255 trainees were targeted. Out of these figure about 126 people received business grants awarded in 2015. In total, 6,290 people had been trained under the programme between 2003 and 2015, and 3,183 grants were awarded accordingly.[142] The Shell's LIVEWIRE programmes has been felt in Ogbia community in Bayelsa State. The Ogbia community is located close to Oloibiri, where the first oil well was drilled in Nigeria in 1958, and near to SPDC Kolo Creek Flow Station.[143] Here, groups of youths are the beneficiaries. They are the university graduates, secondary school leavers, and informal women traders. LIVEWIRE, therefore, undertook entrepreneurship training and on graduation, received a business start-up grant of about $90,000. This will enable them to convert their bright ideas into sustainable businesses, creating wider employment and income opportunities for their communities.[144]

4.2.5 Community Development Projects

The Foundation for Partnership Initiatives for the Niger Delta (PIND) was initiated by the Chevron company. PIND is a not-for-profit foundation to serve the entire people of the Niger Delta communities in the places where Chevron has been operating. Since the commencement of the programme, Chevron has committed $90 for ten year programme in the Niger Delta. Therefore, PIND engage in reducing

[142] Shell Report, 2013.
[143] Ike Okonta, "Behind the Mask: Explaining the Emergence… p. 67.
[144] Shell Sustainability Report 2018,39, 40.

poverty and promoting peace in the Niger Delta Region.[145] To achieve this, PIND streamline 4 different programmes;

1. An economic development program focused on generating opportunities for pro-poor market development and employment generation.

2. A capacity building program that is building the service delivery and engagement capacity of government, civil society and communities.

3. A peace-building program that strengthens conflict resolution mechanisms for enabling integrated peace and economic growth.

4. An analysis and advocacy program that improves analysis and understanding of systemic constraints to growth in the Niger Delta region.[146]

With these efforts on the ground, PIND complements what Chevron company in Nigeria has been doing in terms of social investment so as to reduce social problems in the Niger Delta region. Problems in that the people of the Niger Delta Region have faced include conflict, poverty, unemployment, and weak institutional capacity, among others. Arising from its partnership initiative, PIND has been able to pull in resources from different groups like stakeholders, donors, and what have you with a view to tackling the region's development questions.

The next question to be addressed is, have the initiatives of PIND yielded tangible results so far in the Niger Delta communities? The answer is yes. This is because through PIND initiatives, there is improvement in health, education and economic well-being of local communities and most of all, a remarkable improvement

[145] Wright, Robert. *Labour and Multinational Corporations Foreign Affairs,* New York: Talcum Press. 1992, 265.

[146] Aja, E. The evil consequences of trans-national corporations' *International Journal of Politics,* 4(4), 2009,
45-50

in the cordial relationship between the local communities and the Company. Besides, Shell has committed funds for community development as part of its global memorandum of understanding (GMOU), where projects are selected by community leaders.[147] There are over 35 GMOUs in place, and this covers over 359 host communities. For instance, the Ogulagha cluster of communities joined the GMOUs in 2015. Shell together with its joint-venture partners made available adequate funds for community nominated projects as agreed in the GMOU. SPDC also provided money for the marine services business for the Andoni Cluster, which was made up of 22 Niger Delta communities. By 2018, Shell was already empowering communities to undertake their own development themselves. The GMOU cluster in Tarakiri started in 2010 and had received around 5.8 million USD to finance about 92 projects and programmes, including job training, and basic services and infrastructure development.

4.2.6 Employment Opportunities

Employment opportunity is another significant area in which TNCs in the Niger Delta have played an important role. There are records in which over 16 TNCs that are in existence in the Niger Delta created job opportunities to the peoples of the Niger Delta Region. But what kinds of job have they created for these people? are the jobs adequate enough to contain the Niger Delta question? The Oil industries create limited job opportunities for the indigenes of their host communities. However, the Nigeria Oil and Gas Industry Content Development Act of 2010 mandated TNCs to give oil and gas contracts to indigenous contractors. To this end, the law seek expand the indigenous participation in the sector by prescribing a minimum threshold for the

[147] Akaraikiri, J, Yusuf, K, Ilori, M. The Impact of Food and Beverages Multinational Companies on Industrialization in Nigeria, *The Quarterly Journal of Administration*, 31(1-2) 2009, 73-85

use of local services and materials and to promote transfer of technology and skills to Nigerians in the industry.[148]

