

Escravos gas to liquid and community  
integration:  
A multi-case study approach

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## **ABSTRACT**

Socioeconomic study is a procedure that ensures that the likely positive and negative impact of a new project on the socioeconomic life of a community is taken into account. It has become a crucial part of sustainable development process. The understanding of socioeconomic study procedures is an increasing necessity for all those involved in the process. Similarly, proper knowledge of the function of socioeconomic study during the environmental impact assessment (EIA) process is of paramount importance for the mitigation of the likely effects of the new development.

Furthermore, as the world is gradually growing into a global village, it has become increasingly imperative that organizations integrate the people in their operations' areas in the overall objective of their businesses. Community engagement (CE) is a partnership process that can be used to assess and manage the problem affecting the well-being of a community because of a new development.

This research work used the SWOT matrix technique to develop a management framework that companies can use to manage their weaknesses and threats because of inadequate community engagement strategy. To achieve this, the work evaluated the extent to which socioeconomic study is integrated into the EIA processes. It also assessed the extent to which oil companies are using community engagement as a development strategy.

The findings of this dissertation revealed that oil explorations in the Niger Delta area have affected the well-being of the people both positively and negatively. Unfortunately, their negative impact outweighed their positive impact. Although they carry out socioeconomic studies, they have been neglecting the recommendations reported in the socioeconomic study document by experts. The level of community engagements therefore has also been very poor.

SWOT matrix technique was used to develop the management framework for each company based on the perceived strengths, weaknesses, opportunities and threats of the companies as revealed in this research. This should serve as a guide for the companies in their CE strategies.

## **KEY WORDS**

Environmental Impact Assessment

Socioeconomic study

Social Impact Assessment

SWOT Matrix

SWOT Analysis

Management Framework Matrix

Community Engagement Strategy

Socioeconomic Impact Indicators

Principles of Community Engagement

Gas to Liquids

Sustainable Development

Community Integration

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## LISTS OF ACRONYMS

AIDS	Acquired Immune-Deficiency Syndrome
BGT	Bonny Gas Transport
BUC	Bonny Utilities Company
CDO	Community Development Officer
CE	Community Engagement
CI	Community Integration
CNL	Chevron Nigeria Limited
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
DPR	Department of Petroleum Resources
EA	Environmental Assessment
EIA	Environmental Impact Assessment
EGTL	Escravos Gas to Liquid
E&P	Exploration and Production
ESHA	Environmental, Social and Health Assessment
ESHMP	Environment, Social and Health Management Plan
FEPA	Federal Environmental Protection Agency
GMOU	Global Memorandum of Understanding
GTL	Gas to Liquid
HIV	Human Immune Virus
IAIA	International Association for Impact Assessment
Ibid	in the same work
IPIECA	International Petroleum Industry Environmental Conservation Association
IRDC	Itsekiri Regional Development Councils
LCD	Local Content Development
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MOU	Memorandum of Understanding
NDDC	Niger Delta Development Commission
NES	Nigeria Environmental Society
NGL	Natural Gas Liquids
NGO	Non-Governmental Organization

NISP	Nigeria Institute of Safety Professionals
NLNG	Nigeria Liquefied Natural Gas
NNPC	Nigeria National Petroleum Corporation
PARA	Paragraph
P	Page
pp	Pages
PRA	Participatory Rural Appraisal
RDC	Regional Development Councils
SASOL	South Africa Synthetic Oil Limited
SIA	Social Impact Assessment
SPDC	Shell Petroleum Development Company
SWOT	Strengths, Weaknesses, Opportunities and Threats
UNEP	United Nations Environment Program
WNDP	Western Niger Delta Development Program

# CHAPTER 1

## 1.0 INTRODUCTION

This research work uses the SWOT matrix technique to develop a management framework that companies can use to manage their weaknesses and threats because of inadequate community engagement strategy. To achieve this aim, it evaluates the role of socioeconomic study and the extent to which it is integrated into the environmental impact assessment (EIA) process. It also assesses the extent to which oil companies have been using community engagement as a development strategy. A multi-case study approach is used to carry out this evaluation.

A general discussion about socioeconomic study in relation to environmental impact assessment (EIA) and community engagement as a development strategy is presented in this first chapter. The chapter also states the research problem and the objectives of the study, followed by the dissertation outline.

## 1.1 BACKGROUND

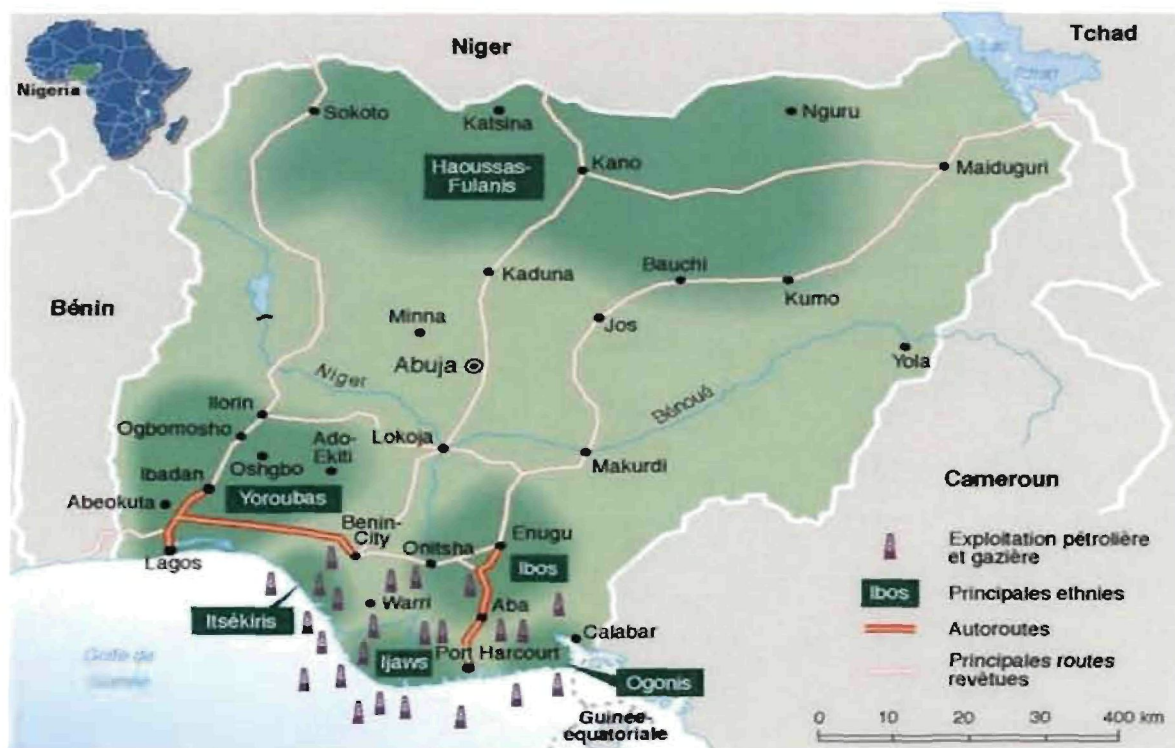


Figure 1: A Map of Nigeria showing the Oil Producing Niger Delta. (Le Monde, 1999)

Oil and gas exploration and exploitation in the Niger Delta areas can be traced back to the late 1950s. These activities have led to numerous environmental and social problems in these areas. Sequel to these, the Nigeria state established the “EIA Decree No. 86 of 1992”, which is a document with the aim of protecting the Nigerian environment. “It is particularly directed at regulating the industrialization process with due regard to the environment. By this Decree, no industrial plan/development/activity falling under the federal environmental protection agency’s (FEPA) mandatory list can be executed without prior consideration of the environmental consequences of such a proposed action, in the form of an environmental impact assessment”. (<http://www.nigeria-law.org>)

It is essential that decision makers in all sectors and agencies take advantage of any available means to predict and alleviate or prevent the impact of development activities and policies. EIA can be employed as a very significant forecasting strategy and vital planning approach especially when an in depth community engagement (CE) and socioeconomic understanding are integrated in the general framework of the environmental assessment. If properly carried out, an EIA can minimize environmental degradation by identifying problems before they occur. It can help to indicate the strategies required to protect people and the natural environment from unwarranted harm.

Dr. Mostafa Tolba, executive director of the United Nations environment program (UNEP) in Nairobi, expressed the immediate need to include EIA in all decisions affecting the environment. He declared that there is no alternative but to pursue economic and social development in developing countries of the world. He stated, “Although development is essential to improve the quality of life, it is equally essential to ensure that development takes place on a sustainable basis”. (Tolba et al. 1987)

A very important way of mitigating the problems of development is by involving the community in the process of decision-making. Adequate recognition and management of communities’ views when making development policies cannot be overemphasized. Community engagement is one of the major tools for development and management. Hence, community should participate directly in the EIA processes from the onset instead of just collating results based on literature and conjecture.

The environmental problem has become a human right’s issue. The purpose of EIA is to study and forecast the positive and negative impact of a project. This forecast will then help to put in place plans to mitigate the negative impact. It has been observed that in many instances the

results of the EIA are not adequately implemented. The consequences of this are untold hardship faced by the people living in the area of such development. The Niger Delta area of Nigeria is a good example of such areas.

Similarly, Cécile Marin in her description of the situation in the Niger Delta area said, “The River Niger Delta, where the country’s hydrocarbon deposits are concentrated, is in the hands of two big western companies, who exploit the oil on behalf of the government and distribute the proceeds. Conscious of having been dispossessed, the ethnic groups who inhabit the delta have been stepping up peaceful protest and armed resistance in support of their demands for more income for the local communities”. (Cécile Marin, 1999)

## **1.2 PROBLEM STATEMENT**

Oil explorations and exploitations in the Escravos area are affecting the lives of the people both positively and negatively. Unfortunately, the negative impact is outweighing tremendously its positive impact. Thus, the socioeconomic reality of the region presently is an irony of poverty amidst plenty. This may have resulted from inadequate management efforts or lack of it thereof. (Akindoju I.O., 2008)

It is therefore imperative that urgent steps are taken to assess and tackle the negative impact and build on the positive ones, in order to improve on an ongoing basis the socioeconomic situation of communities affected by oil exploration projects in Nigeria.

To achieve this, the work evaluates the extent to which socioeconomic study is integrated into the EIA processes. It also evaluates the extent to which oil companies are using community engagement as a development strategy.

The findings of these investigations are used to isolate the strengths, weaknesses, opportunities and threats of the companies. These serve as a base for developing the management framework using the SWOT matrix technique. This framework is expected to serve as a guide for the oil companies in the Niger Delta area of Nigeria to enhancing their community engagement strategy.

Three case studies are used to explore the extent to which oil companies are using community engagement as a development strategy.

These case studies are:

- (1) Nigeria Liquefied Natural Gas (NLNG), Bonny*
- (2) Chevron Escravos*
- (3) SASOL Embalenhle*

A prominent environmentalist is interviewed to examine the current practices and policies of multinational oil companies with respect to socioeconomic study.

### **1.3 RESEARCH OBJECTIVE**

The objective of this project is to develop a management framework for tackling issues stemming from inadequate community engagement strategy using the SWOT matrix technique. To evaluate the *role of socioeconomic study and the extent to which it is integrated into the EIA processes*. In addition, it is also meant to assess the extent to which oil companies are appropriately using *community engagement as a development strategy*. The case studies of NLNG, Chevron and SASOL are used to explore the extent to which oil companies are using community engagement as development strategy.

Specifically, the objectives of this study are:

- 1. To evaluate the role of socioeconomic study and the extent to which it is integrated into the EIA processes in the Niger Delta*
- 2. To evaluate the extent to which oil companies are using community engagement as a development strategy*
- 3. Identify the strengths, weaknesses, opportunities and threats of the companies with respect to their CE strategies*
- 4. Identify the consequences of any neglect of the development strategy on the communities and the respective companies*
- 5. Use the potentials (strengths and opportunities) as a base for developing a management framework using the SWOT matrix technique*
- 6. To make relevant recommendations based on the research findings*

### **1.4 DISSERTATION OVERVIEW**

This study is divided into seven chapters: Introduction, literature review, experimental design, data presentation, data analysis, development of management framework using the SWOT



matrix and conclusion and recommendations. The introduction presented the research area through a background and problem discussion. It also contained the overall purpose, which led to the specific research objectives.

The second chapter, literature review, presents relevant literature connected to the research area. The idea is to identify the major indicators of socioeconomic study processes. It is also to understand the principles of community engagement in order to establish a proper direction for the research objectives.

Chapter three is concerned with the experimental design that is used in this study. During the course of this study data were collected from the three companies' website. These data were analyzed. In addition, well-structured interviews were conducted with community representative from each community visited. A prominent environmentalist was interviewed to explore the extent to which socioeconomic study is integrated into the EIA processes.

In chapter four, the data gathered from the companies' website are presented. The results of the interviews on community engagement and socioeconomic study are also presented.

Chapter five presents a comprehensive analysis of the data presented in chapter four. The comprehensive analyses of the different interviews are presented. The findings of the research work are finally compared with some experts' work as a base for validation of this work.

In chapter six, a SWOT analysis method is used to analyze the perceived strengths, weaknesses, opportunities and threats of each company. The results are then used to develop a management framework for each company using the SWOT matrix technique. This framework could serve as an improvement guide for the companies.

Finally, in chapter seven, the conclusions of the research are presented, followed by relevant recommendations for the companies.

