Table of Contents

Table of Contents ............................................................................................................ i
Acknowledgements ....................................................................................................... iii
Abstract ......................................................................................................................... iv
List of Abbreviations ..................................................................................................... v
Introduction .................................................................................................................... 1
  Waves of Interest in CSR............................................................................................ 1
  Representation of the Niger Delta Crisis in the West................................................. 3
  Crude Oil, Oil and Petroleum Refining ...................................................................... 4
  Chapter Outline ........................................................................................................... 7

Chapter One ................................................................................................................. 10
  CSR and the Notion of Stakeholders ....................................................................... 10
  The Evolution and Critique of CSR ........................................................................ 10
  Stockholder versus Stakeholder Theories ................................................................. 12
  Nature and Components of Corporate Social Responsibility .............................. 20

Chapter Two ................................................................................................................. 26
  A History of the Petroleum Industry ........................................................................ 26
  Oil in Pre-Capitalist Societies ................................................................................... 26
  Industry and Organization ......................................................................................... 29
  Modern Oil Drilling: Age of the Oil Barons ............................................................. 31
  The Role of Oil in the World Wars ........................................................................... 61
  Post World War II Developments .......................................................................... 69
  The Era of OPEC ...................................................................................................... 77

Chapter Three ............................................................................................................... 96
  How the Joint Venture (JV) Operates ..................................................................... 102
  The Other Major Oil Companies in Nigeria ........................................................... 106
  Nigeria’s Natural Gas ............................................................................................. 111
  Nigeria and OPEC ..................................................................................................... 113

Chapter Four .............................................................................................................. 119
  Methods and Methodology ..................................................................................... 119
Acknowledgements

It was Cowper, the 18th Century English Poet who wrote, “But oars alone can ne'er prevail to reach the distant coast; the breath of heaven must swell the sail, or all the toil is lost.” First, I would like to say: praise be to Allah who taught man, with the pen, that which he knew not, and blessing upon His noble Prophet Mohammad (SAW). I am eternally grateful to my parents who first taught me how to read and write before I ever stepped into a school. In the words of the Quran, “My Lord, bestow on them thy mercy even as they cherished me in childhood” (17:24).

My thanks go to the management of Petroleum Technology Development Fund (PTDF) for sponsoring this research. I would also like to express my sincere gratitude to my supervisors for their support and encouragement. Prof Parker’s constant charming smile, like the golden morning sun, has been a source of inspiration to me while Dr Lilley, who I can simply describe as the best of the English heart, has made my research a pleasant experience. Likewise, I would like to express my gratitude to all my respondents who participated in this research.

Similarly, my heart-felt appreciation goes to my wife, Aisha, and my four children - Farouk, Ahmad, Abba and Maryam - for their invaluable company and patience. I would also like to extend my thanks to my great mentors Gen Aliyu Gusau and Dr Usman Bugaje, as well as all members of my family, especially Abubakar Abba, and friends, particularly Umar Ribadu Hammatukur, Abdullahi Kaura Abubakar, Sheikh Muhideen and Abu Malik for their unflinching support during the program. My special appreciation goes to my employer the Ministry of Foreign Affairs and my colleagues there particularly Ambassador Layi Lasinde for his hospitality and kindness as well as Arab Yadam, Hafiz Shehu and M. D. Umar for their encouragement. Last but not the least; I am grateful to the numerous others who contributed to this research one way or the other.
Abstract

This thesis examines the nature of the ascribed responsibilities of corporations in the petroleum industry with a focus on Shell and its stakeholders in Nigeria. It proposes and enacts an empirical approach to exploring the concept via an ‘ethnographic’ prism through respondents’ representational accounts based on a field work interviews and observations. It seeks to demonstrate that rich empirical data on the perceptions of stakeholders can offer fresh insights into the issue. This is significant bearing in mind that most of the literature on CSR is largely based on limited descriptive and extensive prescriptive theoretical expositions.

The thesis argues that making philosophical representational claims is not the exclusive domain of academic theorists and philosophers. Ordinary people also make philosophical representational claims in their day-to-day utterance. The thesis captures this using theories of representation deployed in action in analyzing the ascribed responsibilities of corporations within the realm of the debate between and among Shell and its numerous stakeholders in Nigeria.

It uses refining as a central metaphor in demonstrating that all representational claims that portray any version of any account are a result of refining through a process of blocking, summarizing, simplifying, and deleting claims and counter claims. Most importantly, the thesis offers a mouthpiece to the different categories of stakeholders, not on a judgmental basis as to who is right or wrong, but as an array of rich voices each articulating its own version based on its orientation, circumstances, and motives. The thesis concludes that responsibility is a contested concept that can best be interpreted in many different ways, without necessarily privileging one view or voice over the others.
List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE</td>
<td>Common Era</td>
</tr>
<tr>
<td>AG</td>
<td>Associated Gas</td>
</tr>
<tr>
<td>ARAMCO</td>
<td>Arabian American Oil Company</td>
</tr>
<tr>
<td>BBC</td>
<td>British Broadcasting Corporation</td>
</tr>
<tr>
<td>BCE</td>
<td>Before Common Era</td>
</tr>
<tr>
<td>BP</td>
<td>British Petroleum</td>
</tr>
<tr>
<td>CDO</td>
<td>Community Development Officer</td>
</tr>
<tr>
<td>CFP</td>
<td>Compagnie Francaise des Petrol</td>
</tr>
<tr>
<td>CIA</td>
<td>Central Intelligence Agency</td>
</tr>
<tr>
<td>CLO</td>
<td>Community Liaison Officer</td>
</tr>
<tr>
<td>CNL</td>
<td>Chevron Nigeria Limited</td>
</tr>
<tr>
<td>CSCR</td>
<td>Centre for Social and Corporate Responsibility</td>
</tr>
<tr>
<td>DPR</td>
<td>Department of Petroleum Resources</td>
</tr>
<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
</tr>
<tr>
<td>EFCC</td>
<td>Economic and Financial Crimes Commission</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>ENI</td>
<td>Ente Nazionale Idro carburi</td>
</tr>
<tr>
<td>EOR</td>
<td>Enhanced Oil Recovery</td>
</tr>
<tr>
<td>EPNL</td>
<td>Elf Petroleum Nigeria Limited</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GGESS</td>
<td>Gulf of Guinea Energy Security Strategy</td>
</tr>
<tr>
<td>GMoU</td>
<td>Global Memorandum of Understanding</td>
</tr>
<tr>
<td>IHRHL</td>
<td>Institute of Human Rights and Humanitarian Law</td>
</tr>
<tr>
<td>IPC</td>
<td>International Petroleum Commission</td>
</tr>
<tr>
<td>IYC</td>
<td>Ijaw Youth Congress</td>
</tr>
<tr>
<td>JDZ</td>
<td>Joint Development Zone</td>
</tr>
<tr>
<td>JOA</td>
<td>Joint Operating Agreement</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>JOA</td>
<td>Joint Operating Agreements</td>
</tr>
<tr>
<td>JV</td>
<td>Joint Venture</td>
</tr>
<tr>
<td>MEND</td>
<td>Movement for the Emancipation of the Niger Delta</td>
</tr>
<tr>
<td>MOSOP</td>
<td>Movement for the Survival of the Ogoni People</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MPNU</td>
<td>Mobil Producing Nigeria Unlimited</td>
</tr>
<tr>
<td>NAG</td>
<td>Non-Associated Gas</td>
</tr>
<tr>
<td>NAOC</td>
<td>Nigeria Agip Oil Company</td>
</tr>
<tr>
<td>NAOC</td>
<td>Nigeria Agip Oil Company Limited</td>
</tr>
<tr>
<td>NDDB</td>
<td>Niger Delta Development Board</td>
</tr>
<tr>
<td>NDDC</td>
<td>Niger Delta Development Commission</td>
</tr>
<tr>
<td>NDDC</td>
<td>Niger Delta Development Commission</td>
</tr>
<tr>
<td>NDRBA</td>
<td>Niger Delta River Basin Authority</td>
</tr>
<tr>
<td>NEITI</td>
<td>Nigeria Extractive Industry Transparency Initiative</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>NLNG</td>
<td>Nigeria Liquefied Natural Gas</td>
</tr>
<tr>
<td>NNOC</td>
<td>Nigeria National Oil Company</td>
</tr>
<tr>
<td>NNPC</td>
<td>Nigeria National Petroleum Corporation</td>
</tr>
<tr>
<td>NUPENG</td>
<td>National Union of Petroleum and Gas Workers</td>
</tr>
<tr>
<td>OAPEC</td>
<td>Organization of Arab Petroleum Exporting Countries</td>
</tr>
<tr>
<td>OMPADEC</td>
<td>Oil Mineral Producing Area Development Commission</td>
</tr>
<tr>
<td>OPEC</td>
<td>Organization of Petroleum Exporting Countries</td>
</tr>
<tr>
<td>PDP</td>
<td>People Democratic Party</td>
</tr>
<tr>
<td>PDVSA</td>
<td>Petroleos de Venezuela</td>
</tr>
<tr>
<td>PENGASSAN</td>
<td>Petroleum and Natural Gas Senior Staff Association of Nigeria</td>
</tr>
<tr>
<td>PPT</td>
<td>Petroleum Profit Tax</td>
</tr>
<tr>
<td>PSCs</td>
<td>Production Sharing Contracts</td>
</tr>
<tr>
<td>PTFND</td>
<td>Presidential Task Force on the Niger Delta</td>
</tr>
<tr>
<td>SNEPCo</td>
<td>Shell Nigeria Exploration and Production Company</td>
</tr>
<tr>
<td>SNG</td>
<td>Shell Nigeria Gas Limited</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>SNOP</td>
<td>Shell Nigeria Oil Products Limited</td>
</tr>
<tr>
<td>SPDC</td>
<td>Shell Petroleum Development Company of Nigeria</td>
</tr>
<tr>
<td>TOPCON</td>
<td>Texaco Overseas Petroleum Company of Nigeria Unlimited</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>VI</td>
<td>Victoria Island</td>
</tr>
<tr>
<td>WMD</td>
<td>Weapons of Mass Destruction</td>
</tr>
<tr>
<td>WWI</td>
<td>World War I</td>
</tr>
<tr>
<td>WWII</td>
<td>World War II</td>
</tr>
</tbody>
</table>
Political Map of Nigeria