Unfortunately, this has not be in practice. The annual Practical Nigerian Content (PNC) meeting, which is an event that welcomes stakeholders to deliberate such issues in the Act, is organized by CWC Group; a UK based global company in partnership with the Nigerian Content Development and Monitoring Board (NCDMB). Therefore, they always downplay this very important Act that could have given adequate oil and gas-related jobs to the people of the Niger Delta Region. There is another lacuna that pontificate that oil and gas jobs are downplayed by the major ethnic groups in Nigeria. This has continued to fuel conflicts in the Niger Delta Region of Nigeria. Besides, technological development over the last five decades has not been responsible for a higher Capital ratio with the result that employment in most extractive industries has actually fallen particularly as regards indigenes.[149]

Looking in the 2009 Shell Sustainability Report, it has be argued that SPDC's Afam project employed about 3,000 local workers in the Niger Delta Region. The Gbaran-Ubie on the other hand employed 6,000 local workers.[150] The report explained that some of the local people were trained in valuable skills like scaffolding and welding that could help them obtain further jobs. It should be noted that such projects have had a positive impact on the economy of the Niger Delta Region, specifically, and Nigeria at large. Besides, the report establishes that Shell-run operations contributed 156.5 million USD in total to the NDDC as stipulated by law; and a further 57.7 million

[148] Chukwuemeka, E. "Democratization in a Praetorian Polity" African *Journal of Humanities and Social Sciences 1(1), 2005, 26-28.*
[149] Chukwuemeka, E and Obingene, A. *International Politics, A Contemporary Perspective*, Enugu: JTC Publishers, 2005, 67.
[150] Rawlings, S. The multi-national companies, instrument for World growth *Journal of Commerce*, 5(2), 2007, 25-33.

USD was spent by SPDC on social investment and development projects.[151] Shell has dedicated its resources to burst the businesses of local businessmen, entrepreneurs and young people win contracts in the Niger Delta Region. Because of such supports, by 2010 they were over 2,000 service providers in the contractor sector, while more than 3,000 people in a range of skills including entrepreneurship, project management, catering, scaffolding, and welding. On this note, we can sum our argument that each year SPDC and its partners have contributed hundreds of millions of dollars to development in Nigeria.

4.2.7 Health Services

In terms of health services, the TNCs operating in the Niger Delta made some reasonable efforts. For example, the Obio Cottage Hospital in Port Harcourt, set up by SPDC, has become one of the most visited health facilities in the region.[152] This is due to a community health insurance scheme which was the first of its kind for the Niger Delta. SPDC supports 27 health facilities in the Niger Delta. SPDC sponsors projects that increase the community's access to energy. In 2008, Shell put about $5 million of the $30 million contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria to Nigeria's National Agency for the Control of AIDS in support of AIDS treatment programs. Similarly, in 2015, Chevron put a whooping sum of $5 million to Nigeria through the Global Fund to support prevention of mother-to-child transmission (PMTCT) of HIV. That notwithstanding, Chevron also partnered with Born Free Africa in order to develop capacity within state ministries of health. All these efforts are channelled towards the provision of health security to the peoples of the Niger Delta region. The partnership supported PMTCT of HIV

[151] See Shell Sustainability Report 2009, p.19.
[152] Vernom, R. "Foreign-owned Enterprises in the Developing Countries" MRN Farmer et.al (eds) *Readings in International Business*, California: Dickson Publishers, 2003, 67.

activities in Nassarawa, Bayelsa and Rivers states has tremendously help to equip more than 670 health facilities in the Niger Delta Region.[153]

Chevron also partnership with the nongovernmental organization (NGO), to support PMTCT efforts towards eradication of HIV/AIDS in Niger Delta area. for instance, in 2014, Chevron put about $1.7 million to the PROMOT project, a PMTCT initiative in Bayelsa state that works with community-based organizations and local governments to provide education and testing services.[154] More than 53,600 pregnant women have been tested for HIV in Niger Delta. The organisations also counselled the indigenous peoples of Niger Delta on HIV/AIDS related issues or problems. By 2016, the second phase of the PROMOT project was launched and Chevron puts about $1.43 million to support Pact's two-year PMTCT program in Bayelsa state.