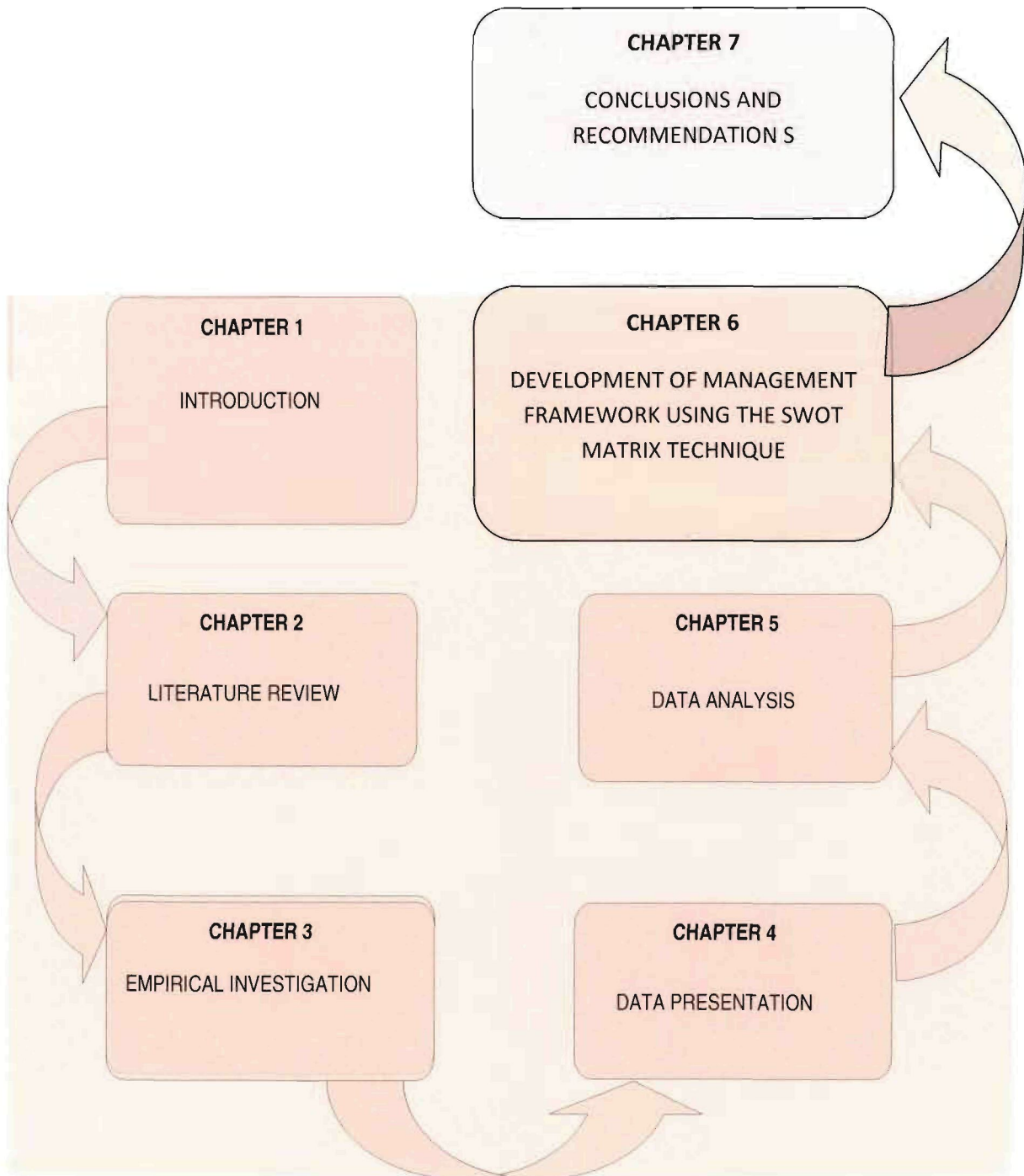


Figure 2: Dissertation Outline

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

In the previous chapter a research area was outlined that led to the problem statement which brought out the research objectives. This has set a ground for a review of relevant literature that is necessary for establishing the right direction for this study. In order to solve the socioeconomic problems resulting from new development; many experts have carried out different work. Some excellent principles of community engagements have also been developed to guide those involved in such activities. This chapter presents some of the scholarly work that relate to this dissertation.

### **2.1 BACKGROUND**

“The world’s growing population will expect a range of energy-related products, whether it is a simple gas burner, a light switch, a computer, a refrigerator or a car. They will also expect something intangible but critically important. These include opportunity for education, opportunity for employment, opportunity to start a business and opportunity for a better life”. (David J. O’Reilly, 2006) Although, there have been some encouraging effects of development, they are sometimes followed by series of harmful impact on the environment and the people. Whatever the objective of a development, mitigating plans are imperative to curb the perceived and unperceived effect of such development.

Corporate social responsibility (CSR) has today become the term of every organization, especially those engaged in natural resource development as a means of proper community integration. “Community integration (CI) is a right of all people and encompasses housing, employment, education, leisure/recreation, social roles, peer support, health status, citizenship, self-determination, and religion”. (Salzer M.S., 2006) The largest private sectors in Nigeria are the oil and gas sectors. These sectors have contributed immensely to the economy of the country. Many of these companies have well-established community development strategies. Irrespective of the strategies, their activities in the Niger Delta area have left some negative environmental and social impact. Thus, there have been different reactions from both the communities where they operate and non-governmental organizations (NGOs).

This section considers two key issues. Firstly, the section takes an in-depth look into socioeconomic indicators and its role in the EIA processes. Secondly, community engagement as a development strategy is considered through the review of its principles.

## **2.2 SOCIOECONOMIC STUDY**

Different authors refer to socioeconomic study as impact assessment, social impact assessment, economic impact assessment, socioeconomic study and sometimes as a subset of environmental impact assessment. As it were, these terms may be related in meaning but are not necessarily identical. In view of the context and environment of this study, socioeconomic study is used. George C. (2000) argues, “With environmental assessment (EA) at the centre of development and decision-making process, it is expected to provide one of the most powerful tools of achieving sustainable development. If that sustainable development can be defined, then it should in principle be possible, through EA, to test any proposed development, for whether it is or is not sustainable development”.

“The implication of the inability to use EA as a tool is due to influence of the socioeconomic and political dimensions in project developments. The integration of economic and social appraisal has been reorganized as alternative tool for planning and decision making purpose; particularly in the context of sustainable development”. (Lee and Kirkpatrick 2000) The concept of incorporating socioeconomic study emerges for achieving sustainable development. Socioeconomic study is a tool for studying the social, economic and cultural values of different communities and organizations.

A thorough and careful look at the social environment often show that it is made up of interconnected factors. These factors may be subtle but are complex because of its direct link with humans. Neglecting these factors could cause unsatisfactory outcomes to all stakeholders. Consequently, the role of socioeconomic study in the EIA processes cannot be neglected. In line with this, Akindoju I.O (2008) suggested that, “the guidelines for socioeconomic study should include, incorporating an emphatic measure of social analysis into the environmental performance of the project. It should also include a clearly defined community development plan, a remedial management approach to any foreseeable or identified issues relating to the project execution and a detailed community/socio-economic understanding in the general framework of the environmental assessments”.

### **2.3 SOCIO-ECONOMIC IMPACT**

The exploration and production (E&P) operations of oil multinationals in the Niger Delta have induced socioeconomic and cultural changes. “The socioeconomic and cultural impact of the extractive and production (E&P) operations could include; changes in land-use patterns, increase in local population levels resulting from immigration due to new access routes and employment possibilities. Furthermore, it could also include impact on the well-being, social cohesion and cultural structures; destruction of cultural heritage, practices and beliefs, conflicts between development and protection”. (Al Faruque, A. 2006)

Positive changes could result if proper partnership and mitigation measures are designed and implemented to manage the damning effects of a project. The resultant partnership may engender proper infrastructure, good health care services and education among others.

### **2.4 SOCIOECONOMIC IMPACT INDICATOR**

Humans have a complex structure and different characteristics. This is one reason why socioeconomic issues may not be easily recognized. It is pertinent to note that these characteristics differ among various communities. Abdrabo M.A and Hassaan M.A (2003) agree to this fact when they assert, “There is no comprehensive list of areas of concern that could be developed to fit socioeconomic assessment in all cases since socioeconomic assessment deals with dynamic variables. However, there are numbers of broad sets of socioeconomic impact, which could be developed. These include economic impact, demographic, employment, community structure, and gender and community resources”.

Mary Edwards buttresses the above assertion when she comments, “Quantitative measurement of such factors (socioeconomic indicators) is an important component of the socioeconomic impact assessment. At the same time, the perceptions of the community members about how a proposed development or project will affect their lives are a critical part of the assessment and should contribute to any decision to move ahead with the project”. (Mary Edwards, 2000)

## **2.5 THE ROLE OF SOCIO-ECONOMIC STUDY**

The role of socioeconomic study in an EIA process is to find answers to those questions, which would arise from the study. According to Abdrabo M.A and Hassaan M.A (2003), socioeconomic study attempts to find answers for the following questions:

### **2.5.1 ECONOMIC IMPACTS**

- What are the main characteristics of the project area economic structure?
- How does such economic structure affect and be affected by the environmental quality of the project area?
- How would local business be affected by rapid growth resulting from the development of the study sites?

### **2.5.2 COMMUNITY STRUCTURE, INSTITUTIONS AND INFRASTRUCTURE**

- What is the structure of the affected communities?
- What is their employment and economic level?
- How would the diverse groups in the communities react to changes?
- What are the factors that control their daily lives?
- What is the residential structure of the community?
- Are the people complacent with their present life-style?
- How do the people view the issue of risks, health and safety?

### **2.5.3 DEMOGRAPHY**

- What are the demographic characteristics of the community? In addition, to what extent are they affected by the prevailing environmental conditions?
- How are the affected group in the community organized and structured?
- Are there dividing lines in the wealth distribution in this population?

### **2.5.4 EMPLOYMENT**

- What is the existing employment composition?
- What is the magnitude and composition of the unemployed?

- What are the types and characteristics of primary and secondary job opportunities that are expected to be created?

### **2.5.5 GENDER**

- What is the existing gender distribution of the population?
- What is the existing gender structure of employment and unemployment?
- What social and economic roles do women play in the community?
- What role do women play in the existing decision making system?
- Who are responsible for the day-to-day running of the communities?

### **2.5.6 COMMUNITY RESOURCES**

- What is the land tenure system in the community?
- Are there conflicts between these different land users?
- For what is the natural environment used?
- Are there culturally valued neighbourhoods, shopping areas, recreational areas, or gathering places?

The socioeconomic questions above covers wide range of communities' related issues. The work of these authors could serve as a baseline for designing the socioeconomic study questions for organizations. Such questions can positively influence the implementation of the EIA and SIA findings resulting in a sustainable development. It should also be born in mind that the implementation of the socioeconomic study involves a number of fieldwork activities, which include field surveys to acquire data and information from primary sources. "This data and information is mainly concerned with personal opinions, which cannot be obtained from secondary sources such as perceptions and opinions of individuals about their concerns and future perspectives of the study site. They will also be utilised in the verification of data and information obtained from secondary sources." (Abdrabo M.A and Hassaan M.A, 2003)

A prominent environmentalist (Mr Sunny Ayeomeretse) was interviewed in order to explore the practicality of these questions vis-a-vis the effects of integrating socioeconomic study into the EIA process. It is not enough to conduct socioeconomic study without engaging the affected communities in the real decision making process. The next sections cover the community engagement aspect.

## **2.6 COMMUNITY ENGAGEMENT (CE)**

Community engagement is a means of developing and improving on the well-being of communities through increased involvement or participation. To achieve this, time and energy should be committed for positive and lasting result. Before embarking on the engagement process, fundamental questions need to be asked. Questions about the needs, priorities and reaction to changes because of development is very important. Furthermore, the ways to establish trust and the levels of commitment needed among others are of paramount importance.

“The host communities have always been at the receiving end of exploitation as oil and gas exploration continues in the Niger Delta region. The neglect of these communities, especially in the Escravos area has recently created conspicuous hostilities of the natives against the oil companies’ operations. Their corporate social responsibility to their host communities are considered to be inadequate and generally below the acceptable international requirement.” (NDDC Master Plan, 2005)

### **2.6.1 THE CONCEPTS OF COMMUNITY ENGAGEMENT**

According to the centres for disease control (CDC) and preventive, Atlanta, USA (1995), “Community engagement comprises the formal and informal ways of staying connected to the parties who have an actual or potential interest in or effect on the business. Engagement implies understanding their views and considering them, being accountable to them when accountability is called for, and using the information gleaned from them to drive innovation.

“It is the process of working collaboratively with and through groups of people affiliated by geographic proximity, special interest, or similar situations to address issues affecting the well-being of those people. It is a powerful vehicle for bringing about environmental and behavioural adjustments for improving the community and the well-being of its members. It often involves partnerships and coalitions that help mobilize resources and influence systems, change relationships among partners, and serve as catalysts for changing policies, programs, and practices”. (<http://www.cdc.gov/phppo/pce/part1.htm>)



## **2.6.2 WHY COMMUNITY ENGAGEMENT**

David J. O'Reilly states, "One of the components for sustained development is community investment or community engagement. At the centre of our community engagement programs is capacity building, that is, making investments to strengthen the basic building blocks of a prosperous society. Those building blocks include education and training, job creation and health care, all of the things that contribute to a healthy society, and a healthy business environment". (David J. O'Reilly, 2006) Therefore, building effective partnership with local communities is one way of addressing their concerns. Shrugging off this can be very costly at the long run. The Niger Delta crisis is one of such cases where communities dug in their heels.

## **2.6.3 PRINCIPLES OF COMMUNITY ENGAGEMENT**

Proper understanding of the principles of community engagement can increase the effectiveness of the engagement activities. Different experts and organizations have developed series of engagement principles to enable proper understanding of the concepts of community engagement.

Petts & Leach developed a list of engagement principles, which include,

- "A need for clarity of objectives, and of legal, linked and seamless processes
- Consciousness on agenda, procedures and effectiveness
- Representativeness and inclusiveness
- Deliberation
- Capacity and social learning
- Decision responsiveness
- Transparency and enhancement of trust" (Petts & Leach, 2000)

Similarly, Brown and Isaacs are of the opinion that the principles of engagement should include "capability, commitment, contribution, continuity, collaboration and conscience". (Brown & Isaacs, 1994) They termed these principles the six 'C's of successful community engagement. According to Brown and Isaacs, community members are capable of dialogue. Commitment on the other hand creates mutual benefit beyond self-interest. Furthermore, members of a community share or rotate roles and, as members move on, there is transition process that sustains and maintains the community's corporate memory.

“Thus, any organization involving a community should imbibe the culture of continuity as well as collaboration, which would continue to define the clear vision of the organization to the community members. They also emphasized that trust is an important aspect of engagement; therefore, an organization should endeavour to embody or invoke guiding principles or ethics of service, trust and respect that are expressed in the actions of the community”. (Brown & Isaacs, 1994)

The principle of community engagement developed by the centres for disease control and preventive (CDC), Atlanta, USA in 1995, divided principles of community engagement into three sections. These include “items to consider before starting engagement effort: what is necessary for engagement to occur: and what to consider in order for engagement to be successful. According to the CDC, organizations must understand clearly the reason or objectives of the engagement. This objective must also be communicated to the community. Therefore, the involvement process must be suitable to meet the objective of the engagement. The principle further highlights that proper engagement can take place if community is involved as an integral part of the development and its implementations.