1 http://www.google.co.uk/search?q=map+of+oil+producing+areas,+nigeria&hl=en&start=10&sa=N
Map of Rivers State

2 http://www.livingtongues.org/docs/Baan.pdf
Introduction

Refining the Problem

Waves of Interest in CSR

The emergence of corporations, especially from the beginning of the 1900s, and their rapidly growing influence and impact led to rising calls that the corporation should not exclusively focus on serving the economic interest of its owners only. Social responsibility was emphasised in addition to the main economic responsibility. The case for CSR in the petroleum industry, particularly with reference to Shell, has been growing as a result of the outcry from the public, notably environmental and human rights groups, over the destructive activities of oil corporations (Klein, 2000:379-387).

However, most of the literature on CSR was for the most part theoretical and not empirical in a detailed sense. The primary argument of this thesis is that a lot of insight can be gained in understanding the contentious nature of CSR through engaging with the stakeholders who are out there in the real world as opposed to exclusively relying on academic debates based on philosophical and theoretical grounds. It is in this respect that I conducted fieldwork in Nigeria focusing on Shell and its stakeholders with the aim of presenting an ‘ethnographic’ account. My approach involves collecting data through ethnographic through semi-participant observation and in-depth interviews similar to Watson’s (2001) which generate huge rich empirical data.

This thesis seeks to cover three main areas. First, it will review the global history of petroleum industry from ancient times to the present era, and consequently elaborate on the historical aspect relating to Nigeria. Secondly, it will use the interviews from the fieldwork in unleashing the rich voices of the numerous Shell stakeholders in Nigeria who present various perspectives on their understanding of CSR. Finally, it will deploy theories of representation in demonstrating that ordinary people also make philosophical representational claims (Law, 1994:4). However, I will also argue that the accounts of my respondents are guided by the motives of persuading the audience.
They are but refined and simplified versions of claims and counter claims aimed at persuading the audience on the plausibility of their versions of the story.

There are three main arguments to this thesis. First, responsibility is a contentious issue and is perceived differently by different people. The notion of CSR can best be seen as an expression of different perceptions, a sort of heterogeneity of voices reflecting the peculiar circumstances and interests of the category of each stakeholder. Like other things in the social world, it appears rather complex and messy. This leads us to the second argument. Creating order and logic can best be achieved through a process of vision and division. One of the ways of looking at the world is to divide things into categories. It follows that, as in refining, subjecting things to further in-depth analysis will further break them down into more distinct classes where previous assumptions will dissolve away. Even the assumption of unity among each category from a distance will eventually no longer hold as one puts things to an ever closer scrutiny. What we see depends on the scale we are using and the distance involved. Third, the material and the social are not ordered entities out there but are always in an ordering process involving breaking down, collapsing and re-creating. CSR in the petroleum industry revolves around oil and the social process, making up the material and the social. I use ‘refining’ as a metaphor in creating logic and hinging my arguments. Oil as a material caused by faults and divisions in rocks is further divided in order to be used in the social, portraying a scenario where division creates coherence. I will now explain my respondents’ conception of CSR.

My respondents’ operationalization of CSR largely reflects its connotation as defined by the Online Etymology Dictionary (2007) where Corporation implies ‘incorporated company for doing business,’ while ‘social’ is defined as, ‘living or liking to live with others, disposed to friendly intercourse’ and responsibility meaning, ‘morally accountable for one’s actions.’ Hence, they are concerned with how Shell as a corporation is supposedly disposed to friendly intercourse with its stakeholders and to what extent it takes moral consideration of its actions that impact on others. It will reveal that there is much to be learnt from analyzing the concept in this light.
Representation of the Niger Delta Crisis in the West

The struggle of the oil producing communities in the Niger Delta was portrayed in moral terms in the West as one between an innocent people on the one hand, and an irresponsible Shell and a repressive Nigerian state on the other. This was particularly so after the execution of the Ogoni writer and activist Ken Saro Wiwa and eight others on November 10, 1995. The coverage of the issue, and an editorial, by the Independent newspaper (November 11, 1995) reflect the typical liberal position in Western media on the issue.

In its news coverage, the newspaper described the earlier postponement by Commonwealth leaders, who were holding a summit in New Zealand, to discuss alleged human rights abuses (apparently referring to the situation in the Niger Delta) by the Nigerian government as “a monstrous misjudgement”. It stated that Ken Wiwa, the son of Saro Wiwa and Wole Soyinka (a nobel laureate and opposition figure to the Nigerian government) were also present in Auckland to lobby the Commonwealth to impose sanctions on the Nigerian government for its alleged violations of human rights days before the executions were carried out. It described the timing of the execution of the Ogonis by the Nigerian government as deliberately designed to snub the authority of the Commonwealth, “a call, in a sense, for the organisation to do its worst.”

According to the paper, the heads of state and government in Auckland were horrified and outraged by the execution. The then UK Prime Minister, John Major, called it a “fraudulent trial, followed by judicial murder,” President Nelson Mandela described it as “heinous act” while Washington, hastily, recalled its ambassador to Nigeria in fury. But interestingly none of the countries called for sanctions on Nigeria’s oil. The paper attempted to give a background to the case. It described Saro Wiwa as “a major irritant who attracted international support in his campaign against the exploitation of Ogoniland” by the military government and Shell and went on to acknowledge that he was “jailed in connection with the May 1994 murders of four Ogoni chiefs who
opposed the more confrontational tactics of his movement for the Survival of the Ogoni People.” However, in its editorial, the Independent stated that, “His conviction was the result of his brave campaign on behalf of the Ogoni people.” It called on the Commonwealth to impose an oil embargo on “the corrupt regime in Lagos” stressing that, “The courage of Saro Wiwa and his commitment to human rights demands nothing less than the toughest response.”

This thesis sets out to question this type of representation: is this an accurate presentation of the situation? Is the situation as simple as represented to the outside world? Or is it much more complex from the Nigerian perspective? Do the majority of the people of the Niger Delta share Saro Wiwa’s view or was he just representing an extremist few who successfully hijacked Western public opinion for their own narrow interests? Might there be other reasons why the Western media was consistently projecting this view? This thesis seeks to address these questions through interviewing the different stakeholders in Nigeria’s petroleum industry. Just as oil itself is produced by a process of division, so will we see that simplified accounts are produced from more complex ones. My thesis is different in that, like Watson’s (2001), it is based on empirical approach. In the next section I will explain the differences between crude oil, petroleum and oil as well as the products that emerge from refining crude oil and link it to ‘fractioning’ in the social.