Furthermore, Our Roll Back Malaria (ORBM) Initiative, which commenced in 2006, provides financial and volunteer support to pregnant women and children under age 5 years. The program served more than 60,000 people in Niger Delta as of 2017.[155] To support early diagnosis and treatment of tuberculosis and other chest and lung diseases, Chevron and its Agbami partners have donated 25 chest clinics to hospitals since 2008 in different parts of Niger Delta. The clinics are equipped with X-ray units, consulting rooms, laboratories and wards. It is in light of this wise that as of 2014, Chevron contributed Molecular Biology Research Laboratory (MBRL), to the University of Lagos Teaching Hospital. The lab is equipped with tools to diagnose, manage and treat people with genetic abnormalities. Since opening, the lab

[153] Amusan, L. Reap whatyouhave not Sown, Architect of Poverty: The Political Economy of Biodiversity Patenting in Africa *Anthropologist,* Vol. 31 No. 1-3, 2018, pp: 25-33.
[154] Amusan, L. Reap whatyouhave not Sown … p. 31.
[155] Amusan, L. "Social Sciences as Imperialism: Analysis of the Global Economic Crisis of 2008 and Development Gaps in the Third World States"*Journal of Administrative Sciences* Vol. 14 No.27.2016, 13-31.

has conducted more than 1,300 DNA extractions and amplifications – processes that help diagnose diseases and conditions. In 2014, the lab also helped detect the first case of Ebola in Nigeria.

4.3.1 Negative Impact

The negative impact of TNCs in the oil sector in Niger Delta are many, however, few cases would be used as a source of demonstration in this study. The study has demonstrated the impact of the activities of these companies in terms of environmental hazards. Therefore, this section will interrogate these impacts on the socioeconomic sphere of the peoples of the Niger Delta Region.

4.3.2 Loss of Income

In the most of oil economy in the Niger Delta Region, a good number of indigenous inhabitants of the area continue to experience economic hardship. The reason is unconnected to the activities of oil companies that lead to rising cost of living. The researcher in oral interview also discovered that a good number of people lost their incomes in the area. This is because due to the oil exploration in the area the peoples' sources of income like as faming and fishing activities have been truncated. As early established in chapter three, these two (farming and fishing), activities made up the major source of employment and income for the people prior to the advent of oil exploration.[156] In light with the said fact, the UN Food and Agriculture Organisation (FAO) corroborated that the people of the Niger Delta prior to oil exploration rely on fishing and farming for both income and food. Therefore, Pollution from oil extraction has killed fisheries while farm lands are uncultivatable. But people depended on farmland for their food and livelihood.

[156] Amusan, L. Marsupial Babies in the Midst of Plenty: America's Dominance by Design in the Gulf of Guinea"*Journal of Social Sciences* Vol. 48 No. 3, 2016, pp: 203-212.

Reinforcing this debate is the Amnesty International's report of 2023 in which they argued that pollution and environmental degradation are common things visible in the oil producing areas of the Niger Delta area. The report accepted that 'pollution has affected the area for decades and was occurring in a context where the livelihoods, health and access to food and clean water of hundreds of thousands of people is closely linked to the land and environmental quality'[157]. Oil spills therefore, damage both the soil and water system. The implication of the above is that people have to buy food and water to survive. The second implication of the above is that, environmental degradation has caused violations of the right to gain a living through work also as a consequence of widespread damage to agriculture and fisheries because, these are also the main sources of livelihood for many people in the Niger Delta.

It is on the premise of the above implications that the Socio-Economic Rights and Accountability Project (SERAP), which is an NGO in July 2009 filed a case against the Federal Government of Nigeria and other six TNCS in oil sector whose operation is in Niger Delta for human rights violations which is unconnected with oil pollution in the Niger Delta.[158] SERAP mentioned areas in which these violations were rife including "Violations of the right to an adequate standard of living, including the right to food, to work, to health, to water, to life and human dignity, to a clean and healthy environment, and to economic and social development as a consequence of: the impact of oil related pollution and environmental damage on agriculture and fisheries." [159] Looking at the work of Amnesty International report's on oil spill in Niger Delta since 2015, the report has been consistent with

[157] Amnesty International Report, 2023.
[158] Amnesty International Report, 2023.
[159] Amnesty International 2023.

environmental violation. For instance, they regretted that oil spills have devastated the fields, including forests, and fisheries. These things are dear to the peoples of the Niger Delta Region.

4.3.3 High Cost of Living

The Niger Delta communities continue to experience the rising higher cost of living due to the activities of oil company vendors in the Niger Delta Region.[160] The researcher in investigation also found out that the rising cost of living in the Niger Delta Area stems environmental damage in the area which deprived the people off their livelihoods. A 2023 Amnesty International report revealed that people staying in this part of Nigeria have to drink, cook with, and wash in polluted water; they eat fish contaminated with oil and other toxins- if they are lucky enough to still be able to find fish; the land they use for farming is being destroyed because of lack of respect for the ecosystem necessary for their survival.[161] A close examination of the impact of the spill and the fire on local livelihoods was extensive, crops and fishing areas were badly damaged, the riverbanks were described as littered with dead fish and animals.