“Thus, community’s views and values must be respected. To realize this according to the principle, key community leaders and groups must be met to establish relationship, build trust and mobilize the community for a real co-operation. The principle further stressed that the success of community engagement is dependent on all parties understanding their roles in the success of the engagement, recognizing community’s diversity and commitment of all parties to the objectives of the engagement”. (<http://www.cdc.gov/phppo/pce/part1.htm>)

The principles highlighted in this section can be used as a baseline to measure the performance of a community. In other words, they can serve as the guiding tool planners and organizers of CE can use for measuring the quality of the functionality of the community, as they work through the engagement process.

Although the authors treated this subject quite meticulously, critical analysis of the principles indicates that they did not take into consideration *geographical location and the cultural differences* of different communities. *The authors also did not consider government and oil companies’ policies with regard to community engagement.* It is pertinent to note that the frameworks developed for a particular context, constraints, objectives and effects may differ from one organization to another and from one geographical location to another. Similarly, what is obtainable in one location may not work in another location. For this reason, *it will be*

*of utmost importance for individual organizations to perform comprehensive preparatory steps to recognize the right form of engagement principles that is suitable for their objectives or goals.*

The notion of community engagement is often a contested concept owing to its direct link with humans as complex entity. Some of the arguments arise because some do not understand what it means, why it should be employed as a development strategy and the objectives it aims to achieve. This is why some consider the exercise of conducting CE as meaningless and mere waste of time and energy. The resultant effects though have been adverse in many instances. The oil companies in the Niger Delta area of Nigeria may be in this category. They may have failed to acknowledge the importance of vigorously pursuing community engagement as a means to involving their host communities in their plans. The more vigorously organizations engage communities, the more they would understand their legitimate issues, misconceptions and potential resistance to change.

## **2.8 SUMMARY**

This chapter has properly highlighted socioeconomic indicators of new projects and the principles of community engagement. The effort of business ventures in mitigating the effect of new development in their respective areas of operation has improved in recent years. However, in most cases the proper channels have not been followed to implement their well-informed engagement strategies. The oil industries in particular have remained the focal point of both governmental authorities, NGOs, communities and other stakeholders, in Nigeria. On a similar note, a socioeconomic finding without the views of the communities in the areas of operations is tantamount to failure. Thus, the essence of community engagement as a development strategy is of paramount importance for sustainability.

## **CHAPTER 3**

### **3.0 EMPIRICAL INVESTIGATION**

In the previous chapter, some literature were reviewed to appraise the excellent work of some experts and to give a proper direction for this dissertation. In this chapter, the various ways through which the data for the research work were gathered are highlighted. Two types of data collections, case studies and interviews were used. Firstly, the empirical data was collected from the database of the three companies, NLNG, Chevron and SASOL. Secondly, qualitative information was collected through structured interviews with community leader/representative of Bonny, Embalenhle and Escravos and a renowned environmentalist. A content analysis approach was used to compare the data collected with the results of the interviews for consistencies and differences.

### **3.1 DATA COLLECTION**

#### **3.1.1 CASE STUDIES**

Yin R.K (1994) highlights six different sources of evidence for conducting a case study: interviews, documentation, archival records, direct observations, participant observations and physical artefacts. According to Yin R.K (1994), “the use of triangulation in case studies affords the researcher the opportunity to deal with historical, attitudinal, and behavioural issues in a broad range”. In the author’s view, no single source has an advantage over the other. Rather, the different sources complement each other, since they all have strength and weaknesses. With this in mind, multiple sources of data are used here to perform this study and confirm the research results in a broad range perspective. In addition to the reviewed literature, data are collected from the databases of the three companies that are used in this case study.

“Case studies typically make extensive use of qualitative data drawn from interviews and observation, although they may include quantitative data as well. Because the evaluator becomes steeped in richly detailed information in the course of undertaking a case study, a comprehensive understanding of a project and its complexities can be developed. Another advantage of case studies is that they can be done quite quickly. Information can be collected on site through observation, interviews, examination of administrative records, or any other sources of information. A report may be written to organize information around key questions

that are framed by the evaluator”. (Yin R.K., 2003) The case study approach provided the methodological support necessary to do an in-depth study of a phenomenon in its context. The context of this study is to use multiple case studies to evaluate community engagement as a development strategy. This study focused strictly on the analysis of the performances of different oil giants in the case of NLNG (Case A) Chevron (Case B), and SASOL (Case C).

In a case study, a system, event or object is observed in its real life environment. It is regularly used in the social sciences. It also plays an important part in engineering research. It is used to gather information through observation of an existing system, or by testing a new product, method, hypothesis or system by applying it to the actual environment. In the engineering field, it is also typically used to verify the simulation model, or to verify the results obtained from the research (Stoker PW, 2007). Multiple case studies are more likely to give a more concise and powerful conclusions compared to a single case study. If data produced similar conclusions when examining different circumstances, the ability to generalize the results to a greater variety of contexts will increase. The multiple-case approach used in this dissertation provides a clear opportunity to spot out the similarities and differences in the community engagement strategies employed by each company. These was used as one of the basis for the management frameworks designed in this dissertation.

### **3.1.2 INTERVIEW**

As stated by Hollensen S. (2001), “Interviews are best used when the researcher needs to answer questions that are complex and/or contain emotions or experience from a specific subject. It also allows the respondent to answer questions in his/her own words and develop the answers as to get the full picture of the subject at hand”. Interviews are conducted with community leaders/representatives and a prominent environmentalist to justify the veracity of the collected data and the prevailing situations around the companies’ business environments. The results of the different interviews are analyzed to get the basic facts and the truthfulness of the data collected from the websites of the three companies. The results of the analysis are combined with the data analysis to design the management framework

### **3.1.3 SWOT ANALYSIS**

SWOT stands for strengths, weaknesses, opportunities, and threats. “SWOT analysis is a simple framework for generating strategic alternatives from situation analysis. It is applicable to either the corporate level or the business unit level and frequently appears in marketing plans”. (Alan Chapman, 2008) SWOT analysis can also be used to analyze strategic situation analysis. Situation analysis comprises of two aspects: the internal analysis and the external analysis aspect. SWOT analysis is divided into internal and external aspects. The internal situation considers the strengths and weaknesses of an organization while the external situation analyzes the opportunities and threats of the organization.

In the context of this study, the internal and external analysis aspects of the three companies are considered. These revealed the strengths, weaknesses, opportunities and threats of each company. These are drawn from the interviews and the data collected from each company’s website. They served as the major tool for designing the management framework.

### **3.1.4 DATA ANALYSIS**

After collecting the empirical data, the process of data analysis is performed. The purpose of this is to carry out the evaluations stated in chapter one. It is also to find answer to the role of socioeconomic study in the EIA process. Yin (1994), states, “Data analysis involves examining, categorizing, tabulating, or otherwise recombining the collected data”. The author further argues that every investigation should “have a general analytic strategy, which treat fairly, produce compelling analytic conclusions and rule out alternative interpretations”. “There are two forms of available analyses that apply to empirical data, namely; within-case analysis and cross-case analysis. Within-case analysis is argued to compare the collected data against the theory used, whereas the cross-case analysis compares the data from different cases with each other”. (Miles & Huberman, 1994) Since this study compared three cases with each other, the cross-case analysis is applied. The cross-case gives a clear-cut opportunity to highlight the grey areas of each company with regard to their CE performance in this dissertation. It also presents an avenue to isolate those specific areas where the companies are performing well. Those grey areas and the high performance areas are finally used for the framework design.

### **3.1.5 SUMMARY**

The importance of reliable data in the success of this study is vital. This chapter has highlighted the different ways through which these all-important data were collected. It also gave explanations on why this research work uses interviews to test the authenticity and validity of the data collected from the website of the companies. Finally, it explained why SWOT analysis is the right tool to benchmark the consistencies and differences in the engagement strategy of the different companies.

The next chapter presents the data collected as well as the interviews with the community leaders/representatives and the environmentalist.

## **CHAPTER FOUR**

### **4.0 DATA PRESENTATION**

#### **4.1 BACKGROUND**

Enthusiastic community engagement process is a critical key to a lasting sustainable development. It can help communities to manage their own destiny. Although there are different challenges that come with community engagement, yet its contributions to good relationship and peaceful working environment for companies cannot be overemphasized. Today's environment, especially in the Niger Delta area of Nigeria, has proved to be a challenging one. Therefore, companies must also take up the challenges of incorporating ideas that will improve or create an enabling environment for their operations.

Niel Seeman (2008,) argues, "Successful community engagement is more than just a cocktail party bringing together the usual suspects. According to him, it requires significant effort to find the right people, transparent analytics such as statistics forecasting tools and correlation analyses to assess the anticipated impact of new ideas on outcomes of interest to corporate strategy. Finally, it requires piloting; returning to the community to gain feedback on the ideas selected; and pursuing a corporate strategy in order to own the idea publicly". (Niel Seeman, 2008)

In this chapter, the data collected for the case studies and the interviews are presented. Firstly, the data for Case A is presented followed by Case B and Case C. The interviews for community engagement and socioeconomic study are presented afterwards.



## 4.2 CASE A: NLNG BONNY

### 4.2.1 OVERVIEW OF NLNG

**Figure 3:** An Aerial View of a Section of NLNG Bonny.

(<http://www.nlng.com/NLNGnew/community/community+projects.htm>)



“Nigeria LNG Limited is jointly owned by Nigerian National Petroleum Corporation (NNPC) (49%), Shell (25.6%), Total LNG Nigeria Ltd (15%) and Eni (10.4%). It was incorporated as a limited liability company on May 17, 1989, to harness Nigeria's vast natural gas resources and produce Liquefied Natural Gas (LNG) Liquefied Natural Gas (LNG) and Natural Gas Liquids (NGL) for export. The company has a wholly owned subsidiary, Bonny Gas Transport (The Company has a wholly owned subsidiary, Bonny Gas Transport (BGT) Limited, which provides shipping services for NLNG. Bonny Gas Transport was set up in 1989, following the incorporation of Nigeria LNG Limited, to take care of the shipping arm of the project. The company was set up in Bermuda with an ordinary equity holding from Nigeria LNG Limited and preferential equity holding from the sponsors, NLNG’s shareholders”. (<http://www.nlng.com/NR/exeres/...2Cframeless.htm>)

## 4.3 COMMUNITY ENGAGEMENT

### 4.3.1 OVERVIEW OF BONNY COMMUNITY

“Bonny Kingdom plays host to Shell Petroleum Development Company (SPDC), Mobil Producing Unlimited, Chevron Nigeria Limited and Nigeria LNG Limited. Bonny Town is only accessible to Port Harcourt or other parts of the State and the world by air and water. Water is the most commonly used form of transport. A journey from Port Harcourt to Bonny lasts between fifty and seventy-five minutes depending on the speed of the boat used. Normal

take off point from Port Harcourt is the Bonny jetty, off Creek Road, Port Harcourt and take off point from Bonny is the Coal Beach Jetty, off King William Dappa Pepple Road, Bonny”.  
(<http://www.nlng.com/communitydev/host.htm>)

## **4.3.2 COMMUNITY DEVELOPMENT PROJECTS**

### **4.3.2.1 BUSINESS AND HUMAN DEVELOPMENT PROGRAMMES**

NLNG pursues its CE framework by providing support to the communities through “business and human development and the provision of infrastructure”.  
(<http://www.nlng.com/NLNGnew/community/community+projects.htm>) The essence of the business and human development is to empower the community to be self-reliant. The infrastructural projects are designed projects meant to renovate and refurbish already existing projects. “The business and development programme of the NLNG involves the encouragement of indigenous contractors, asset maintenance contracts, employment of skilled and unskilled labour and provision of micro-credit. It also includes the provision of cold store to the Bonny community, renovation of the Finima market, the construction of shopping mall in Bonny as well as support for local contractors and entrepreneurs through contracts given to them in the provision of community amenities and projects”.  
(<http://www.nlng.com/NLNGnew/community/community+projects.htm>)

### **4.3.2.2 EDUCATION**

In order to encourage educational pursuit among the youth in the Bonny communities, NLNG puts in place the award of scholarships to the indigenes. “In 1998, NLNG established a community scholarship scheme designed for sons and daughters from the NLNG host communities. This scheme covers post primary and tertiary education. The programme kicked off with 95 candidates. This number rose to 240 during the 1999/2000 academic year and 632 at the end of 2001”. (<http://www.nlng.com/NLNGnew/community/community+projects.htm>)

### **4.3.2.3 INFRASTRUCTURE PROGRAMME**

The infrastructure programme is made up of the health sector, road construction or rehabilitation, provision of potable water, and power generation.

#### **4.3.2.3.1 HEALTH SECTOR**

“The programme in the health sector includes renovation of Health staff quarters in Bakana, renovation of Health staff quarters in Isaka Health centre and refurbishment in Ebogoro Water extension in Obite Health centre. Also included in the programme are the completion of the Ohali-Elu health centre, refurbishment in Okposi and the provision of health centre equipment at Omoku”. (<http://www.nlng.com/NLNGnew/community/community+projects.htm>)

#### **4.3.2.3.2 ROAD CONSTRUCTION / REHABILITATION**

“The company constructed and rehabilitated different roads in the Finima area of Bonny. They include, building of Coal Beach Roundabout, rehabilitation of road to Finima, rehabilitation of Court Road and Rehabilitation of road to Vocational Training School”. (<http://www.nlng.com/NLNGnew/community/community+projects.htm>)

#### **4.3.2.3.3 PROVISION OF POTABLE WATER**

NLNG took its responsibility to the Bonny community too by providing potable water supply for them. This is made possible through the water borehole in Ubeta and Finima.

#### **4.3.2.3.4 POWER GENERATION, DISTRIBUTION AND MAINTENANCE**

Uninterrupted power supply is operated and managed by the company through the Bonny Utilities Company (BUC)

## 4.4 CASE B: CHEVRON ESCRAVOS

### 4.4.1 COMPANY'S OVERVIEW



**Figure 4:** The Escravos gas-to-liquids project site with a representation of the facility overlaid, showing room for expansion if required. ([http:// www.hydrocarbon-technology.com](http://www.hydrocarbon-technology.com))

Chevron began doing business in Nigeria in 1913 when Texaco products were first marketed in the country. In “1963, American Overseas petroleum Ltd which later became Texaco Overseas (Nigeria) Petroleum Co. discovered oil at the Koluama Field offshore Nigeria. The Okan Field was discovered in that same year near the Escravos River”.