**Crude Oil, Oil and Petroleum Refining**

Crude oil is the murky thick substance that drillers first get from the ground. It is usually mixed with water and other impurities. In itself, crude oil is categorized as fossil fuel which was formed from decaying plants and animals in sea beds millions of years ago. Crude oil contains hydrocarbons. According to Freudenrich (2006), on average crude oil is made up of carbon (84%), hydrogen (14%), sulphur (3%), nitrogen, oxygen, and salts (1% each) and metals (less than 1%). Hydrocarbons are molecules that contain hydrogen and carbon that come in chains of different lengths and structures. Hydrocarbons contain vast amounts of energy in different forms from the smallest which is methane (CH₄), a gas lighter than air to solid ones like tar or wax
The differences in the products extracted from crude oil come from the lengths of the carbon chains. The shorter the chain, the lighter it is and the longer the chain, the denser it becomes.

Crude oil contains hundreds of different types of hydrocarbons and it has to undergo refining in order to separate the mass into several products that can be used. The refining process takes place through subjecting the crude oil to boiling which separate the different products through a process of distillation by different vaporization temperatures. In other words, the crude oil is boiled and the vapors are separated using the differences in temperature at which they condense (see illustration 1.0 below). Nowadays chemical processing is done in order to convert some of the products into other forms. Refined crude oil will typically give the following products:

1. Petroleum gas: with 1-4 carbon atoms (at 40 degrees Celsius) used in cooking, heating and making plastics
2. Naphtha (ligroin): with 5-9 carbon atoms (at 60-100 degrees Celsius) usually used as solvents and also re-processed into gasoline
3. Gasoline: with 5-12 carbon atoms (at 40-205 degrees Celsius) used as motor fuel
4. Kerosene: with 10-18 carbons (at 175-325 degrees Celsius) used as fuel for lighting in pre-electricity era and nowadays in some parts of the third world, particularly in the rural areas where electricity is not available as well as a fuel for jet engines. Kerosene can also be converted into raw material for making other products
5. Gas oil or diesel distillate: with 12 carbons and upward (at 250-350 degrees Celsius) used as diesel fuel and heating oil as well as raw materials for other products
6. Lubricating oil: with 20-50 carbon atoms (at 300-370 degrees Celsius) is used as grease for lubricating purposes.
7. Heavy gas or fuel oil with 20-70 carbon atoms (at 370-600 degrees Celsius) used as industrial fuel and raw material for other products.
8. Residuals: with 70 and above carbon atoms at 600 degrees Celsius and comes in the form of coke, tar, asphalt, and waxes for road construction and also used as raw material for other products.

When the crude oil is separated from the water after drilling and ready to be refined it is simply referred to as oil. However, when it is subjected to refining the different by-products are called petroleum products. However, conventionally the terms are used interchangeably (Freudenrich, 2006:1-4).

![Illustration 1.0](http://science.howstuffworks.com/oil-refining2.htm)

In the course of this thesis I will demonstrate that just as oil is fractioned through the process of refining in the physical realm for many uses, so also my respondents reveal processes of divisions in the social. They use language in order to construct difference which they deploy in an attempt to represent themselves as well as others. This necessarily involves making claims about the responsibilities of businesses, states and individuals, though not in simple or predictable ways. Any formulation of the social responsibilities of business depended on who I was talking to at the time. In the next section, I will present an outline of my chapters.
Chapter Outline

The thesis is divided into nine chapters and an introduction. The introduction focuses on refining the problem. Chapter one examines the evolution and critique of Corporate Social Responsibility (CSR) pointing out that the emergence of the modern corporation led to a shift from the strict traditional role of businesses as exclusively concerned with the economic responsibility of making profit for their shareholders to the inclusion of social responsibility. It also dwells on the stakeholder theory. Similarly, I explain the process of oil refining and link it to fractions in the social. I also argue that conducting an empirical ‘ethnographic’ study on CSR can go far in complementing the largely theoretical literature on the subject.

Chapter two focuses on the history and evolution of the petroleum industry from as far back as 300 BCE when bitumen was used in strengthening the walls of Babylon and Jericho to the role of oil in the Gulf Wars during the 1990s. It argues that although modern drilling was said to commence in 1859 in America, the process of distillation was developed in the Orient. The entry of oil barons and their corporations, notably J.D. Rockefeller and his Standard oil company, did much in changing the structure of the industry from one full of small players to one controlled by few powerful companies. It captures how oil contributed in giving victory to the Allies during WWII. The chapter also analyses how the scramble for oil concessions across the world by the seven sisters including Shell, eventually led to series of nationalizations of the multinationals by some of their host states and the evolution of OPEC which strengthened the hands of oil producing states in determining international oil prices.

Chapter three focuses on the emergence of Shell as the earliest and most prominent oil company in Nigeria. It argues that although as the 6th largest producer in OPEC, Nigeria plays a crucial role in global oil supplies; the security situation in the Niger Delta is threatening the future of the country’s petroleum industry.

In chapter four I outline my research methods and methodology, explaining their advantages as well as shortcomings. I explain what it entails to conduct the fieldwork in Nigeria. I argue that I cannot pretend to be a neutral observer who can render an
‘objective’ account that whether I conceal or express my voice, as researcher I am more of a participant in deciding the direction and content of the research than a distant neutral observer.

The next two chapters contain my ‘ethnographic sojourn’ which took me to three prominent Nigerian cities and their surroundings. I spent about ten weeks travelling to Port Harcourt, Lagos and Abuja making observations and interviewing respondents from the different categories of Shell stakeholders, including the company’s spokespersons. In total I did 37 interviews with my respondents, covering numerous issues from their relationship with Shell, views on CSR to other contentious issues in Nigeria’s petroleum industry. I give it the title ‘the story as told by respondents’ because I tried not to inject my commentary in an attempt to allow the reader to draw their independent conclusion rather being left with no choice than accepting my conclusions.

In chapter seven I explain the theoretical framework I will subsequently use in analyzing my data in chapter seven. I attempted analyzing the data presented in chapter three using Law’s (1996) theories of representation. The aim is to excavate the philosophical undertones of my respondents as they make representational claims. In chapter eight, I demonstrate that while projecting one form of philosophical strand or the other (empiricism, poststructuralism and pragmatism) my respondents were also using rhetoric of motives and persuasions in trying to convince the audience of the plausibility of their versions of the story. I employ refining as my central metaphor in demonstrating that much understanding can be derived from breaking down the representational claims and re-creating a coherent account. Similarly, due attention was also paid to theoretical interpretation.

In the final chapter I present my representational claims, using some empirical evidence. I argue that the versions presented by Shell, the host communities and the Nigerian government officials, are largely refined arguments representing what they want others to know and excluding other fundamental issues that are either concealed
or deleted in an attempt not to deflate their arguments. I also present what I believe would be workable solutions to some of the problems raised.

In the next section, I will make a short review of some of the major CSR literature demonstrating the shifting focus of the subject over the past several decades.
Chapter One

CSR and the Notion of Stakeholders

Introduction
In this chapter, I will begin with a brief overview of the literature on the evolution and development of CSR (Corporate Social Responsibility) in order to give the reader a glimpse of what is going on in the subject area. I will then examine the arguments and critique of stockholder and stakeholder theories of the firm and their implications on the role of management of the corporation. I will analyze the core reasons for those who call on the corporation to shoulder social responsibilities and that of those who are opposed to such calls. I will also look into the justification for CSR and the various categories of social responsibilities that the corporation can undertake from the economic, legal to ethical and philanthropic. I will conclude by demonstrating the convergence of purpose between CSR and the identification of stakeholders. This is very crucial because, as we will see later in the thesis, the arguments of my respondents centre on the role of the corporation and its perceived obligations to its various stakeholders.