Take example from Gbarain, in Belyesa State, prior to the road construction to link Shell oil facilities, the fishermen and women from the Gbarain field communities engaged in catching a lot of fishes, shrimps and Lobsters during the overflow season to improve their economic foot; but the livelihoods of many local communities have been shattered beyond recovery today. [162]

Arising from oil spill, a good species of fishes have all died. Few fishes with resistant genes have to be bought with higher prices. According to oral informant, the

[160] Oral Interview with Agaduba, E., Age 57 Years, Politician, Interviewed in Warri, 28/04/2023.
[161] Amnesty International, 2023 Report.
[162] Oral Interview with Agidiga, S. Age 55 Years, interviewed in Warri, 23/05/2023

price of fish had increased a lot in Bodo," Ohioyaage[163], interviewed in Sapele said; "before the spill you could buy a fish for 50 naira but now you must pay 3000 to 5000 naira for a fish."As a result of this many families could not afford to balance their diets with protein coming from consumption of fish. Therefore, many farmers who lived in Bodo are of the opinion that bad waters are responsible for the death of aquatic or sea foods. Despite decades of frequent oil spills in the Niger Delta, the impacts of the oil industry on local agricultural productivity have never been properly studied. However, communities repeatedly highlight smaller harvests, and people have noted reductions in the reported sizes of individualtrees, fruits or vegetables.

4.4 Conclusion

From the foregoing discussion, it was established the TNCs and SPDC in particular have established schools, hospitals, roads, empowered the youths, women and children, gave scholarships to Niger Delta children among others. However, the activities of these companies have lead to pauperization of the masses. For instance, oil and gas has killed aquatic foods making purchase of fish very expensive. The activities of multinational corporations also destroyed water, polluted air, and killed soil fertility. The implication is food crisis, hunger, and crisis in the study area.

[163] Oral Interview with Ohioyaage, J., age 66 Years, Interviewed in Sapele, 25/07/2023

CHAPTER FIVE

SUMMARY, CONCLUSION, AND CONTRIBUTIONS TO KNOWLEDGE

5.1 Summary and Conclusion

The dissertation centres on 'Transnational Oil Corporations and Socioeconomic Developments in the Niger Delta: a case Study of SPDC from 2015-2023' and the gamut of the discussion is made up of six parts. It opens up with an examination of TNCs as important players in the global economy since antiquity. The contention is that TNCs were agents of imperialism and colonialism and the earliest was the Dutch East Indian Company whose influence was in the far East. The British North African Company had its foot hood in Maghreb, the Royal Niger Company occupied other areas in West Africa including what has become today Nigeria. Therefore, these TNCs hitherto, were agents of imperialism and colonialism. On the basis of this contention the dissertation isolates some of the TNCs in Nigeria in the oil sector to include Mobil, Shell, Agip, Chevron among others and they operate in the Niger Delta where there is ocean of gas and oil. Their activities include exploration of the oil and gas, marking, among others. In the mist of oil extraction in the Niger Delta Region, the peoples of this area are jobless, poor, lack food and water, because the activities of this TNCs truncate their very sources of sustenance. On the basis of this knowledge, the dissertation makes a statement of problem which forms the aim and the general objectives of this study.

The study's significance is justified on the basis of its utilitarian value to academics, policy making to would solve the Niger Delta question. The study's scope is TNCs a study of SPDC, and the Niger Delta Region whose territory has nine states

in contemporary Nigeria. The research makes use of primary and secondary data while its approach was multidisciplinary.

Literature review covers works on TNCs generally in the globe, Africa, and Nigeria in particular. The discussions of these works were either on the history of TNCs, their activities, their impact on economic development of their host countries. Other works addresses issues of the activities of TNCs in Niger Delta that led to destruction of the ecosystem leading to arm violence among the communities and the Nigerian state and TNCs. Therefore, the gap in this study fills in this regard was to provide dynamic ways in which TNCs in the oil sector provide socioeconomic development in the Niger Delta region. Concepts of TNCs were re-examined vis-à-vis socioeconomic development. The contention at this point is that TNCs are those oil companies in the Niger Delta Region owned by foreign firms and whose branches cut across other parts of the globe. Socioeconomic development justifies the comfort level of citizens in a given society or country. As examined in the study, it also emphasizes the process of social and economic development in a given society, looking at the availability of schools, hospitals, water systems, roads, and the general welfare and income of the people.