(<http://www.chevron.com/countries/nigeria>)

“Chevron long involvement in Africa’s most populous nation extends from exploration and production (E&P) to delivery of excellent products in hundreds of service stations. Chevron Nigeria Ltd (CNL), Chevron’s principal subsidiary in Nigeria, operates and holds a 40 percent interest in 13 concessions covering 2.2million acres (8,900 sq km), predominantly in the onshore and near-offshore regions of the Niger Delta. CNL operates under a joint-venture arrangement with the Nigerian National Petroleum Corporation (NNPC), which owns a 60 percent interest. In 2007, total daily production from 32 fields averaged 353,000 barrels of crude oil” (<http://www.chevron.com/countries/nigeria>) and 14 million cubic feet of natural gas and 4,000 barrels of liquefied petroleum gas (LPG).

“Chevron and NNPC are developing an approximate 34,000 barrel per day gas to liquid (GTL) facility at Escravos. The project is designed to process about 320 million standard cubic feet per day of natural gas from the Phase 3A expansion of the Escravos Gas Plant. Chevron has a 75 percent interest in the GTL plant. Its construction started in 2005 and it is projected to come

on-stream by the end of the decade. Chevron has a large acreage position in deepwater offshore Nigeria, with interests in 12 deepwater blocks". (<http://www.chevron.com/countries/nigeria>)

#### **4.4.2 COMMUNITY ENGAGEMENT**

##### **4.4.2.1 ESCRAVOS COMMUNITY OVERVIEW**

Notable settlements within the Escravos area include Ugborodo, Madangho, and Ogidigben, Ajudiabo and Jaghala and other satellite towns. The communities in the area are predominantly Itsekiri and they share a common culture and social organization. Given the aquatic and river-dependent nature of the area, several deities, traditional ceremonies, and festivals are all associated with water bodies. There are no sharp distinctions between Christians and traditionalists. For instance, Christians are known to participate in the traditional religious activities of the communities.

The land tenure system in the area is communal, with land being administered by the village head, aided by elders. The land use pattern in the communities traditionally consists of built-up areas interspersed with small farms. The dominant crops grown in this area are banana, plantain, and cassava. In addition to farming, fishing is an important economic activity. Fish traps, dragnets, and cast nets are widely used in this regard. In general, living conditions in the area are poor. Transport infrastructure is not well developed and movement is restricted to waterways (creeks and rivers) by boats and canoes.

Potable water supply is barely adequate and most communities depend on rainwater and surrounding rivers, which are often contaminated with raw sewage. The most important source of energy in the area is biomass fuels, especially firewood, which is used for cooking and processing fish. Electricity is generally not available in most of the settlements. Health care services are virtually absent in almost all the settlements. With the exception of Madangho where a functional health centre was provided by CNL until it was burnt down during one of the last two ethnic clashes in the area. Traditional medicines, which include herbs, leaves, roots and tree barks, are therefore widely used.

### **4.4.3 COMMUNITY DEVELOPMENT PROJECTS**

“Chevron takes its role as a member of the community in Nigeria seriously and is active in many projects promoting health, economic and educational programs. Many projects focusing on infrastructure, health, education, power and clean water have been completed while work has continued on ongoing capacity-building programs to promote economic development and these projects range from education, health and power supply.” (<http://www.chevron.com/operations/nigeria.aspx>)

In some instances depending on the proximity of the communities to the company’s facility, Chevron provides drinking water directly from its facilities. Other communities have also benefitted from the supply of generating set to the communities. “In 2005, Chevron Nigeria adopted a new approach to their community engagement in the Niger Delta that was designed to create participatory development processes to better address the needs of the communities in their areas of operation”. (<http://www.chevron.com/operations/nigeria.aspx>) This model, called the Global Memorandum of Understanding (GMOU), gives the communities greater roles in the management of their development. Chevron is using the GMOU to shift management of any community development issue to the communities. To achieve too, the Company created the Regional Development Councils (RDC).

“The objective is to bring peace, stability and reduced conflict in areas where Chevron operates. Together, the GMOUs reach more than 400 communities, villages and chiefdoms and involve some 600,000-community members. CNL supports the process by providing initial funding for governance, administration, project and partner costs. Local Nigerian-based nongovernmental organizations (NGOs) are essential to the process. NGOs are providing technical assistance and are helping to resolve conflicts that arise from time to time in the communities”. (<http://www.chevron.com/operations/nigeria.aspx>)

#### **4.4.3.1 BUSINESS AND HUMAN DEVELOPMENT PROGRAMMES**

In 1999, Chevron Nigeria Limited (CNL) and the Nigerian National Petroleum Corporation (NNPC) established the Local Business Development/Global Procurement Unit to help implement its Local Content Development (LCD) policy. The overall aim of the policy and the creation of the unit are to promote indigenous businesses, and to facilitate the purchase of local

goods and services by CNL. The success of these efforts is shown in the change in CNL spending patterns. For instance, Chevron bought about 25 percent of its total purchase from Nigerian firms in 1997. “Among the recent steps taken by the company to boost local content are awarding of contracts worth millions of Naira to Nigerian oil service companies, farming out of oil fields to Nigerian-owned oil companies, providing technology transfer and training to Nigerians, heightening awareness and creating opportunities for Nigerian companies through LCD fairs.

As part of its efforts, the company categorize potential contractors into five groups, ranging from Category “A” Nigerian-registered companies with 100 percent local shareholding. Those with no in-country shareholders or registration follow this.

“CNL Nigeria Limited (CNL) is implementing the Western Niger Delta Development Program (WNDP) as part of its efforts to improve the quality of life in host communities. The five-year program aims at addressing critical social, economic, and development issues through the provision of infrastructure, health, education, enterprise development, and food production. Its specific objectives include training approximately 1,000 youths for self-employment, increasing production capacity of fishermen/farmers in CNL operations areas and providing basic education for primary school children, adult literacy classes, and training for primary school teachers. It also include, establishing self-run, privately funded credit/finance cooperatives, providing basic business skills and small-business credit access, developing small/medium-scale businesses and advocating HIV/AIDS awareness”. (<http://www.chevrontexaco.com/socialresponsibility/community/docs/intlcase studies.pdf>)

#### **4.4.3.2 EDUCATION**

Chevron has paid particular attention to the development of their host communities through education. For this reason scholarships grant are earmarked every year for the daughters and sons of these communities. In general, “more than 6,700 Nigerian students are on CNL-sponsored secondary school, university and technical school scholarships”. Chevron typically “awards more than 1,000 new scholarships every year”. Recipients include students taking part in a special scholarship program for the blind. “Since 1997, as part of its strategy on educational development, Chevron has been training community youths in requisite vocational skills, under its Technical Skills Acquisition Program.

In 2007, this program sponsored 50 students from communities close to Chevron facilities in the Niger Delta. The students attended specially designed, full-time vocational training courses. Thirty of the students attended a nine-month welding course at the Petroleum Technical Institute in Warri, and the remaining 20 attended a six-month computing course at a specialist-training centre in Warri. Youths are empowered to contribute to the growth and development of their communities through gainful employment, or as employers themselves”. (<http://www.chevrontexaco.com/socialresponsibility/community/docs/intlcase studies.pdf>)

#### **4.4.3.3 HEALTH SECTOR**

The health sector is another area where chevron has contributed to the development of the communities. In 2001, Chevron “launched a Riverboat Ambulance Services, a waterborne health service, which serves the health needs of communities in the Escravos and Benin rivers in the western Niger Delta. Onboard services include a full complement of medical staff, medicines and other health supplies at no cost to local communities. The floating clinic sees an average of about 2,500 patients per week. The company funded the project, including construction of the ambulances. The services are provided in partnership with Delta state government, which provides the medical staff while the company, provides supplies and medicine”. (<http://www.chevrontexaco.com/operations/docs/nigeria.pdf>) The Company has planned to rebuild the Ugborodo cottage hospital as well as build additional two in the Niger Delta communities of Oporoza and Tsekelewu.

#### **4.4.3.4 POTABLE WATER SUPPLY**

“Chevron Oil PLC, under the Texaco brand, has demonstrated its commitment to social responsibility by supporting many important programs throughout Nigeria. The company has initiated projects that directly assist Nigerians in their communities. Since 2005, the company has helped provide potable water by drilling boreholes for nine different communities; each is equipped with an overhead tank and generator”.

(<http://www.chevron.com/operations/nigeria.aspx>)



## 4.5 CASE C: SASOL – EMBALENHLE



*Figure 5: A section of SASOL petrochemical Plant in Secunda (source: <http://www.sasol.com>)*

### 4.5.1 COMPANY'S OVERVIEW

According to Jörg Meyer-Stamer (2002), “Sasol is one of South Africa's ten largest firms. It was founded in the 1950s as part of South Africa's effort to reduce dependence on imports. The country has little petroleum reserves but lots of coal. In the early 20th century, two German researchers had come up with a process to convert coal into gasoline and diesel fuel, a technology that had been employed on an industrial scale by Nazi Germany during World War II. This technology was adopted and consequently refined by Sasol. Its first plant was built on a Greenfield site south of Johannesburg, called Sasolburg.

“In the 1970s, it decided to build a second plant, this time some 100 km east of Johannesburg, next to major reserves of low-quality coal, which was not exportable but perfectly adequate for conversion. Together with the second plant, it built a city. More precisely, two cities were founded, one for the white employees, called Secunda, and a township for the black workers, called Embalenhle. Both are located in a region which is called the Highveld Ridge, which includes four further cities (Trichardt and Kinross, which date back to early 20th century, and Evander and Leander, which were founded for white and black employees of a gold mine in the post-war era)”.

## **4.5.2 COMMUNITY ENGAGEMENT**

### **4.5.2.1 OVERVIEW OF EMBALENHLE COMMUNITY**

With the growth of Sasol Synthetic Fuels as the major employer and its increased drive to recruit labour from a field in the late seventies, it became necessary to establish a dormitory town within the Highveld Ridge complex to accommodate the increased workers employed by Sasol Synthetic Fuel. As a result, Embalenhle was established on the farm Langverwacht 282 IS. The town is based on a mixture of traditional gridiron and modern town planning designs and boasts of some of the modern community facilities within the sub-region.

Embalenhle came into being in 1975/76 as a result of the fact that SASOL, a big industry transforming coal into petrol and many sub-products, after having bought the area to start a new Plant and to start mining operations, moved all the small African settlements into this area that later assumed an African name, Embalenhle (which means 'Beautiful Flower'). For over 30 years now, Embalenhle has grown into a sprawling township of about 240,000 people. It is clearly divided into two by a small river called Welamlambo. On one side is 'Embalenhle prosper' with brick houses and all the facilities of a modern town, while on the other side the brick houses are few and most houses are built with iron sheet, corrugated iron. In certain areas, there is running water and electricity while in other areas there is nothing yet. (<http://www.sasolsdr.investoreports.com/sasolsir200712.php>)

## **4.5.3 COMMUNITY DEVELOPMENT PROJECTS**

Sasol's Corporate Social Investment (CSI) Programme is guided by its vision of promoting people-driven sustainable community engagement framework, focusing on those regions where they have their largest footprint. To meet up with the expectations of the community and its objective, SASOL has divided its social responsibility into five main concerns. These include education, health and welfare, art and culture, employment and sports. (<http://www.sasolsdr.investoreports.com/sasolsir200712.php>)

### **4.5.3.1 EDUCATION**

SASOL recognizes the importance of education especially science and technology education

as a means of developing the economy of a community. For this reason, the company has committed many resources toward sound education for the people in the community. Examples of specific projects include the Osizweni community development Centre near Embalenhle. This centre is meant to supply different category of education to both young and old. The centre is intended to train pool of future employees where the company as well draw its own employees. The company has also given out a number of bursaries to undergraduates especially in the science and technology areas to encourage young ones in the engineering field. This is aimed at developing talents in science, engineering and technology. (<http://www.sasolsdr.investoreports.com/sasolsir200712.php>)

#### **4.5.3.2 HEALTH AND WELFARE**

Health has always been a major issue in any community. SASOL is committed to developing the sector in the community. In view of this priority is often given to the major health concerns of the community, such as HIV/AIDS. To do this partnership is a key issue. The company is collaborating with the national stop Gender Violence Helpline, a toll-free helpline that provides multilingual confidential counselling and support to the community and running the broken dreams life skills training programme in schools with the market theatre. (<http://www.sasolsdr.investoreports.com/sasolsir200712.php>)

#### **4.5.3.3 JOB CREATION**

To SASOL, employment plays a major role in the development of any community. To address the increasing need for skilled labour, Sasol Secunda is currently driving various learnership programmes for artisans in the electrical, welding and boiler making disciplines. Youths from neighbouring communities like Embalenhle and Secunda have benefitted immensely from this programme. (<http://www.sasolsdr.investoreports.com/sasolsir200712.php>)

### **4.6 PERSONAL INTERVIEWS**

Whenever a particular project is proposed in a locality, it always raises the interest of those in the locality. Hence, they are always curious about the nature of the project, how it will affect

their social well-being and even the environment. Community engagement as it were has proven very effective at mitigating the problems that could result from such project. In the course of this study, three community leaders were interviewed, one from each of the case study community. The aim of the personal interview is to ascertain the truthfulness of the data collected from the different companies' website and presented in sections 4.3, 4.4 and 4.5. In each community, Bonny, Escravos and Embalenhle, a community representative was interviewed. Care was also taken to make sure that the respondents properly understood the questions asked.

#### **4.6.1 INTERVIEW WITH BONNY COMMUNITY LEADER**

The reason for this interview is to ascertain the reliability of the data collected from the company's site as presented in section 4.3. This is in a bid to use reliable data for this study. The interview was conducted with one of the princes of the Bonny Island on July 9, 2008.

#### **INTERVIEW QUESTIONS AND ANSWERS**

**1. What is your name sir?**

My name is Prince Christian Halliday

**2. What position do you hold in your community?**

As you can see from my title, I am one of the Princes of this community.

**3. Please can you tell me a little about your community?**

My great grand fathers, very long time ago, established this community. According to history, they lived to cherish and maintain their culture and social norms, which they passed down to us their progenies. Our official occupation before the arrival of the NLNG Company was fishing and farming. Now some of our people work with the NLNG Company although some still maintain their inherited occupation.