The Evolution and Critique of CSR
Early literature relating to CSR began with discussions on social responsibility (SR) rather than Corporate Social Responsibility (CSR). This can be traced as far back as 1930 including Barnard’s (1938) *The Functions of the Executive* and Clark’s (1939) *Social control of business*. In the 1940 Krep published *Measurement of the Social Performance of Business* and about a decade later Bowen (1953) came up with *Social responsibilities of the business man*. Thereafter many writers including, Eell (1956), Heald (1970), Selekmman (1959), Davis (1960), McGuire (1963) and Davies and Blomstrom (1966) focused on the theory and practice of corporate responsibility with an emerging trend on the definition of social responsibility.
The first significant publication that added the qualifier, “corporate” was Walton’s (1967) *Corporate Social Responsibilities* (Carroll, 1999: 272) which specifically made references to the phrase ‘corporation’. In 1971 the American Committee for Economic Development (CED) comprising business men and academics published *Social Responsibilities of Business Corporations* offering the model of three different layers of corporate social responsibilities. Similarly, in 1972 the American Enterprise Institute sponsored two economic professors to write *The Modern Corporation and Social Responsibility* on the modalities of social responsibility. In 1973 Davies presents the debate for and against CSR citing advocates for social responsibility such as Samuelson (1971) and antagonists such as Friedman (1962).

In the second half of the decade, the call for CSR focused on the social and environmental ills caused by corporations, the need for corporate social disclosure, additional models for conceptualizing CSR as well as critique of the empirical and theoretical basis of the existing CSR literature (Fitch 1976, Abbott and Monsen 1979, Carroll 1979, Zenisek 1979).

According to Carroll (1999), in the 1980s the literature emphasized corporate social responsiveness and new modes of conceptualization of CSR. He cited Jones (1980), Tuzzolino and Armandi (1981) and Dalton (1982) to back up the claim. In 1984 Drucker argued for the compatibility of profitability and responsibility, which was followed by an empirical study on the issue by Aupperle, Carroll and Hatfield (1985). In the 1990’s the literature on CSR proliferated, largely attempting to establish more dimensions to CSR. Recently, texts focused on critique of the concept within the framework of business ethics (Jones, Parker and ten Bos, 2005) while others concentrate on regional perspectives (Matten and Crane, 2007). In the next section I will critically examine the arguments of the stockholder and stakeholder theories so that the reader will appreciate the different opinions on corporate social responsibility.
Stockholder versus Stakeholder Theories

The traditional stockholder theory of the firm argues that the corporation exists essentially to increase the stock value of its shareholders. Although the corporation engages in economic activities that benefit the larger society by providing goods and services that satisfy the needs of its members, the primary motive for investors in a capitalist system is to make profit. While it is true that the corporation in its operations provides employment for members of society, the theory argues that the purpose of doing so is simply to get the job done rather than fulfilling the social responsibility of keeping people employed. In other words, the corporation is seen as a business venture that has the sole responsibility to increase the profit of its shareholders. It is not supposed to undertake social responsibilities such as philanthropic activities. Social responsibilities are supposed to be tackled by politicians who are elected to for that purpose.

On the other hand, others argue that the operations of the corporation affect others and these others genuinely have a stake in it. The list includes employees who not only rely on the corporation for wages but they also put in their talents and good part of their lives to the corporation. The host community also has a stake in the corporation since, for example, the corporation may be using its resources or polluting the environment. Likewise governments, both local and national, may be deriving taxes from the corporation and can therefore be affected both by the opening and closure of a plant. A host of others, including local businesses who supply goods and services to the corporation and customers who rely on the corporation for goods and services also have a stake in the existence of the corporation. In the subsequent sections, I will examine the stockholder and stakeholder theories of the corporation and their respective implications for CSR. First I will begin with the stockholder theory which is also referred to as the traditional theory of the firm.

The Stockholder Theory

Although several writers (Levitt, 1958, Davies, 1973, Mintzberg, 1983) argued that the corporation have the sole responsibility of increasing the value of shares for its
shareholders, the oft-mentioned advocate and defender of the traditional theory of the firm is Milton Friedman, the Nobel Prize winner in economics. In a famous article he published in the *New York Times* (September 13, 1970) titled “The Social Responsibility of Business is to increase its Profits,” Friedman argued that the social responsibility of business in a free-enterprise system is to increase the profits of its shareholders. He criticized those who suggest that the corporation should also be concerned with addressing issues relating to employment, discrimination and pollution. He accused business people advocating for such responsibilities of being puppets of what he described as the intellectual vanguards working to undermine the basis of free society. The arguments of those advocating for social responsibilities for business, he continued, lack analytical rigour.

He stated that the role of the corporate executive, and by extension that of management, is to act as an agent or employee of the owners of the business and are supposed to further their aims and objectives, which he described as maximizing profit but at the same time conforming to the necessary rules of society, in terms of both law and ethical custom. He argued that the corporate executive has a direct responsibility to his employer and should only act as an agent and not in their capacity as businessman (or woman). He believes that it is improper for the corporate executive to hesitate in increasing prices for the sake of contributing in the social objective to minimize inflation, or spent beyond what is legally required in order to reduce pollution, or hire ‘hardcore’ unemployed for the sake of reducing poverty. He asserted that although such acts may seems ethical and may serve society’s collective interest, it would be irresponsible because it would mean reducing profits for stockholders or raising prices for customers or lowering the wages of employees in order to cover for such “social responsibilities.” He likened such to imposing taxes on others and deciding how the proceeds will be spent. He concluded that this amounts to wrongly undertaking the role of an elected government.

Instead, he suggested that it would only be appropriate to allow the individual stockholders, customers or employees to use their resources individually in pursuing
such objectives if they wish to do so. The chief executive or the management of the corporation has no right to engage in such activities or shoulder such responsibilities because that is not what they were employed for. To do so the chief executive would make himself the legislator, executive and jurist at the same time. He decides whom and how much to tax and for what purpose to expend the revenue on. He does the above while claiming to curb inflation, protect the environment, eradicate poverty, etc.

He explained that in a ‘free society’ it is the responsibility of the legislature to decide on tax and expenditure rates, the executive collects it and administers how it is spent, and the judiciary to mediate in any conflict arising between the three. But the corporate executive who undertakes such “social responsibilities” is in essence trying to play all the three at once without the least authority to do so. He is a sort of an impostor who wants to engage in political roles using undemocratic procedures to serve his own version of the social good. In essence it will make him more of a public employee and he will be acting as a principal, political one - albeit unelected - rather than an agent of shareholders. In addition, since he is not an expert on curbing inflation, tackling environment destruction and unemployment, it simply means he is undertaking tasks he is not specialized in and is likely to make a mess out of it.

Friedman further pointed out that part of the consequences of undertaking such unprofessional roles include the risk of being sacked by stockholders or divestment for misusing what is supposed to be part of their profits. Also, employees who suffer lower wages because the executive choose to undertake such “social responsibilities” can opt to join rival firms. Similarly customers who pay for such projects through higher prices may be forced to go for competitive products and services from rival firms.

On the other hand, Friedman argued that where engaging in such activities serves the long or short term interest of the corporation, it is not social responsibility as such but he described it as pursuing profitability under the cloak of social responsibility. Examples include providing amenities to host communities in order to attract
employees or avert losses from pilferage and sabotage by members of the host community. He seems to suggest that genuine social responsibility can only be done out of altruism and not for some hidden corporate gains or so-called enlightened self-egoism.

In essence, he is arguing that it is improper for the corporate executive to undertake social responsibilities by taxing stockholders, employees or customers. They should be allowed to do so individually out their own conviction. To do otherwise would undermine the basis of free society and that is why he described corporate social responsibility as a ‘fundamentally subversive doctrine.’ Where the corporate executive justifies engaging in social responsibilities because it serves corporate interest, it is no longer social responsibility but profitability under the guise of social responsibility. He concluded that in a free society, “there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.” In the next section, we will present the arguments of those who disagreed with Freidman, and believe that the corporation has multiple stakeholders and should engage in social responsibilities.