The study also dives into the examination of the economy of the people of the Niger Delta prior to the arrival of TNCs as a result of the discovery of oil in commercial quantities. Here, the central argument is that the people of the Niger Delta were middlemen during the period of the trans-Atlantic slave trade. The abolition of this trade in the 19th century made this people to become traders in such goods like salt, seafood, palm oil, fish, and agricultural products with their neighbours. The discovery of oil by Shell company change this narrative hence the activities of these

oil companies truncated the economic activities of the peoples of the Niger Delta Region.

The study analyses the activities of SPDC in the Niger Delta area. This company occupies the whole area of the Niger Delta Region. Their activities included onshore and offshore oil drilling in the Niger Delta. The drilling of oil in the Niger Delta destroys the ecosystem. The oil spills specifically kill the fish, contaminate the water, and destroy cultivatable farm lands in the Niger Delta region. This makes the entire Niger Delta a dangerous place to live. The activities of this company created water and food scarcity, making the people poor. It is against this backdrop that the peoples of the Niger Delta take arms against the TNCs and the Nigerian State.

The study establishes the dynamic ways in which the TNCs, and specifically the SPDC, provide economic and social facilities to cushion the impacts of their activities on the people. The attention at this point was on projects and social and infrastructural developments covering the provision of schools, hospitals, and clinics in host communities. Shell and Chevron played a crucial part in this aspect. The next issue is on scholarships given to children of the Niger Delta origin. Some of the beneficiaries studied up to university level. The study also examines the roles TNCs played in empowering women and youths, especially in Small and medium-scale businesses, skills acquisition, and financial grants to set up businesses. The companies also provide employment opportunities, including opportunities to gain contracts and training in the oil sector.

It is in light of this understanding that the dissertation concludes that socioeconomic development in the Niger Delta Region is not adequate. This is because, instead of the people experiencing a better life, the company fails to make adequate provisions in this regard. The majority of the people in the Niger Delta are

poor and live without adequate food and water. The cost of living is generally high, making people to continue to fight the TNCs and the government. There is also a high level of unemployment in the region; this makes most of the youths become prey to joining a militia group in the Niger Delta area.

To resolve the Niger Delta question, the TNCs should double the efforts they have made to ensure that the people of the Niger Delta really feel the impact of oil exploration in their host communities. If this is done, protest, uprising, hostage taking, kidnapping, and militancy would become a thing of the past in the Niger Delta Region. The TNCs should also embark on cleaning the Niger Delta ecosystem to enable the people to get food, seafood, and farm products, as well as to reduce the hunger problem in this area.

5.2 Contribution to Knowledge

The study contributes to the body of literature on the subject matter in the following ways;

1. It projects the dynamic ways in which the TNCs/SPDC contributed to the socioeconomic development of the people of the Niger Delta Region.
2. The study provides the depth of glaringly inadequate socioeconomic infrastructure provided by the TNCs/SPDC in the Niger Delta Region;
3. The study provides qualitative evidence that serves as a guide to policymakers on how to deal with the Niger delta question.

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Ebiarede, A	Local chief	60	Benin	25/07/2023
Mr. Emeka Eze	Head, Community Relations (Bayelsa Operations)	55	Port Harcourt, Rivers State	15/03/ 2024
Engr. Aisha Bello	Senior Environmental Monitoring Officer	49	Abuja (via video call)	4th /04/2024
Chief Godspower Ebi	Traditional Ruler/Community Head	66	Oloibiri, Bayelsa State	10/05/2024
Mrs. Grace Idemudia	Leader, Community Women's Cooperative	44	Gbarain-Ekpetiama, Bayelsa State	11/05/2024
Dr. Philip Osaigbovo	Professor of Environmental Policy	59	University of Port Harcourt	06/02/2024
Mr. Tony Brown	Director of Projects, Civil Works	50	Niger Delta Development Commission (NDDC)	18/06/2024
Mr. Peter Ofori	SPDC Security & Stakeholder Liaison	44	SPDC (Warri Operations)	05/07/2024
Mr. Monday	Chairman, Community	71	K-Dere Community,	01/08/2024
Ms. Ebiere Alali	Youth Leader/Activis	36	Opobo Town, Rivers State	03/08/2024
Mr. Femi Adesina	Former Militant Leader (Amnesty Program Beneficiary	50	Yenagoa, Bayelsa State	10/10/2024

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