**4. Talking about the NLNG Company, do you have any knowledge why the company chose your community as their site?**

From the information, we gathered from the company when they first arrived here sometime in the early 90s they said they have found huge deposit of crude oil and gas on our land. They said they were interested in the exploration of these resources.

**5. After that visit by the company, were there any other formal meetings between your people and the company? What were the topics of these meetings based on?**

There were series of meetings after then. In fact, the topics we always raised then were on the effects of the establishment of the company on the community and the inhabitants.

**6. What did the company say about these topics or were they shying away from them?**

Not at all! What they told us then was that they were going to carry out what they called Environmental Impact Assessment (EIA) and another one they called Social Impact Assessment (SIA). They said these assessments would help them understand our communities and the needs of our people very well. In addition, that when this understanding has been established they will be able to come up with a proper community development projects that will help them mitigate the negative effects the project will have on the communities and the people.

**7. Was the community involved in the EIA and SIA decision making?**

The community was actually involved. For one they were strangers to our land so we must tell them certain things about the land and the topography of the place. They also interviewed some of us while they distributed questionnaires to others.

**8. After the EIA and the SIA process was done, were there clear strategic objectives for engaging the community?**

This happened about a year after those assessments were carried out. The company was here with a copy of what they said was their community development plan prepared for our communities. In that document, they stated that some of our communities would be relocated from their original location to a better and well-planned location.

**9. In your own view, did you think that document supported a commitment of the company to work closely with the communities?**

To be frank with you, I was sceptical owing to what was going on in other oil producing areas in the Niger delta. There have been many failed promises. I thought it could happen in our case too.

**10. What did you do in that case, and what was the response of the company?**

We tactically asked the company to include some of our sons and daughters in the planning of project that will affect our communities and us. This was not easy anyway. However, after so many debates they accepted our request.

**11. Was there a process by which the objectives and methods earmarked for the community development was authoritatively endorsed or approved?**

With the inclusion of our sons and daughters in the planning committee, we believed proper channel was followed at drafting the development plan. During the presentation, our communities came with our lawyers who endorsed it after having carefully read the plan along with those selected from the communities to represent us. That document actually became our memorandum of understanding (MOU) with the company. The MOU was signed based on the number of trains (plants) that the company planned to build.

**12. Thank you very much Sir. Now let us talk of the present. Is there any medium by which the company reaches you any time they want to deviate /implement any project outside the one in the document?**

As I said, we have a committee that liaise with the company on our behalf. They are responsible for receiving information from the company should there be any change(s) regarding the MOU. Again, this committee calls for a general meeting when necessary to brief us of any new information.

**13. Now, based on the development plan that was drafted as you rightly mentioned, has there been any development on ground to show the commitment of the company to their promises?**

For the very first time I can say confidently that, I am happy with a company operating in the Niger Delta area particularly in my communities here in Bonny. I am sure too that you have experienced some of these developments since you came into Bonny. Is this not wonderful compared to other part of the country? My people now enjoy good water supply, good health care services and transport system. As I mentioned before, the company has brought a lot of development to our land. Some of our sons and daughters now work with the company. The company is also encouraging our youths to go to school by granting scholarship even up to the university level.

**14. Are you then saying that the company is perfect at delivering their community services?**

I am not at all saying that. However, I think they are trying compared to the situation on ground in other oil producing communities in the Niger Delta area. This however does not mean that we do not have problems with the company sometimes.

**15. Sir, in this kind of situation there is the tendency that not everybody is carried- along. Has there been any complaint from any quarter of the communities about such? If any, what measures are put in place to resolve such?**

You are right. We sometimes receive complaints from different quarters on such issues. We had envisaged such complaints. Before now, we have set up a community conflict-

resolution committee that will take care of issues related to marginalization and other issues.

**16. Apart from the socioeconomic benefits, you and your people are enjoying now, have the community engagement by the company led to changes in any of the following?**

- **Community Policy:** You know that once there is oil in any area, the policy of the community must definitely change especially in the Nigeria setting. Our community policy is now quite different from the one we used to have before the coming of the NLNG.
- **Priorities:** Our priorities now are to make sure that our relationship with the company is properly sustained so that the content of the MOU can be fully implemented.

**17. Finally, Sir what has been the effect of the project on the environment at large?**

Sincerely speaking I think we are not the only one benefitting from the company. We now have our nearby bushes protected. In fact, a section of our bushes has been demarcated for what they called game reserve. Sometimes we go into this piece of land to watch some of the animals in our bushes like monkey and the rest. It is quite interesting. However, sometimes it is quite disappointing to see pollution in our community. It saddens us when such thing happens. However, with the Federal Government Plan to end gas flaring, we have also discussed this with the company. I think they are also making positive management plans.

#### **4.6.2 INTERVIEW WITH ESCRAVOS COMMUNITY LEADER**

*This interview was carried out in Ogidigben, one of the communities that make up the Escravos community. The essence of it is to know truthfulness of the information collected from Chevron's web site. Date of interview: 3 July 2008.*

#### **INTERVIEW QUESTIONS AND ANSWERS**

**1. What is your name sir?**

My name is Hesse Combra Edah

**2. What position do you hold in this community?**

I am one of the leaders here in this community.

**3. What do you think is unique about the Escravos community?**

First, let me clear out a very important point. Escravos as many people call this area is made up of five major communities, Ugborodo, Ogidigben, Madangho, Ajudiabo, and

Jaghala, and other smaller (satellite) communities. Now to your question, these communities are our ancestral homes. We have the same culture and speak the same language, (Itsekiri). We also have one King, His Royal Highness, Ogiame, Olu of Warri. Our formal occupations are farming, fishing and hunting.

- 4. I can see that the communities also have the presence of multinational oil companies. Sir, are there any benefits that your people are getting from these companies?**

Our lands are blessed lands. We have deposit of crude oil and gas in them. However, we are poor; we hardly can carry out our natural occupations very well because of the presence of these oil companies especially Shell and Chevron in our lands. Their oil explorations have damaged most of our lands and water.

- 5. What makes you think that the oil companies are the one responsible for the destruction of your farmlands and water?**

Sorry, let me ask you how you got here. I assume you came by speedboat. Did you take note of oil spillages in the waterway and the eroded shores of the different towns when you were coming? Does this development show to you that this area is an oil producing area?

- 6. So Sir, are you saying that your people and the oil companies did not have any agreement(s) before they started drilling oil from your lands?**

You see, my son, it is a long story. We actually had an agreement. First, they told us that they were going to survey our land and our people to see how their drilling will affect the lands, water and the people.

- 7. Sir, are you talking about Environmental Impact Analysis (EIA) and social Impact analysis (SIA)? If so, did they do it and what was the outcome?**

Yes, it was actually EIA and SIA. You see after that survey, they came back to the community with their feedback. Then they said they were going to look at the survey very well and come out with a master plan. This was a long time ago. I am talking of about 45 years ago.

- 8. Did they come out with the master plan?**

As far as I can remember, I am not sure of that. However, they gave the different communities some sort of compensations. They further promised to give us scholarships, potable water, electricity, hospitals and roads. They also promised to help our farmers and fishermen to improve on their techniques. In fact my son, there were many promises back then that were never actualized.



**9. What did your people do when these promises were not implemented?**

There were instances where we have to send delegates to meet with the company, especially Chevron to remind them of their promises to us. Sometimes we had to use peaceful demonstrations to send our message to them. Most times, they do not listen.

**10. Sir, from what you have said so far, are you saying your people did not benefit anything from Chevron?**

As you can see with your own eyes, we have nothing to show for what we have in our land, which is giving Nigeria the name, which she has today as oil giant.

**11. Thank you very much sir. Now let us talk about the present. Has Chevron improved on their services to your communities?**

This is a difficult question to answer. As I told you before, we sometimes send our representatives to them. Nevertheless, on many occasions they are been harassed by the security men situated in the Chevron Tank farm. We have lost some of our young ones in these situations. One area they have tried is in the award of scholarships to our people. They have been consistent in this area. As for employment our people are used for the contract work while the permanent Chevron work often end up in the hands of non-indigenes.

Some years ago, Chevron built a Cottage Hospital at Madangho. Our people benefitted from this only notable project. Sadly, it was burnt down during the communal clashes between our neighbouring Ijaws sometimes in 2003. The other projects they came up with were the generator they gave to Ugborodo community, which lasted for a short while. They also provided cleaner water, from their tank farm to Ugborodo but the water was coming off and on so much so that our people were always scrambling for the water whenever it came on.

But in 2002 everything came to a standstill when our women felt they could not wait any longer after several attempts to bring Chevron to a round table talk failed, they went into the Chevron tank farm and shut down Chevron operation.

**12. Did this action lead to any positive result?**

For the very first, time Chevron officially called for a dialogue. In that meeting, they signed a memorandum of understanding (MOU) with the Escravos communities. In the MOU different projects were earmarked for the communities including employment.

**13. In your own view, did you think that the MOU supported a commitment of the company to work closely with the communities?**

My son no matter how clean you wash the mouth of a pig it will still go back to the mud. That MOU was a trick. It was a mere deception on the part of Chevron! Some of our sons that were employed as community police in the company to monitor the activities different contractors in the tank farm in terms of employment. However, they only worked for a year. In addition, we have some corrupt representatives who secretly go to Chevron to collect bribe and contracts. They used this to silence the agitations of the majority of the people. Some three to four years later Chevron came up with other ideas. This time they call them global memorandum of understanding (GMOU) and Itsekiri regional development council (IRDC).

**14. Are you then saying that Chevron does not carry everybody along in its community engagement process? What about the GMOU and IRDC that were formed by Chevron, the State Government and the Itsekiri communities?**

Why should they form GMOU when they already have MOU that they have not implemented its agreements? The Itsekiri regional development councils (IRDC) was formed to handle issues related to oil companies. Nevertheless, I must also be sincere with you, who are those operating the helms of affairs there? Where is their office located in the host communities? The whole situation is what I will call 'pretence'.

**15. Do you not think that Chevron is doing this to improve on their community engagement strategy?**

I do not know. Maybe! However, it is very hard for us now to trust them. Look at how many years they have been operating in our land. Look at how poor we still are in terms of development. We are not saying that they should bring total development to us because the government is also there. However, let them play their own part. Not by deceiving us and using military to threaten our youths. If that is their intention for now, it is not working and it will never work.

**16. What comment do you have about the environment?**

Do not forget the question I asked you about your journey to this place. Our environment is gone. Oil spillages and gas flaring have degraded our environment and these have been threatening even our health. We only depend on God to protect us here.

**17. Finally Sir what can you say about Chevron in general about their community engagement strategy?**

What can I say? Since I am not seeing anything on ground to show for these many years of operation, I am confused. I think Chevron should conscientiously look at the community engagement strategy and its implementation process very well. I think they should review

their approach because this is causing them many problems from the communities. They should abide by their promises and not pretend or else they will continue to have big problems with the communities. What is happening to them is a backlog of their neglect for too long a time.

#### **4.6.3 INTERVIEW WITH EMBALENHLE REPRESENTATIVE**

*This was the interview carried out at Embalenhle on 15 July 200. The purpose is to ascertain the reliability of information collected from SASOL site about its community engagement strategy for the community.*

#### **INTERVIEW QUESTIONS AND ANSWERS**

**1. What is your name sir?**

I am Engineer Nukeri Thomas

**2. What position do you hold in this community?**

I represent this community as Head Project Team

**3. Can you please give me a brief history of this community?**

This community, Embalenhle was formerly known as the Driefontein Location. It was first located between Secunda and Trichardt and later relocated to Winkelhaak Gold mine area. However, because of the expansion of the gold mine, SASOL in conjunction with the Winkelhaak Gold mine decided to move the location to a better but well planned area in 1976/77. The name Embalenhle means “Beautiful Flower”. This name came to be when SASOL promised to move the people to a beautiful area better than the Winkelhaak Gold Mine location. The Ndebele tribe formerly dominated Embalenhle. Now we have different people from different tribes and places with the hope to secure employment opportunities with SASOL.

**4. I can see that this community is very close to SASOL. Can you please tell me the community’s relationship with SASOL?**

We have not really had any strong charges against SASOL. I think our relationship with SASOL has been very cordial.

**5. Does SASOL have a formal Community engagement strategy for this community?**

Yes. SASOL does come here sometimes with representatives from the Municipality to hold meetings with the community. In the course of the meeting they normally tell us, the plan/project they have for the community for the fiscal year.

**6. Is the community engagement strategy given to the people in form of a document for them to know and understand it?**

Not really. Those who represent the community, the Counsellors and the Municipality, only know about it.

**7. Does this support a commitment on the part of SASOL to work closely with the community?**

It is hard to say.

**8. Are the people in the community involved in developing the community engagement strategy from SASOL?**

As I told you SASOL liaise with the Municipality to reach the community. This definitely makes it difficult for them to involve the people directly in developing community engagement strategy.

**9. Are there any effective channels by which community representatives and the counsellors feed the community the results of community engagement activity?**

When information about community development gets to the counsellors, they reach us the representative with the information. Our role is to make sure that information gets to the people by scheduling a meeting. Sometimes, it is very difficult for the counsellors to get the correct information due to information filtration from the top to the bottom.

**10. Are there processes for converting the views of the community at this stage into SASOL's policy as appropriate?**

The essence of calling for meetings is to hear the views of the people on any development plan. Their views are taken to the Counsellors who submit them to the Municipality. SASOL collects the feedback from the Municipality. The company then decides on how to handle the peoples view. This depends on how the company judges the views of the people.

**11. Can the contribution of community engagement by SASOL be identified in this community?**

SASOL has helped the community in the building of schools, like the Osizweni technical school, the classroom blocks at extension 18 and 19. The company has also helped in the area of health, sports and other recreational facilities. They have also built shopping malls for the community. Although this is below what is expected of them. In the larger part of this community as you can see with your eyes, housing is a big problem. Majority of our people live in shack houses with their families. We also have water and electricity problems.

**12. What can you say about the environment?**

I think the environment is not safe and so are we who live in the surrounding. Pollution is commonplace due to flaring.

**13. In general, how can you rate Sasol's community engagement strategy?**

I think SASOL definitely has a good community engagement strategy as a company. Where the problem lies is probably the fact that they do not liaise with the community directly. This is causing a big gap between them and the community. I think SASOL should revisit their channel of engaging the community.