**The Stakeholder Theory**

Proponents of stakeholder theory believe that although the corporation has the responsibility of increasing the share value of its investors, it should also take into cognizance the numerous others who have a stake in its existence. While shareholders can be affected by the profitability or otherwise of their investment, others including employees, customers, competitors, suppliers, host communities, governments and even the environment are also being affected by the existence and operations of the corporation in different ways. Therefore, to restrict stakeholders only to shareholders would be inadequate and short-sighted. According to the theory any individual or group who affect or are being affected by the corporation can be considered as a stakeholder (Mitchelle, Agle and Wood 1997, Freeman and Reed 1983 and Freeman 1984).
Although several writers (Alkhafaji 1989, Thomson, Wartick, and Smith 1991, Donaldson and Preston 1995) attempted giving their own definition of stakeholders, Freeman’s (1984) definition is the one oft-cited by other authors. He stated that, “A stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization’s objectives” (1984:46). Philips (1997) criticized this widely-used definition by arguing that it is too broad and all-inclusive such that even terrorists can be considered as stakeholders since their action can affect the corporation. He used the idea of the principle of fairness to keep some groups, such as terrorists, out of the stakeholder group. He argued that, “they are not voluntary members of a cooperative scheme for mutual benefit and as such are not stakeholders.” Likewise others like Donaldson and Preston (1995) added the qualifier ‘legitimate.’ They defined stakeholders as, “persons or groups with legitimate interest in procedural and/or substantive aspects of corporate activity. Stakeholders are identified by their interest in the corporation, whether the corporation has any corresponding interest in them” (67). Donaldson (1989) offered a critique of stakeholder theory,

Despite its insights, the stakeholder model has serious problems. The two most obvious are its inability to provide standards for assigning relative weight to the interest of various constituencies, and its failure to contain within itself, or make reference to, a normative, justificatory foundation (45).

He used a hypothetical contract argument to make up for the perceived deficiency. However, Phillips (1997) suggested a better alternative to Donaldson’s (1989) contract argument. He used the principle of fairness as a criterion,

I believe a superior normative model of stakeholder relations can be found in the idea of an obligation based on what has been called “fair play” or “fairness”. Obligations of fairness arise when individuals and groups of individuals interact for mutual benefit. Such persons and groups engage in voluntary activities that require mutual contribution and restriction of liberty. These voluntary activities provide a normative justification (on par with consent) for the idea of stakeholder
management (52).

But he admitted that even the principle of stakeholder fairness only provides for the generation of obligations between the parties but offered very little on the content of the obligations. He suggested that it is the responsibility of the manager not to simply make decision on the interest of its stakeholders using their own ‘armchair’ perception but to engage in actual dialogue with them in order to get an accurate representation of their interest. This should form of the information upon which decisions should be based.

Others (Evan and Freeman, 1993, and Crane and Matten 2007) used the principles of corporate rights and corporate effects in justifying their argument for the stakeholder’s theory. They argued that any individual or groups who benefits, or suffers harm from the existence or operations of the corporation, or those whose rights need to be respected are stakeholders in the corporation. The principle of corporate rights holds that the corporation has the responsibility not to violate the rights of others. On the other hand, the principle of corporate effects argued that the corporation should be liable for the effects of its operations on others. Mitchell, Agle and Wood (1997) went ahead to present a list of ‘primary’ and ‘secondary’ stakeholders. They described them,

- as owners and nonowners of the firm; as owners of capital or owners of less tangible assets; as actors or those acted upon; as those existing in a voluntary or involuntary relationship with the firm; as rights-holders, contractors, or moral claimants; as resource providers to or dependents of the firm; as risk takers or influencers; as legal principals to whom agent-managers bear a fiduciary duty (853-54).

They pointed out that, “Persons, groups, neighborhoods, organizations, institutions, societies, and even the natural environment are generally thought to qualify as actual or potential stakeholders.” (855). In addition, Crane and Matten (2007) observed that there is a distinction in the definition of the concept between the traditional model which limits the number of stakeholders to stockholders, employees, customers and
suppliers and the other models which added other groups such like governments, competitors and civil society.

**Justification for the Stakeholder Theory and its Implications**

It is understandable that shareholders put in their hard-earned savings in the corporation by buying shares and they deserve to have their interest promoted by the corporation. They can expect management to dance to their tune. But why should the corporation worry about other stakeholders such as employees, host communities, suppliers, etc, when they get paid and derive benefit from the corporation. De George (2006), and Crane and Matten (2007) attempted to respond to this question from two perspectives. First, they believe that it will be difficult for the corporation to deny or ignore the other stakeholders for legal reasons. In its operations, the corporation engages in legally-binding contracts and agreements, both explicit and implicit, with its stakeholders. For example, it is bonded by the agreement it signs with its employees on wages and conditions of service. Likewise, it goes into contractual agreements with its suppliers on the terms and conditions for the supply of its requirements as well as the period and mode of payments. By so doing the corporation has implied that others are not only important for its survival but they also can be expected to claim to have a stake in the corporation. They are important both to the short and long term existence of the corporation.

Secondly, others like host communities, local businesses, customers and government can lay a claim to having a stake in the corporation from the angle of externalities. The argument is that the existence or closure of the corporation has consequences on such groups. The opening of a plant will, even if inadvertently, lead to the emergence of support service around it. It will lead to more demand for things like accommodation, schools, health centres and other social services. Likewise, its closure will have an adverse effect on employees as well as those who get their income from working for such services. In the particular case of governments, both local and national, the opening of a plant will mean additional income from taxes while closure will translate
into drop from corporate tax. In this way government budgets for social services which rely on revenues generated from taxes will ultimately be affected.

De George (2006) also presented the argument that shareholders are mostly speculators who are interested in the share prices of stocks rather than the long term interest of the corporation. When share prices increase they will be happy to keep their investment but when prices are crashing they will not hesitate to dispose of their stock and invest elsewhere. They are portrayed as gold diggers whose loyalties are more with profitability than the long term survival of corporation. In contrast, others such as employees, suppliers and host communities are more interested in the long term sustainability of the corporation rather than short term profitability. Technically they can claim to have more at stake in the survival of the corporation.

The traditional stockholder theory argued that the management of the corporation has the fiduciary responsibility of acting as agents of shareholders by promoting their interest which is usually associated with profitability. Management has no additional responsibility to others such as employees and suppliers beyond paying them for what they do. In other words, they are not equals to, or to be treated like, the shareholders. Accepting the notion of having series of stakeholders as proposed by the stakeholder theory mean that the role of management has to fundamentally change. It no longer acts as an agent of shareholders but as a trustee of the corporation, more of a relatively principal agent rather than a subordinate to shareholders. Management, under the stakeholder theory, is supposed to represent the interest of all the stakeholders. Its decisions will no longer be based solely on increasing the share value of stockholders. The well-being of employees, suppliers, host communities, etc have to be taken into consideration in taking decisions. However, the theory does not negate pursuing profit for shareholders, “But it realistically interprets this to mean the best returns possible in the long-run, consistent with fulfilling its obligations as well to all other stakeholders” (De George 2006:189).
Nevertheless, in extreme cases it could mean that management may, for example, instead of shutting down an unprofitable plan, decide to keep it going by subsidizing it from other sources in order to avoid creating social problems associated with retrenching workers and other adverse consequences on the host community the closure will create. This can be justified by the fact that the employees devote their time, energy, talent and part of their livelihoods at the service of the corporation and the closure will have an adverse impact on them, their families and communities. Without them, it can be argued that the corporation would not have been operational and it would not be too much to expect from the corporation to also make some sacrifices on their behalf.

In essence, stakeholder theory is advocating that management should play the fiduciary responsibility of protecting the overall interest of all the stakeholders in a corporation instead of acting simply to promote the interest of shareholders, who are usually interested only in maximizing profit out of their investments. The theory does not, however, negate the need to generate profit for shareholders but it is arguing that even while doing so, it should also ensure that the other stakeholders derive corresponding benefits or at least are not made to suffer disadvantages because of management’s concern with increasing profitability: “The stakeholder approach, taken as a theory of the firm, is not a distinctively moral approach to the corporation. It is compatible with utilitarian and deontological approaches, as well as with using second-order moral judgments. It simply requires that all those whose interests are involved get fair consideration” (De George 2006:191). Next, I will examine the different elements that constitute CSR and the connection between CSR and stakeholders.

**Nature and Components of Corporate Social Responsibility**
Crane and Matten (2007:48) identified four reasons why corporations should consider the interest of others beyond that of shareholders. First they argue that corporations cause social problems such as improper waste disposal, pollution etc and hence have a responsibility to solve the problems they have created and look out for ways of
avoiding repeating similar problems. Secondly, corporations control huge resources in society and therefore have a responsibility as a member of the society to use such powers and resources responsibly. Third, the operations of corporations have impact on society. The impact may be positive, negative or neutral but they have the responsibility of taking into consideration the consequences of its action.

Most of the literature that explains the different aspects of CSR reflects a four-part model presented by Carroll (1991). According to the model, CSR constitutes four different but related aspects made up of economic, legal, ethical and philanthropic responsibilities. He presented the four aspects in the form of a pyramid with economic responsibilities at the base, followed by legal responsibilities. Next comes ethical responsibilities and at the peak of the pyramid are philanthropic responsibilities. The main argument of the four-part representation of CSR is that the corporation has ethical and philanthropic responsibilities in addition to widely-accepted economic and legal responsibilities. The economic and legal responsibilities have been recognized for a long time, it is the ethical and philanthropic aspects that are being brought to lime light. This largely explains why CSR is, particularly in the public domain, usually associated with voluntary or discretionary acts. Carroll (1991) described the four aspects as “spectrum of obligations” businesses owe society. He used key words in differentiating between the four types of responsibilities. He described economic and legal responsibilities as required by society, ethical responsibilities as expected by society while philanthropic responsibilities as desired by society. He proposed the model with the hope that it will be “useful to executives who wish to reconcile their obligations to their shareholders with those to other competing groups claiming legitimacy” (Carroll, 1991:39).

He explained the four types of responsibilities as follows:

1. Economic responsibilities: include the need to operate in such a way that increases share value and overall profitability. He sees a responsible firm as one that is ‘consistently’ profitable through high level of efficiency. He
explains that historically although investors or entrepreneurs were after profits, the firm was established mainly to serve the purpose of providing society with goods and services. It was after sometimes that ‘the profit motive’ changed into the notion of ‘maximum profits.’ He concluded that the economic responsibility is the foundation upon which all the other three responsibilities rest.

2. Legal responsibilities: require that the firm fulfil the expectations of the law by complying with all federal, state and local regulations. He emphasised on the need for the firm to be a law-abiding corporate citizen that fulfils all its legal obligations. This covers not only the laws that regulate its operations but also providing goods and services to its customers that meet the minimum legal requirements. He referred to the legal responsibilities as the ‘codified ethics’ or ‘social contract’ that regulates the relationship between businesses and society.

3. Ethical responsibilities: include the necessity to operate in conformity with the customs and ethical values of the society in which the corporation is operating. It include the need to operate high standards by complying with societal expectations as well as prohibitions that are considered as just and fair even though such were not legally binding. He suggests that the corporation can achieve this by giving consideration to principles of moral philosophy such as utilitarianism, justice and rights. Moreover, it is also important to identify and recognize emerging ethical norms in society and respect such. He added that it is also important not to compromise societal ethical norms for corporate gains. He defined corporate citizenship as doing what is morally and ethically expected of the corporation and that corporate integrity and ethical behaviour go beyond merely complying with laws and regulations. He referred to the ethical as doing ‘what is right, just and fair’ and avoiding or minimizing harm to stakeholders.
4. Philanthropic responsibilities: cover corporate activities that present the corporation as a good corporate citizen before society. The essence is to project goodwill and promote welfare. The corporation is expected to meet some of the charitable and philanthropic expectations of society such as sponsoring arts and providing assistance to educational institutions and community projects. He believes that managers and employees should participate in charity and voluntary works in their local communities. In general the corporation should engage in activities that enhances the “quality of life” of their host community. The distinguishing feature between ethical and philanthropic responsibilities is that the latter is not expected by society as an ethical or moral demand and corporations who failed to meet such are not regarded as unethical. He described philanthropic responsibilities as ‘highly desired and prized’ by society but not as important as the other three classes of responsibilities.

Carroll (1991) argued that a socially responsible corporation should combine the task of making profit, obeying the law, being ethical and a good citizen. He criticised Friedman for emphasizing more on the economic responsibility of maximizing profits for investors and expecting “the unfettered workings of the free market system” to take care of the other set of responsibilities. But on another note he pointed out that Friedman’s statement that the chief executive should strive “to make as much money as possible while conforming to the basic rules of society, both those embodied in the law and those embodied in ethical custom” is an admission to economic, legal and ethical responsibilities. What is then missing in Friedman’s argument is philanthropic responsibility. But he believes, unlike Friedman, that business executives recognise and accommodate philanthropic responsibilities under the cloak of enlightened self-interest.

**Conclusion**

As argued by Carroll (1979), there is a natural convergence between CSR and the idea of stakeholders. The former is vague and abstract and it is the stakeholder idea that
gives ‘names and faces’ to which the corporation is socially responsible to. In essence, we cannot meaningfully make sense of how a corporation can be socially responsible without identifying those ‘socials’. The stakeholder theory tells us that the target or object of CSR is the stakeholders whether considered only as shareholders or a totality of a combination of host of others such as employees, customers, suppliers, host communities, governments, pressure groups, the natural environment, etc.

The difficulty, however, arises in the significance or weight being attributed to the different stakeholders. Although we can infer some distinctions from Carroll’s four layers of social responsibility, it is still very difficult to argue if employees or customers, suppliers or pressure groups should be given more consideration when management is making decisions. For instance, the corporation has no right to shut out job applicants because of their race or gender. If the corporation does so they can claim that they have been negatively affected by the corporation and they have a stake in the corporation as members of society not to be discriminated against. But it is very difficult to conclude they have same right as other stakeholders such as powerful institutional investors. Many authors who try to resolve this tension (including renowned ones such as De George 2006) offer largely prescriptive justifications in their approach. They simply outline what they think should be management’s responsibility to each group of stakeholders.

Others, including Carroll (1999), Donaldson and Preston (1995), and Mitchelle, Agel and Wood (1997) attempted offering some criteria to be used such as a group’s legitimacy on, or its power to influence the management of the corporation. They offered prescriptions for the corporation based on a ‘win-win’ stakeholder management. Mitchelle Agel and Wood (1997) also proposed descriptive sorting criteria such as claimants versus influencers, and actual versus potential in ascribing eight or significance to stakeholders. Likewise, they also came up with other classifications such as latent, dormant, discretionary, demanding, expectant, dominant, dependent and dangerous stakeholders in attempt to capture their significance to the corporation. But as we will see later in the thesis, in the real world as I found out in
my interviews with Shell’s stakeholders in Nigeria, stakeholder management is not
easy in practice and the conflict of interests is far deeper and much more complex than
what theoretical postulations project. In the next chapter, I will recapitulate the history
of the petroleum industry. It will demonstrate the universal importance of petroleum
as a commodity and give the reader the necessary context within which to situate
Nigeria’s petroleum industry.
Chapter Two

A History of the Petroleum Industry

Introduction

This chapter traces the history of the petroleum industry from ancient times to its modern day role in the modern world. I will begin by explaining how ancient oil seepages were collected in minute quantities for medicinal purposes in centuries gone by and proceed to the 1850s when modern oil drilling in commercial quantities commenced. I then explore the scramble by multinational oil companies to secure concessions in different parts of the world, the role played by oil in the two world wars and the struggle between the multinationals and the host oil producing states over the control of the industry in the 1960s with the creation of the Organization of Oil Exporting Countries (OPEC). In doing so, the chapter demonstrates how oil remains a strategic commodity, unlike any other, whose price and control not only have direct consequences on the world economy but can also lead to diplomatic and military confrontation. Although I have tried to reference the specific sources I used in this chapter, my overall framework was based on Yergin’s (1991) account which extensively covered the history of the petroleum industry.

Oil in Pre-Capitalist Societies

The conscious search for oil in commercial quantities began in the 1850’s in the US. Prior to that, oil seepages had been noticed for hundreds of years in many regions of the world. In the Middle East as far back as 3000 BCE bitumen oil seepages were being collected on the Euphrates, around contemporary Baghdad. It was used in building and road construction: “It bound the walls of both Jericho and Babylon. Noah’s ark and Moses’ basket were probably caulked…with bitumen to make them waterproof” (Yergin 1999: 24).