## **4.7 SOCIOECONOMIC ISSUES**

### **4.7.1 INTERVIEW WITH AN ENVIRONMENTALIST**

*This interview was conducted with an environmentalist who has carried out series of Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) for different companies in the Niger Delta area, notably Shell Petroleum Development Company (SPDC), Nigeria. He holds his Degree in Industrial Chemistry and his Master degree in Energy and Petroleum Economics. He is a member of the Nigeria Institute of Safety Professionals (NISP) and member Nigeria Environmental Society (NES). Date of interview: 7 July 2008.*

### **INTERVIEW QUESTIONS AND ANSWERS**

**1. What is your name sir?**

My name is Ayeomeretse Sunny Omagbemi

**2. How long have you been serving as an Environmentalist?**

It started in 1997, so it is almost 11 years now.

**3. What was your motivation?**

Actually, my motivations stem from the recent agitations in the oil producing areas of Nigeria about the impact of oil explorations. Another thing that motivated me was the issue of global warming and its effects on our environments. Therefore, I decided one day to get involved in the protection of our environments in order to save our faunas and floras as well as our people in the oil producing areas. I have not regretted taking up these challenges ever since.

**4. Have you ever been involved in any Social Impact Assessment (SIA) process?**

This is a technical question. Actually, I have been involved in several SIAs. For example, the Egbeleku Land Field project for SPDC, Expansion of Kokori Flow-Station for SPDC, Omadino-Escravos road in the swamp with dependable Ventures, Oben Flow-Station also for SPDC to name but a few.

**5. What are the processes of carrying out SIA?**

SIA is an integral part of an EIA. The SIA is concerned with the socioeconomic impact of a proposed project. Social psychologist, anthropologist and economist are involved in finding out the negative and positive effects of the project on the well-being of the people living near the project site.

**6. What is the basis of environmental policy in Nigeria? Which agencies/bodies administer and enforce environmental law?**

The basis of environmental policy in Nigeria is contained in the 1999 Constitution of the Federal Republic of Nigeria. Pursuant to section 20 of the Constitution, the State is empowered to protect and improve the environment and safeguard the water, air and land, forest and wildlife of Nigeria. The body that administers and enforces the environmental law is the Federal Environmental Protection Agency (FEPA). This agency has its department in all the State and Local Government areas of the country for quick response to environmental issues. However, for oil related environmental issues, the Department of Petroleum Resources (DPR) is responsible for the enforcement of the environmental law.

**7. What are the Companies policies regarding EIA and SIA?**

The companies in Nigeria are meant to pursue what is written in the section 20 of that constitution. In this regard, the companies must conduct EIA and SIA for any proposed project. The result of the EIA and SIA must be submitted to the Federal and State Government for onward review. The essence of this is to make sure that companies implement whatever is possible to mitigate the impact such proposed project will have on both the environment and the people living in the vicinity of the proposed project site.

**8. What exactly are the things you look out for when conducting SIA?**

The process is a very tedious one. First, we consider the population size of the communities in the proposed project site. We also look into gender issues, age groups, and level of education, present economic well-being/occupations, commerce, religion, and means of transportation, health conditions, and mode of water supply. In fact, anything that has to do with the well-being of the people is looked into. Another important aspect we look into is the relationship between the communities living near the proposed project site.

**9. During the SIA process are the affected communities involved in the decision making process?**

They are partially involved. What I mean by this is that, before the SIA process begins, the communities affected are visited. During this visit, the essence of the SIA is discussed openly with the communities' leaders and all in the communities. On this occasion too, useful information are extracted from the communities. Furthermore, personal interviews and questionnaires are used to extract some other salient information. Therefore, in this way the communities participate in the SIA process.

**10. At the end of the SIA process, do you give a copy of the SIA document to the communities?**

The copy of the SIA is normally attached to the EIA document. This is submitted to the company concerned. The company is expected to submit a copy of this to the State and Federal government under the auspices of the ministry of environment. The State Government gives a copy to the local government under which the affected communities are. The communities can now go to the local environmental protection agency department to peruse the SIA document. They are never given to the affected communities.

**11. What role is the SIA intended to play in the overall EIA process?**

The SIA is intended to find out the socioeconomic impact any proposed project will have on the people living near the proposed project site. It helps the project executors to put in place solid contingency plans well in advance to mitigate any effect the proposed project will pose to the well-being of the people.

**12. From your years of experience, do you think the findings of the SIA are incorporated into the EIA process and what are the negative consequences of not doing this?**

There are many cases where I have read the documents containing SIA and EIA findings. The SIA findings are actually incorporated into the EIA process. On the day of the debate on the SIA and EIA findings, the company, state and federal environmental agencies, as well as the affected communities are present. The content of the findings are read and analyzed to the understanding of all. However, its final implementations are very poor.

The governments both state and federal have their side of the story too. I think they are only interested in the collection of royalty from the companies. The interest of the people is often not part of their business. This gives the companies opportunities to dodge their responsibilities to their hosts. This is where the companies are having problems. They tend to shy away from the findings of the SIA. Hence, those problems that would have been prevented in time start to surface. The result so far has become a global issue.

**13. What are your final words to those carrying out SIA and EIA especially the oil companies in the Niger Delta area?**

My final advice is that the oil companies should make sure that they listen to the advice mapped out in the SIA and EIA documents by the experts employed to conduct them. They should understand that their implementations play a major role at mitigating socioeconomic problems resulting from their operations. Sustainable development and relationship can also be maintained when promises are kept. Therefore, the companies should endeavour to involve the affected communities in the decision-making processes in order to create a sense of belonging in the minds of the people. I think they have every good reason to learn from what is happening now in the Niger Delta area a total backlog of the lack of implementing SIA findings.

**4.8 SUMMARY**

This chapter has clearly presented the data collected from the companies` website as well as the results of the interviews with the different community leaders/representatives. It also presented the result of the interview with the environmentalist. The analyses of these interviews are carried out in the chapter that follows.



## **CHAPTER 5**

### **5.0 DATA ANALYSIS**

In this chapter, the data collected and the results of the structured interviews are analyzed. Firstly, the various data collected from the different websites are analyzed followed by the analysis of the interviews from the communities. The consistencies and gaps between the collected data and the interviews' results serve as the baseline for the SWOT analysis in the next chapter.

### **5.1 COMPANY'S DATA ANALYSIS**

#### **5.1.1 NLNG DATA ANALYSIS**

The data collected from the NLNG website showed the company's community engagement strategy. The data clearly revealed the extent of the company's commitment to its community engagement strategy.

In general, the data revealed that:

- The joint venture (JV) of four companies, (NNPC, SPDC, TOTAL and ENI), owns NLNG.
- The company has a sustainable community engagement (CE) strategy in place.
- Its CE strategy carried along the Bonny communities
- The communities have been involved in the decision making of various policies that affect them.
- The company has been committed to its CE strategy.
- NLNG has carried out wide range of sustainable community development projects.
- The projects could practically be seen on the ground.

The collected data clearly demonstrated NLNG interest in its host communities. Its strategy as seen from the data has been properly structured and prioritized. Hence, its successes in executing many sustainable community development projects as depicted in the data. These projects as deduced from the data spanned the entire socioeconomic live of the people. Another characteristic of its CE strategy is continuity and consolidation. From the standpoint of the company as clearly highlighted, it was necessary for them to consolidate on what was on the

ground than just initiating new ideas or projects. Hence, the series of renovations, rehabilitations and refurbishments of projects as contained in its report.

The reliability of the collected data formed the basis for the well-structured interview with one of the community representatives.

### **5.1.2 CHEVRON DATA ANALYSIS**

Chevron is one of the oil multinationals in Nigeria. It operates as a JV with the NNPC. The data collected from its website showed that company has committed responsibilities to its host communities.

In general, the analysis of the data revealed that:

- The company has a sustainable community engagement (CE) strategy in place.
- Its CE strategy carried along the Escravos communities
- The communities have been involved in the decision making of policies that affect them.
- The company has been committed to its CE strategy.
- Chevron has carried out wide range of sustainable community development projects.
- The projects could practically be seen on ground.

As highlighted above, the analysis of the outsourced data showed how much Chevron is committed to its community engagement strategy. The characteristics of Chevron's approach are quite different from that of NLNG. Notwithstanding, it has shown structured commitment to its strategy. This could be seen from the number of projects executed for the communities. Its engagement covered both social and economic activities. The analysis of the data showed that all the projects carried out by the company for the people were new projects. The question of refurbishment, renovation and rehabilitation were not reported in the data. There was evidence too in the data that Chevron has been engaging the communities in the decision making of the policies that affect them. The signing of the GMOU and the RDC in 2005 attested to this.

The data revealed that the GMOU was to give the communities greater roles in the management of their development. More so, the agreement was intended to shift control from

the company to communities through the newly created RDC. This also could have meant that Chevron was committed to the reports/suggestions in the EIA and SIA documents.

Nevertheless, the reliability of this information was captured in the well-structured interview conducted with one of the representatives of the Escravos communities.

### **5.1.3 SASOL DATA ANALYSIS**

SASOL is one of the biggest oil companies in South Africa. It has two major operation sites, Sasolburg and Secunda. It has partnership with other notable oil giants like Chevron. The analysis of the collected data from the company's website revealed that the company has community engagement strategy in place.

Generally, the analysis of the data showed that:

- SASOL has a well-established community engagement strategy.
- The company has been committed to its CE strategy
- The company has been involving its host communities in decision making
- SASOL has carried out wide range of sustainable community development projects
- The projects may practically be seen on ground in the communities

After analyzing the data collected, it was clear that the company has been committed to its CE strategy. This commitment is evident from the wide range of sustainable community development projects. However, in the data there were no reports such as the refurbishment, renovations and rehabilitations of any existing project(s). As it applies to the other two companies, NLNG and Chevron, the reliability of the data collected was captured in the interview with the community representative.

## **5.2 COMMUNITY INTERVIEW ANALYSES**

*The interview was conducted with one respondent from each community. For this reason, the result of the various interviews may only partially reflect the perceptions of the communities.*

*'This may be a limitation to this interview results'. However, the interview questions were*

*well-structured such that they were believed to be strong enough to motivate the respondents into revealing the expected answers to the questions.*

### **5.2.1 BONNY COMMUNITY**

The results of the interview with respondent revealed that NLNG actually has CE strategy in place. The respondent also affirmed that the company carried out EIA and SIA to find out the impact of its proposed project before its execution. He mentioned that the Bonny communities have been involved in the decision making of various developments that would affect them. This is due to the inclusion of some of their sons and daughters in the drafting of the CE master plan in the early phase of the NLNG project.

When asked if the company was committed to its CE strategy, he said:

*“My people now enjoy good water supply, good health care services and transport system. As I mentioned before, the company has brought a lot of development to our land. Some of our sons and daughters now work with the company. The company is also encouraging our youths to go to school by granting scholarship even up to the university level”.*

The answer provided by the respondent attested to the reliability of most of the data collected from the company’s website. It also confirmed the practicality of the sustainable community development projects carried out by the company. The interview revealed that some sections of the Bonny communities are still left out in decision-making. Another area the company is not meeting up to its strategy is environmental issue.

### **5.2.2 ESCRAVOS COMMUNITY**

According the results of the interview reported in section 4.6.2, Chevron has a CE strategy in place. The result also affirmed that the company carried out both EIA and SIA before its project execution. Although the company has a CE strategy in place, the interview revealed that its commitment to the strategy has been very poor.

When asked if the communities have benefitted from Chevron’s CE strategy, he said:

*“As you can see with your own eyes, we have nothing to show for what we have in our land, which is giving Nigeria the name, she has today as oil giant”.*

The respondent seemed to have some reservations for the company. For instance when also asked about the essence of the GMOU and the IRDC, his answer was:

*“Why should they form GMOU when they already have MOU that they have not implemented its agreements? The Itsekiri regional development councils (IRDC) was formed to handle issues related to oil companies. However, I must also be sincere with you, who are those operating the helms of affairs there? Where is their office located in the host communities? The whole situation is what I will call ‘pretence’”.*

The results of the interview clearly disprove some of the claims of the company as posted on their website. It is therefore clear that Chevron has no substantial record as regards their CE strategy. Some of the acclaimed projects could not be seen in the communities. The interview also revealed that the company has resorted to using military personnel to harass the youths, women and men of the communities during peaceful demonstrations; inferring a definite human right abuse. The direct consequences of their indulgence in such activities according to the respondent, is part of the crises they now face in the area.

### **5.2.3 EMBALENHLE COMMUNITY**

The result of the interview in section 4.6.3 revealed that SASOL brought out the idea of relocating Embalenhle to its present location. Hence, the meaning of Embalenhle came to be “Beautiful Flower”. This is a clear example of community engagement. No wonder when asked if the community has good relationship with SASOL, the respondent’s answer was of the affirmative. The company has been involved in the development of this community right from its relocation until now. However, SASOL's strategy of implementing its CE strategy has some lapses. The results of the interview revealed that these missing links are found in the areas of community involvement, working closely with the community and third party involvement in community related issues.

When asked if the community has been fully involved in decision making by the company, the respondent’s answer was:

*“Like I told you Sasol liaises with the Municipality to reach the community. This definitely makes it difficult for them to actually involve the people directly in developing community engagement strategy”.*

The inability of the company to liaise directly with the community on the development policy that will affect them has actually created a gap in the company's CE commitment. No wonder the respondent in his final rating of the company said:

*“SASOL definitely has a good community engagement strategy as a company. Where the problem lies is probably the fact that they do not liaise with the community directly. This is causing a big gap between them and the community. I think SASOL should revisit their channel of engaging the community”.*

The statement made by the respondent confirms that Sasol's record in terms of CE is not complete. Hence, improvement is needed to sustain the good relationship that exists between it and the community. The example of the companies in the Niger Delta is a crucial one.

### **5.3 DISCUSSION OF RESULTS**

From the analysis of the data collected and the interviews, it is evident that the companies have well-structured community engagement strategy. There is no doubt that they are currently carrying out some community developmental projects. Nevertheless, there is a “gap” between what is lost and what is compensated by the companies. This is evident in the area of community involvement.

Comparing the three case studies, NLNG seem more committed to its CE strategy implementations compared to SASOL and Chevron. The ability of NLNG to realize that people need to be consulted and targeted social investment put in place has yielded many positive results. This has helped NLNG to foster a sustainable relationship with the Bonny communities.