The emergence of Zoroastrianism in the Middle East and Asia was attributed to the escaping gases that burnt perpetually in ancient Persia. Forbes (1958) attempted to
capture the early history of the petroleum industry in different regions of the world. He observed that after the collapse of the Persian empire there was a dearth of history of petroleum until the rise of Islam when several authors including Ibn Hauqal, Al-Muqaddasi, Al-qazwini and Ibn Jubair wrote on how ancient oil seepages were being exploited and how ‘new ones such as those of Baku were more fully investigated’ (Forbes 1958:vii). He cited early Arabic texts such as that of Al-Razi describing the process of distilling petroleum and the debates by Arab jurists in the tenth and eleventh century, which included issues such as how petroleum can only be allocated to others by the Sultan. Indeed the word ‘naphtha’ originated from the Arabic term ‘naft,’ used “for both liquid crude oil and light distillates” (Forbes, 1958: 149).

According to Forbes (1958), Al-Razi (865-925) made “excellent descriptions” of the process of distillation in an Arabic handbook. In the Middle East refining techniques were first developed in the early centuries of the last millennium, first in Alexandria and then in Damascus and the oil was used for lighting, cleaning textiles as well as in warfare. The Arab and Mogul armies used oil grenades against their adversaries. The town of Heraclea reportedly surrendered to Sultan Harun Al-Rashid in 864, where war machines throwing burning naphtha were used. Other incidents Forbes cited include the use of petroleum bombs during the crusades in the battle of Cairo and a military exhibition in Baghdad in 1228, which consisted of petroleum-made weapons.

In the Dutch East Indies where oil was known as earth oil, the natives used it not only for relieving stiffness in the limbs but also as a form of fuel for lighting in the night as well as wax for caulking boats. The natives used to skim the black liquid from the surface of ponds and creeks or soak blankets and rags in the oily ponds, which they would squeeze to bring out the dark substance. Although seepages have been noticed for centuries in Java, Sumatra and Borneo, exploration and drilling did not commence until the end of the nineteenth century. In 1596 Van Lins Choten, a Dutch national, reported of a well that brings forth ‘pure balm’. In Deli north of Sumatra there existed a large well whose oil the king of Achem used in setting fire to two Portuguese galleons on the Strait of Malacca. The oil from Sumatra was imported into Holland as
far back as 1636, primarily for its medicinal purposes to compete for market with Italian Modena and Tegernsee oil in subsequent decades.

Similarly by the eighteen century there was much information on Burma’s oil in the West. Forbes cites Boerhaeve (1575) who wrote on the oil of India, which is ‘so scarce as to be kept by the Princes of Asia for their own use’ (Forbes 1958:169)). In 1765 one of the English government emissaries sent to Burma, Major Symes, visited the seepages of Yenangyoung and wrote:

> We were informed that the celebrated wells of petroleum which supply the whole empire and many parts of India with that useful product were five miles to the east of this place. The mouth of the creek was crowded with large boats waiting to receive a lading of oil, and pyramids of earthen jars were raised in and around the village, disposed in the same manner as shot and shell are piled in an arsenal. This is inhabited only by potters, who carry on an extensive manufactory, and find full employment. The smell of the oil is extremely offensive. We saw several thousand jars filled with it… (Forbes 1958:169).

Similarly, the district of Rainanghong, “had 520 active wells in 1797 producing petroleum free from water to an amount equivalent of 400,000 hog heads [a hog head is about 238 to 530 liters]” (Forbes 1958:169). European merchants, notably Price’s Patent Candle Co. manufactured 25 tonnes of paraffin candles in 1857 from wax derived from Burma’s oil before it was subsequently overtaken by cheaper paraffin wax from the Scottish shale industry and America’s oil, which became available as from 1866. In China, earlier European adventurers wrote only on the drilling of salt wells from which, at times, gas emerged. This dates back to as early as the Hang Dynasty 221-263 CE.

Forbes (1958) argued that early literature on oil and its uses in the West largely relied on Eastern sources, with travellers such as Marco Polo reporting on oil seepages in the East. Instances of oil seepages in Europe were recorded only from the 13th century, the era of Polo’s travels. The famous encyclopaedia of Diderot d’Alembert made reference to oil seepage in 1460 near mount Gibbies in Italy. In 1460 one Dr
Francesco Ariosto recorded in a pamphlet a range of oil seepages in French territory such as Bavaria, Gabian and Hanover. “Among modern writers who have discussed petroleum, there is no one earlier, that I know of than Francoise Ariosto, who in a letter written to Prince Borsius in 1460…put forward various theories about the nature of this oil, and discussed at length about its virtues” (Forbes, 1958: 4).

In 1717 details were recorded of the Gabian oil source, which at the time apparently produced 300-400 litres annually and whose production was being exported to Netherlands, Germany and America. Another early source on petroleum in Europe was the writing of Agricola (1545) who notes: “the Germans in Transylvania and lower Saxony inspissate the crude oil by boiling in copper and iron pots…petroleum is an excellent medicine for cattle scabies and inflammations of the udder …the peasants not only use the oil in lamps but also make marriage-torches by dipping dry stems of the great mullein in it, beside lubricating their carts with it” (Forbes 1958: 46).

However, production was on a local scale in these regions well into the 18th century through skimming from the water of wells or by a combination of smelting and cracking. Skimming refers to the act of removing floating oil from the surface of water while smelting is a refining process involving heating and melting. On the other hand, cracking involves the use of heat and pressure in breaking heavier hydrocarbon molecules into smaller ones. Tar sands have also been collected in Westphalia for centuries, from which oil was extracted. Forbes (1958) cited one Boccone who wrote in 1700 on oil seepages in Barbados, Cuba (Puerto Principe), Albania (Valona), Greece (Cephalonia) and Italy.

**Industry and Organization**

However, by 1859 kerosene was being produced in places like north America, Britain and France from asphalt, coal and shale rock for illuminating. But even before that a nascent oil industry was already in existence in Galicia where crude oil was accessed by digging and refined to obtain kerosene, which was burnt in lamps for illumination.
By 1859 about thirty-six thousand barrels per annum were being produced in Galicia and Romania with over 150 villages engaging in this oil business.

Oil seepages with fires burning from escaping gases have been reported in the Caucasus Mountains in Eastern Europe as far as the 10th century. By 1829 about eighty-two oil pits had been dug around Baku using hand digging. In narrating its plentiful oil seepages and escaping associated gas, Baku was described as a place, “where the ground burns perpetually. It is an area approximately three quarters of a mile in extent; the ground is not visibly alight; to see the fire one has to dig a six-inch hole, and if a wisp of straw is introduced it will catch fire immediately. Gaurus or Persians who worship fire and Zoroasterians come here to pay homage to their God whom they adore under the emblem of fire. Those are the everlasting fires of Persia; they are peculiar in that as they burn they do not give off any smell and leave no ashes” (Tome XI, p. 15, edit 1774 cf Forbes, 1958:44).

Marco Polo the famous European traveller, who traversed Persia in 1271-3 stated: “On the confines (of Armenia) towards Zorziana (Georgia) there is a fountain from which oil springs in great abundance, insomuch that a hundred shiploads might be taken from it at one time. This oil is not good to use in food, but ’t is good to burn, and is also used to anoint camels that have the mange. People come from vast distances to fetch it, for in all the countries round about they have no other oil.” (Forbes, 1958:155). An Arab contemporary by name Hamdu’llah Mustaufi added, “There are many spring of this, but the most abundant in this Kingdom of Iran is that of Baku. Here over a tract of land they have dug wells to get down to the Naphtha source, and the water which rises in these wells carries the naphtha on its surface,” (Forbes 1958:155). In an attempt to organize refining and transport, a proper refinery was built in Baku in 1863 and by 1873 the number of refineries grew to 23. It led to the growth of modern petroleum industry in Baku.

In the Americas the dark liquid called Seneca oil by the native Indians, found largely in Pennsylvania, was traditionally used for its healing powers for ailments including
headache, toothache and rheumatism. In the early nineteenth century when drilling for salt was a major preoccupation in the US, an oil well was struck around Ohio (Duck Creek) in 1833.