Although SASOL has good relationship with the Embalenhle community, there are still some areas of weaknesses. This may have resulted from the third party system. The interview revealed that SASOL does not liaise directly with the community but passes through the Municipality. This has created a big gap between it and the community. This invariably does not demonstrate commitment on the part of SASOL to work closely with the community. SASOL's sustainable development projects policies may have been imposed policies. Since the community is not involved in decision-making, their viewpoints as to the type of project may not have been heard.

Contrarily, the case of Chevron revealed somewhat neglect. The results of the interview revealed that Chevron lacks the policy of continuity and consolidation. This is evident in their signing of two MOUs within three years. The first MOU apparently contains agreements with the communities, which were not implemented. Rather than complementing on those agreements, the company went ahead to signing a GMOU and RDC. According to the representative:

*“Why should they form GMOU when they already have MOU that they have not implemented its agreements? The Itsekiri regional development councils (IRDC) was formed to handle issues related to oil companies. I must also be sincere with you, who are those operating the helms of affairs there? Where is their office located in the host communities? The whole situation is what I will call ‘pretence’”.*

The comment showed that Chevron has not been consistent in its agreement with the host communities. This is perceived to be one reason why in three years, it has changed its agreements with the communities twice (MOU and GMOU in 2002 and 2005 respectively). This has not created a very good operating environment for the company so far.

#### **5.4 VALIDATION OF RESULTS**

The findings of this dissertation have clearly brought out some important information about the CE implementation strategies of the three companies. Some of the development projects claimed to have been executed by the different companies could not be seen in their respective host communities. The variations between the collected data and the results of the interview as indicated by the findings of this dissertation need to be validated by using other work done by some experts in the field. The work presented below are excellent research findings aimed at treating the problems identified in this dissertation. The researcher has decided to use them as bases for validating the findings reported in this dissertation.

According to (Leonard Okafor, 2003), “To effectively earn the admiration of its stakeholders, Chevron needs to re-examine its present mode of engagement with the host communities. A more pragmatic approach for the delivery of these goals would necessitate advocacy for self-reliance, contrary to the dependency that presently obtains. The company should advocate partnership in the strict sense, which encourages both stakeholders to contribute resources towards a common agenda. This is one way of establishing commitment”. The findings of this

dissertation also clearly revealed that Chevron has not been fully committed to its community engagement strategy and as such, it has not been enjoying reasonable relationships with its host communities.

According to Ground Work (2003), “When Sasol first began developing in Secunda in the early 1980s; black people were relocated downwind to a township called Embalenhle. Mines now surround the township and mine dumps. A large percentage of the young people in Embalenhle suffer from respiratory illnesses like sinus problems, asthma, burning sensations in the throat and chest, as well as from skin irritations and burning eyes”. The representative of the Embalenhle community did not fail to comment on the environmental problems faced by his people because of SASOL’s activities in the area.

According to Jörg Meyer-Stamer (2002), “There is no clear dividing line between community development activities and economic development activities. In addition, the latter point relates to Sasol’s black empowerment efforts. Sasol may consider trying to draw a clearer line between community development and business development activities this situation is creating *not just confusion but actually massive frustration*”. The findings of this work clearly affirmed this statement. This is attested to in cases where SASOL liaises with the Municipality to reach the community. In this sense, its CE is not clearly spelt out to the community.

“In a working paper developed for Shell Petroleum Development Company (SPDC), Nigeria, one of the flaws revealed by the paper was that the Community Development Officer (CDO) spends only a few days in a community to conduct a participatory rural appraisal (PRA). This is often insufficient to find out the real needs and capacities of a community. Community development is generally divided into component projects without providing the community any guarantee that there will be follow-up to complete each project. Communities are often not informed nor involved in future plans or decisions that would affect their lives”. (Conflict Expert Group Baseline Report, 2003)

Although Shell is not one of the companies used for the case studies, it is one of the major oil companies in the Niger Delta area of Nigeria. The above statement was also confirmed through this research work. The findings support the report of the Conflict Expert Group. For instance, the report of this dissertation shows that SASOL does not liaise with the community directly while Chevron and NLNG do not fully involve the communities in decision-making.



The Amnesty International (2005) argues, “The relationship between companies and communities is increasingly governed by agreements called Memorandum of Understanding (MOUs). Under these agreements, companies provide development projects in return for promises by communities to provide a peaceful operating environment. Some company-funded projects have functioned. Others have been poorly run and accessible to a few communities only. Companies have also awarded contracts and benefits in an arbitrary manner that perpetuates discrimination, marginalization and inequalities. In many cases, companies do not deliver what they have promised; stoking resentment and community protests”.

This statement may not have applied to the SASOL environment. However, it is often the case in the oil rich Niger Delta where a prospecting company normally have to sign a MOU with the host communities as found out in this research work. In the MOU, the different agreements between the company and the host communities are well spelt out. As mentioned by amnesty International, failure to implement the contents of the MOU has on many occasion created resentment between the company and the communities. The Escravos and Bonny communities as this work indicate are two of such examples.

The study has given information on how much the companies have done in terms of using community engagement as a development strategy, the good and the bad. It therefore gives a solid ground for the verification of the ideas behind this work with multiple case studies.

## **5.5 SOCIOECONOMIC INTERVIEW DISCUSSION**

The interview results regarding the role of socioeconomic study in the EIA processes revealed that socioeconomic study is an integral part of EIA. The EIA processes are of two aspects, the environmental and the social aspects. While the EIA in particular deals with environmental effects of a proposed project, the SIA is concerned with the investigation of the socioeconomic impact (perceived or not) of a proposed project. Furtherance to this, the Environmentalist revealed that specialists in the environmental and social sciences field normally conduct EIA and SIA.

Other important characteristics of the socioeconomic study as revealed by the respondent (the environmentalist) are the variables that should be considered before embarking on the study. He mentioned such variables as population size, gender, age distribution, education level and the present economic situation of the communities among others. He also mentioned the

importance of involving the members of the communities in the study process since they can be of help when some useful information about the communities is needed. When asked of the role of socioeconomic study in EIA processes he said:

“The SIA is intended to find out the socioeconomic impact any proposed project will have on the people living in the vicinity of the proposed project site. It helps the project executors to put in place solid contingency plans well in advance to mitigate any effect the proposed project will pose to the well-being of the people”.

Furthermore, the interview result also revealed that the findings of the socioeconomic study are attached to the EIA document and submitted to the company concerned. The company is expected to submit a copy of the document to the Government through the office of the ministry of environment. The FEPA is charged with the responsibility to make sure that the findings contained in the EIA and SIA documents are enforced and implemented.

Again when asked if the findings are really implemented, his answer was;

“...The content of the findings are read and analyzed to the understanding of all. However, its final implementations are very poor. The governments both State and Federal have their side of the story too. They are only interested in the collection of royalty from the companies. The interest of the people is not part of their business. This gives the companies opportunities to dodge their responsibilities to their hosts. This is where the companies are having problems. They tend to shy away from the findings of the SIA. Hence, those problems that would have been prevented had the companies not ignored the findings of the SIA in time start to surface. The result so far has become a global issue”.

The respondent finally gave the consequences of not implementing the findings of the SIA as very unpleasant. He cited the present agitations and crises in the Niger Delta area as direct consequence of improper implementation of SIA findings by the multinationals operating in the area. He therefore advised that oil multinationals should listen to the advice mapped out in the SIA and EIA documents by the experts employed to conduct the survey.

## 5.6 VALIDATION OF SOCIOECONOMIC RESULT

In section 2.2 of this work, some literature relating to this research work were collected that served as a baseline for this study. The dissertation revealed that companies in the Niger Delta regions have failed to implement the findings of the socioeconomic study as recommended by experts in the socioeconomic study documents. Therefore, validation is a key tool to check for the authenticity of the findings of this dissertation

The outstanding work below were carried out by experts and organizations to paint a clear picture of the role of socioeconomic study and the efficacy of integrating it into the EIA processes. The researcher has decided to use them as bases for validating the findings reported in this work.

According to the EIA report of the NLNG (2002), “The objective of the impact assessment process is to integrate environmental, social and health considerations into the development, design, construction and operation of the NLNG project. For this reason, the term Environmental, Social and Health Assessment (ESHA) is used. The assessment process aids in the identification of the likely impacts of the Project and assists in the design of mechanisms to control those impacts through mitigation measures where necessary. As such, the ESHA is an important and fundamental planning and design tool. The ESHA provides the mechanisms to ensure that the Project is in line with stipulated requirements”. The findings of this work revealed that Bonny communities are still experiencing some elements of environmental pollution because of the NLNG activities. It therefore goes to indicate that the findings of the company’s ESHA document were not fully implemented.

According to the International Association for Impact Assessment (IAIA) (2003), “The role of socioeconomic study is to analyze, monitor and manage the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment”.

Abdrabo M.A and Hassaan M.A (2003), also reveals, “The indicators used to measure the potential socioeconomic impact of a development include, economic conditions, community structure, demographic, employment, gender and community resources”. From the interview with the environmentalist, it was revealed that this indicators need to be considered before embarking on the socioeconomic study. The above work clearly indicate that an EIA is never

complete without the socioeconomic study. As mentioned by the environmentalist, the role of the socioeconomic study is to find out the social aspects of the people that would be affected by a proposed project.

According to the NLNG report (2002), “The key requirement for sustainable development is that the mitigation measures proposed to prevent, minimize or compensate for any adverse impact will be incorporated into the environment, social and health management plan (ESHMP), together with any enhancement measures. It is very important that such a plan be fed into the existing management system. This will ensure that mitigation and enhancement is treated like any other action item, managed through policies and procedures with clearly defined responsibilities, implementation, and time-scales and allocated resources”. On the same token, Judith Petts (1999) states that EIA is a significant, anticipatory, environmental management tool for decision-making and sustainable development. By these comments, it is imperative that socioeconomic issues be taken very seriously.

## **5.7 SUMMARY**

This chapter has presented the analysis of the results of the personal interviews with the communities’ representatives and the socioeconomic study. It showed the areas the companies are performing very well and the areas that need improvements. These were validated using some already established experts’ work. The results of these analyses serve as the basis for the SWOT analysis of the respective companies in the next chapter.

## **CHAPTER 6**

### **6.1 DEVELOPMENT OF MANAGEMENT FRAMEWORK USING THE SWOT MATRIX TECHNIQUE**

#### **6.1.1 SWOT ANALYSIS**

This section uses the SWOT analysis to analyze the strengths, weaknesses, opportunities and threats of the three companies. The benchmark of the data collected and results of the interview serve as the baseline for the SWOT analysis. The reason for SWOT Matrix is to highlight those salient but important potentials the companies can use to manage their threats and weaknesses. These potentials are the companies' strength or opportunities. These can be employed to develop mitigating frameworks.

#### **6.1.2 SWOT CLASSIFICATIONS**

The classification of the different themes as strengths, weaknesses, opportunities and threats lies in part on the findings and the scope of the research work and the perceived prevailing situations in the companies' areas of operations.

**STRENGTHS:** The basis for the classification of the different themes into the companies' strengths is their resources. These resources are what the companies can use as a basis for creating an advantage over their threats and weaknesses. These lie within the companies' control.

**WEAKNESSES:** For that of the companies' weaknesses, their classification is based on the absence of certain perceived strengths. These are factors that are within the companies' control, which undermine their ability to attain the desired goal. These are areas of perceived gaps. They are areas, which the companies need improvements.

**OPPORTUNITIES:** The classification of the companies' opportunities is based on the prevailing external environmental analysis. They are the areas where the companies could embark on especially in the future with likely positive success.

**THREATS:** The classification of the companies' threats is based on the prevailing circumstances where the companies are operating. These were also drawn from the interview

results and the collected data. They are external factors, beyond the companies' control, which could adversely affect their operation if not attended to adequately.

The strategies that were constructed with the SWOT Matrix are:

- Strengths–Opportunity (S-O) strategies: These can be used to create needed prospects necessary for the company's competitive edge.
- Weaknesses-Opportunities (W-O) strategies: These can be used to surmount weaknesses by tracking the company's future abilities.
- Strengths-Threats (S-T) strategies: These can be used to recognize avenues through which the companies can use their strengths to decrease their susceptibility to external threats.
- Weaknesses-Threats (W-T) strategies: These can be used to create a protective model to check the companies' weaknesses from making it highly vulnerable to external threats.

## 6.2 SWOT MATRIX

This is the design the companies can use to improve on their weaknesses and threats. This is based on their strengths and opportunities.

	STRENGTHS	WEAKNESSES
OPPORTUNITIES	S-O STRATEGIES	W-O STRATEGIES
THREATS	S-T STRATEGIES	W-T STRATEGIES

**Table 1** SWOT Matrix Strategies

### 6.2.1 NLNG SWOT

Based on the analysis of the interviews and the collected data the following have been perceived to be the strengths, weaknesses, opportunities of the company.

WEAKNESSES	STRENGTHS	OPPORTUNITIES	THREATS
<input type="checkbox"/> Weak community involvement <input type="checkbox"/> Reactive rather than proactive	<input type="checkbox"/> CE strategy <input type="checkbox"/> Good location of facility <input type="checkbox"/> Financial resources <input type="checkbox"/> Community relationship <input type="checkbox"/> New technology	<input type="checkbox"/> Community relations <input type="checkbox"/> Good economic outlook <input type="checkbox"/> Changes in technology <input type="checkbox"/> Changes in legislation	<input type="checkbox"/> Hostile environment <input type="checkbox"/> Environmental problem <input type="checkbox"/> Changes in demographics <input type="checkbox"/> Increasing regulations <input type="checkbox"/> Expectations of communities

**Table 2:** The Strengths, Weaknesses, opportunities and threats of NLNG

### 6.2.2 NLNG'S MANAGEMENT FRAMEWORK MATRIX

		INTERNAL FACTORS	
		STRENGTHS	WEAKNESSES
		<ol style="list-style-type: none"> <li>1. Community engagement strategy</li> <li>2. Good location of facility</li> <li>3. Financial resources</li> <li>4. Community relationship</li> <li>5. New technology</li> </ol>	<ol style="list-style-type: none"> <li>1. Weak community involvement</li> <li>2. Reactive rather than proactive</li> </ol>
E X T E R N A L  F A C T O R S	<b>OPPORTUNITIES</b> <ol style="list-style-type: none"> <li>1. Community relations</li> <li>2. Good economic outlook</li> <li>3. Changes in technology</li> <li>4. Changes to legislation</li> </ol>	<b>S-O STRATEGY</b> <ol style="list-style-type: none"> <li>1. Training of staff in interactive techniques of quality improvement</li> <li>2. Proper coordination of company's public relation officers to cover major communities' needs</li> <li>3. Training of staff on how to adapt to changes in technology relating to the community engagement strategy</li> <li>4. Coordinating management policy to adapt to changes in legislation</li> </ol>	<b>W-O STRATEGY</b> <ol style="list-style-type: none"> <li>1. Remodelling of community engagement strategy to accommodate adequate involvement of communities</li> <li>2. Designing monitoring models for capturing community events or situations before they degenerate beyond control</li> </ol>
	<b>THREATS</b> <ol style="list-style-type: none"> <li>1. Hostile environment</li> <li>2. Environmental problem</li> <li>3. Changes in demographics</li> <li>4. Increasing regulations</li> <li>5. Expectations of Communities</li> </ol>	<b>S-T STRATEGY</b> <ol style="list-style-type: none"> <li>1. Commitment to CE strategy</li> <li>2. Use new technology to manage environmental problems</li> <li>3. Input communities development projects in company's fiscal budgets</li> </ol>	<b>W-T STRATEGIES</b> <ol style="list-style-type: none"> <li>1. Review of procedures for improving the perceived quality of lives of the people</li> </ol>

**Table 3:** SWOT Matrix of NLNG CE

### 6.2.3 CHEVRON SWOT

The careful analysis of the interview and the data collected revealed the following as the perceived strengths, weaknesses, opportunities and threats of the company.

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>•Community engagement strategy</li> <li>•Good location of facility</li> </ul>	<ul style="list-style-type: none"> <li>•Community relations</li> <li>•Reliant on certain individuals</li> </ul>	<ul style="list-style-type: none"> <li>•High felt needs of communities</li> <li>•Little competition</li> </ul>	<ul style="list-style-type: none"> <li>•Hostile environment</li> <li>•Bad roads</li> <li>•Environmental pollution</li> </ul>

<ul style="list-style-type: none"> <li>•Changes in technology</li> <li>•Financial resources</li> </ul>	<ul style="list-style-type: none"> <li>•Reactive rather than proactive</li> <li>•Weak community Involvement</li> </ul>	<ul style="list-style-type: none"> <li>•Changes to legislation</li> <li>•Good economic outlook</li> <li>•Changes in technology</li> <li>•Export opportunity</li> </ul>	<ul style="list-style-type: none"> <li>•Changes in demographics</li> <li>•Increasing regulations</li> <li>•Expectations of communities</li> </ul>
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**Table 4:** *The Strengths, Weaknesses, opportunities and threats of Chevron*

#### 6.2.4 CHEVRON’S MANAGEMENT FRAMEWORK MATRIX

		INTERNAL FACTORS	
		STRENGTHS	WEAKNESSES
		<ol style="list-style-type: none"> <li>1. Community engagement strategy</li> <li>2. Good location of facility</li> <li>3. Changes in technology</li> <li>4. Financial resources</li> </ol>	<ol style="list-style-type: none"> <li>1. Community relations</li> <li>2. Reliant on certain individuals</li> <li>3. Reactive rather proactive</li> <li>4. Weak community involvement</li> </ol>
<b>E X T E R N A L</b>	<b>OPPORTUNITIES</b> <ol style="list-style-type: none"> <li>1. High felt need of communities</li> <li>2. Little competition</li> <li>3. Changes to legislation</li> <li>4. Good economic outlook</li> <li>5. Changes in technology</li> <li>6. Export opportunity</li> </ol>	<b>S-O STRATEGY</b> <ol style="list-style-type: none"> <li>1. Training of staff in interactive techniques of quality improvement</li> <li>2. Coordination of company’s public relations officers on the high felt need of communities</li> <li>3. Training of staff in the techniques of working with local government as joint partnership at improving on the lives of the communities</li> </ol>	<b>W-O STRATEGY</b> <ol style="list-style-type: none"> <li>1. Remodelling of CE strategy to include the adequate involvement of all sections of the communities</li> <li>2. Use changes in technology to model a monitoring strategies to create avenues for sensitivity toward communities’ situations</li> </ol>
	<b>THREATS</b> <ol style="list-style-type: none"> <li>1. Hostile environment</li> <li>2. Bad roads</li> <li>3. Environmental pollution</li> <li>4. Changes in demographics</li> <li>5. Increasing regulations</li> <li>6. Expectations of communities</li> </ol>	<b>S-T STRATEGY</b> <ol style="list-style-type: none"> <li>1. Use changes in technology to create a system for reduction in environmental pollution</li> <li>2. Include community development projects in the overall company’s yearly budgets</li> <li>3. Make provisions for future growth in the population size of the communities in terms of work force.</li> </ol>	<b>W-T STRATEGY</b> <ol style="list-style-type: none"> <li>1. Review of procedures for improving on the perceived quality of life of the people.</li> </ol>
<b>F A C T O R S</b>			

**Table 5:** SWOT Matrix of Chevron’s CE



### 6.2.5 SASOL SWOT

Based on the analysis of the interview and the data collected, the following have been perceived to be the strengths, weaknesses, opportunities and threats of the company.

**Table 6:** *The Strengths, Weaknesses, opportunities and threats of SASOL*

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>•Community engagement strategy</li> <li>•Good location of facility</li> <li>•Good community relations</li> <li>•Financial resources</li> <li>•New technology</li> <li>•Management structure</li> </ul>	<ul style="list-style-type: none"> <li>•Weak community involvement</li> <li>•Reactive rather than proactive</li> <li>•Combining economic and community development</li> </ul>	<ul style="list-style-type: none"> <li>•High felt need of community</li> <li>•Little competition</li> <li>•Export opportunities</li> <li>•Good economic outlook</li> <li>•Changes in technology</li> <li>•Community relations</li> </ul>	<ul style="list-style-type: none"> <li>•Environmental pollution</li> <li>•Changes in demographics</li> <li>•Expectations of communities</li> <li>•Reliant on third party to reach community</li> </ul>

### 6.2.6 SASOL'S MANAGEMENT FRAMEWORK MATRIX

		INTERNAL FACTORS	
		<b>STRENGTHS</b> <ol style="list-style-type: none"> <li>1. Community engagement strategy</li> <li>2. Good location of facility</li> <li>3. Good community relations</li> <li>4. Financial resources</li> <li>5. New technology</li> <li>6. Management structure</li> </ol>	<b>WEAKNESSES</b> <ol style="list-style-type: none"> <li>1. Weak community involvement</li> <li>2. Reactive rather than proactive</li> <li>3. Combining economic and community development</li> </ol>
<b>E X T E R N A L</b>	<b>OPPORTUNITIES</b> <ol style="list-style-type: none"> <li>1. High felt need of community</li> <li>2. Little competition</li> <li>3. Export opportunities</li> <li>4. Good economic outlook</li> <li>5. Changes in technology</li> <li>6. Community relations</li> </ol>	<b>S-O STRATEGY</b> <ol style="list-style-type: none"> <li>1. Training of staff in interactive techniques of quality improvement</li> <li>2. Coordination of company's public relations officers (PRO)/HR on the high felt need of communities</li> </ol>	<b>W-O STRATEGY</b> <ol style="list-style-type: none"> <li>1. Remodelling of CE framework to include the adequate involvement of all sections of the communities</li> <li>2. Develop a preventive model to monitor community events or situations before it degenerates beyond normal</li> </ol>

<b>L</b>	<b>THREATS</b>	<b>S-T STRATEGY</b>	<b>W-T STRATEGY</b>
<b>F</b>	1. Environmental pollution	1. Develop techniques for dealing with major areas of job evaluation and project development.	1. Review of procedures for decreasing costs and improving the perceived quality of life of the people
<b>A</b>	2. Changes in demographics	2. Use new technology to develop strategies for reducing environmental pollution	2. Develop framework for managing CE different from economic development
<b>C</b>	3. Expectations of communities	3. Include community development projects in the company's yearly budget	
<b>T</b>	4. Reliant on third party to reach community	4. Remodel community relations procedures so as to relate directly with communities where necessary	
<b>O</b>			
<b>R</b>			
<b>S</b>			

*Table 7: SWOT Matrix of SASOL's CE*

The management framework as developed in the SWOT matrixes of the three companies showed the strengths, weaknesses, opportunities and threats of each company. The matrixes also revealed that the companies have more than enough potentials available to them, which they can use to manage their weaknesses and threats. For instance, SASOL has good relationship with the Embalenhle community, which is one of its strengths. These strengths as shown in the framework can be used to design a preventive model to monitor the situations and agitations of the community. This can be used to strengthen the existing relationship. The companies can judiciously use the framework highlighted in the matrixes as baselines for implementing their CE.

### **6.3 SUMMARY**

This chapter presented the SWOT analysis of each company. It also presented the potentials of the companies, that is, their strengths and opportunities. Furthermore, the companies' weaknesses and threats were highlighted. These served as a basis for developing the management framework using the SWOT matrix technique. The framework highlighted the ways the respective companies can manage their weaknesses and threats using their strengths and opportunities. This could further enhance their community engagement strategy thereby creating a peaceful operating environment for them and the communities.

In the next chapter, the results of the literature review and the findings of the experimental investigation are assessed and integrated into a set of conclusions; this is then followed by recommendations.

## 7.0 CONCLUSIONS AND RECOMMENDATIONS

### 7.1 CONCLUSION

This dissertation set out to develop a management framework that can be used for managing the weaknesses and threats resulting from inadequate community engagement strategies using the SWOT matrix technique. To achieve this, an experimental investigation comprising case studies, interviews and SWOT analysis were successfully completed. Well-structured interviews were conducted with communities' representatives to explore the extent to which companies are using community engagement as a development strategy. A prominent environmentalist was also interviewed in order to explore the extent to which oil companies in the Niger Delta area have been integrating socioeconomic study into the EIA processes.

Critical assessments of the literature review and the findings of the experimental investigation led to the following conclusions.

1. Oil explorations in the Niger Delta area have affected the well-being of the people both positively and negatively. Unfortunately, their negative impact outweighed their positive impact.
2. Although they carry out socioeconomic studies, they have been neglecting the recommendations reported in the socioeconomic study document by experts. The level of community engagements has also been very poor.
3. Due to the above inadequacies, the Niger Delta has become a fragile area in recent times. Pipeline vandalism and incessant kidnappings of foreign nationals as well as fellow Nigerians are commonplace.

Thus to make sure that the present situations do not degenerate beyond the level they are now, it is pertinent that the companies adopt more proactive and pragmatic approach in tackling the problems. Such is what the developed framework stands to achieve if properly adopted and applied.

The analysis of the collected data and the interviews revealed the strengths, weaknesses, opportunities and threats of each company. These were used to develop the management framework for each company.

4. Interestingly, the framework showed that the potentials (strengths and opportunities)

of the respective companies are more than enough to manage their weaknesses and threats and improve on the implementation of their CE strategies.

5. Therefore, the framework developed in this study can easily be used as a tracking model to sense their weaknesses and any perceived threats from their host communities.
6. It could also serve as a guide for the respective companies at managing their CE strategies. By doing this the companies in the Niger Delta area can continue to maintain a sustainable relationship and peaceful business-operating environment.

## **7.2 RECOMMENDATIONS**

After a careful analysis of the findings of this dissertation, it is clear that more effort need to be expended on the part of companies as regards the objectives of this study. Having met the objectives of this research work with the findings thereof, the following recommendations have been put forward.

### **7.2.1 SOCIOECONOMIC STUDY**

1. To ensure that the negative effects identified in this dissertation are properly managed, oil companies should set objectives that are smart, specific, measurable, achievable and realistic and time bound. They should do this if they desire to enjoy a reasonable and peaceful relationship with their host communities as well as a business friendly operating environment.
2. Socioeconomic development requirements and the needs to consider social issues should be clearly spelt out by companies before embarking on any socioeconomic related survey for a new development.
3. Companies must acknowledge the values of local community, that is, be informed by the things that are likely to impact on community well-being. This will ensure that mitigating measures are put in place to curb the likely effects of a development.
4. Health and safety are paramount to any community; therefore, any planned action should include the health concerns of the people in the community. This could be used to manage the health risks that may result from the development project.
5. Proper trust should be maintained with the community through the provision of important input into the design of sustainable community engagement, building accord

and partnership between parties (community and company) and managing community expectations.

6. Furthermore, the socioeconomic study should involve not only the community, but also notable NGOs at all stages. All stakeholders should be involved right from the design stage of the study through to the result analysis and implementations of experts' recommendations. Companies' researchers too must strengthen ties with local community before embarking on the socioeconomic study. This will assist the researcher in such issues as recruitment of persons to participate in the study. Furthermore, it will help to build the trust of the community on the final study result.

### **7.2.2 COMMUNITY ENGAGEMENT**

1. Companies involved in development projects should recognize and understand the needs of the community rather than imposing projects on the community. It is very important for companies to incorporate quantifiable and measurable goals in their CE strategy.
2. Companies should provide the resources or funds necessary to sustain the diversity of well-documented communication strategies meant to reach the community directly and not through third parties.
3. Companies should make concerted efforts to inform communities about how to participate or be involved in CE where necessary. This will allow the community to have a sense of belonging and participation in the decision-making process of the developments that are likely to affect their well-being.
4. Multinationals should imbibe the culture of increased accountability when funds are earmarked for development. This will allow the companies to know how well the resources allocated for development projects are managed and dispensed.
5. Companies should create a community-based commission. This should be managed by a taskforce also employed by the company. This measure would help the companies to manage their CE strategy properly.

It is believed that the recommendations above will help companies to appreciate and properly use community engagement as a development strategy. The recommendations will also help the companies in the Niger Delta region to understand how socioeconomic study can be properly managed in the EIA processes and its role in sustainable development.

### **7.3 FURTHER RESEARCH**

This research has provided a better understanding of the role of socioeconomic study in the EIA processes. The study has also provided better understanding of the extent to which oil companies are using community engagement as a development strategy. However, it would be of interest to investigate the research area in more detail. The following suggestions are prepared:

- a) The same study should be conducted to include greater number of cases (multinationals) in the Niger Delta area in order to discover more understanding.
- b) Larger sample space should be selected for the interview conducted in the communities to get a complete view of the people.
- c) A study that will investigate the similarities and differences between government and multinationals CE strategy would be of interest.

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