**Modern Oil Drilling: Age of the Oil Barons**

All this changed in the US with the realization that the oil, which is more flammable than vegetable oil or animal fats, can be used for lighting on a commercial scale. According to Yergin’s (1991) narration, in 1854 a group headed by a New York lawyer, George Bissell and a bank executive, James Townsend contracted Professor Benjamin Silliman, a chemist from Yale University, to analyze the properties of oil as an illuminant and lubricant. Their aim was to use oil on a commercial scale as a cheap and better source for lighting cities as well as for mechanical lubrication. The result of the analysis confirmed that when the oil is subjected to various temperatures it can be distilled and separated out into several different constituent carbon and hydrogen compounds, which can be used not only for high quality illumination but also for the manufacture of other important products. They formed the Pennsylvania Rock Oil Company. This was the era of the industrial revolution when urban centres were growing very fast and there was need not only for indoor lighting but also for street lighting. In addition, there was need for heavy grease for heavier machines being invented. The on-going attempt to extract oil from coal asphalt and other hydrocarbons for illuminating and lubricating was inadequate for the industrial age.

Amidst scorn by sceptics, in 1857 Townsend hired one ‘Colonel’ Edwin L. Drake and dispatched him to Titusville, a village of 125 in north-western Pennsylvania to purchase farm land containing an oil spring and drill for oil through boring – a method used for salt water drilling. After encountering series of hitches and drawbacks, on August 27, 1859 Drake succeeded in having what may described as the first bored oil well in America using salt boring or drilling, a method of digging up to several thousands feet deep pioneered in China for over one thousand five hundred years. They drilled about 75 feet to reach the dark liquid and used hand pumps to bring out the oil, which they loaded into whiskey barrels and washbasins. What followed was
wild excitement and scramble for farmlands to drill for more oil. Soon supply outstripped demand and shortages of empty whisky barrels made them cost twice their oil content. However it was in April 1861 that the first flowing well, which produced three thousand barrels a day, was drilled in Pennsylvania. By 1860 about 15 refineries were already operating in the region producing cheap kerosene in commercial quantities.

The first gushing well was struck in April 1861 which produced three thousand barrels a day. By 1862 oil production in western Pennsylvania reached three million barrels a year and prices continued to fluctuate from $10 a barrel in January 1861 to 10 cents by the end of the year, rising again to $7.25 a barrel in 1863. The fluctuation was largely because demand could not meet up with the sudden rise in supply. But it did not take long for oil to displace coal oil and other illuminants and lubricants in the market, which led to increase in demand for and price of crude oil. Drilling sites were opened where barren farmlands were sold for as high as $2 million only to be resold for less than $5 when the oil eventually dried up. The exorbitant rate for oil transport by horses from the muddy sites to the rail stations led to the development of wooden pipelines to carry crude from the well sites to the rail stations at cheaper rates.

It was also in 1861 that the first US oil cargo made its way to London. The rise in demand for US oil products in Europe was triggered by industrialization, economic growth, and urbanization and a shortage of oil fats in Europe. By 1862 US kerosene reached St. Petersburg in Russia where it found a receptive market. By the 1860’s and 70’s US oil exported more than half of its total oil output. Going by Yergin’s (1991) inverted historical analysis, although commercial scale drilling of oil began in the US, the country did not pioneer in at least three areas. First the use of kerosene as well as lamps for illuminating was copied from Eastern Europe. Secondly, the idea of drilling was learnt from the Chinese who “developed it more than fifteen hundred years earlier” (page 25). Thirdly, the “refining technology was transmitted to Europe via the Arabs” (24) from whence it was picked up by the US.
Enter the Barons and Multinationals

From the new opportunities that came with Drake’s success, a lot of people moved into the wild oil business in the new era described as, “a time of ingenuity and innovation, of deals and frauds, of fortunes made, fortunes lost, fortunes never made, of gruelling hard work and bitter disappointment, and of astonishing growth” (Yergin 1991:34). However, among these crowds of fortune-seekers there were a few who were not only extremely successful but also dictated the rules of the game. This tiny few conceived and executed their ideas on how the petroleum industry should be organised. Their ardent desire to conquer and control the oil market in the name of creating order out of chaotic competition led to the formation of powerful monopolies that metamorphosised into today’s multinational corporations, not so much known for anything else but their notorious and legendary monopoly of the world economy, and their insatiable greed for profit at the expense of every other thing.

J. D. Rockefeller

The star character in this unfolding scenario was John Rockefeller, the son of a bogus doctor, who co-bought a refinery in Cleveland at the age of 26. After disagreement with Maurice Clerk his soft-pedalling English business partner over the pace of expanding their already-successful refinery business, Rockefeller bought over the refinery as a whole for the sum of $72,500 in 1865 and “operated according to the merciless methods and unbridled lust of the late-nineteenth-century capitalism” (Yergin 1992: 35). He set up Standard Oil, which became the biggest of the oil multinationals. By 1866 Rockefeller had two refineries with sales of over $2 million. He appointed his brother William Rockefeller to run his firm for exporting kerosene in New York. In order to have an edge over his rivals he went into producing his raw materials as well as integrating both the supply and distribution system.

In 1867, Henry Flagler, another enterprising young man, joined Rockefeller as a business partner. With shrewd aggressiveness and business instinct, the two were able to cut down the cost of production, maximise profits and fare better than their competitors. They introduced a controversial feature into the business by exacting
rebates from the railway companies due to the large and regular size of their cargo, something their competitors could not do. The low transport rates helped them further improve margins, already impressive as a result of other economies of scale, thereby allowing them latitude to undercut their competitors in a virtuous (for them at least) circle. They were not yet done with their competitors. It was later discovered that Rockefeller was subsidizing his business from his competitors’ income. Again due to the large, regular cargo that his firm provided to the rail and shipping system he put pressure on the suppliers of these services to pay him ‘drawbacks’ from the sums being paid by his rivals for the transportation of their own oil and oil products. The transaction worked in such a way that when a competing firm paid one dollar to transport a barrel, the rail authorities would give 25 cents of that amount to Rockefeller’s firm. This infamous practice, along with the rebates Rockefeller was receiving on his own transportation costs, meant that others could not favourably compete with him.

**Standard Oil Company**

Nevertheless, the oil industry was growing too fast with frequent discoveries of new wells while demand for kerosene and lubricants were not growing at the same pace. This often led to fluctuations and collapse of prices. By 1865-70 it was estimated that the oil available was three times what the market required and prices fell by more than fifty per cent. A lot of refineries were finding it hard to break even. In order to maintain the lead, Rockefeller turned his firm into a joint stock company to raise more funds. Along with Flagler and three others, Rockefeller launched the Standard Oil Company on January 10, 1870, retaining 27 per cent of the stock for himself. But by 1871 the oil business had actually crashed with most refiners operating at loss. A barrel of oil was cheaper than that of water. Instead of wallowing in despair, Standard Oil took the situation as a golden opportunity to buy up all the weak refineries and turned them into a monopoly under one company, something that enabled it eliminate excess capacity and ensure a firm grip on the market.
In order to reduce the number of independent producers and refiners in the industry, Rockefeller and the rail company - the South Improvement Company - came up with another scheme whereby the railroads and refiners should form cartels and divide the market among them so that members could get not only rebates but also drawbacks from the fares paid by non-members. This attempt to impose the new scheme, seen as crude monopoly practice and anathema to free trade, led to protest marches and boycotts by producers against the railroads and refiners. The refiners were so hard hit by the boycott. Its effect was such that Standard Oil had only enough oil to occupy seventy employees instead of the usual supply that required one thousand two hundred employees. The railroads and refiners were forced to abandon the scheme, which brought an end to what was referred to as the ‘oil war.’

But still Rockefeller was not content in allowing Standard Oil to share the market freely with other refiners. By 1872 Standard Oil had brought under its control most of the refineries in Cleveland and New York, making Standard the owner of the largest refinery group in the world. Usually as a first step Standard Oil would use shrewd courtesy and politeness to encourage other refiners to give up their independence and sell into the group. If the target declined, Standard would cut its own prices in the local market served by the reluctant independent, making sure that the competitor was forced to run at a loss, with the majority on the receiving end of such practices being eventually left with no option but to shut down. This was what Rockefeller described as giving his competitors “a good sweating”. Under such circumstances Henry Flagler would advise, “If you think the perspiration don’t roll off freely enough, pile the blankets on him” (Yergin, 1999: 41). To the victims, the activities of Rockefeller and the railroads clearly undermined the spirit of free trade and competition; the spirit of adventure, excitement and the riches that the oil business brought (Tarbell 1904: Vol 1 P 37).

By 1879 Standard Oil controlled not only over 90 per cent of America’s refining capacity but also the oil pipelines and transportation system. However, the squeeze by Standard Oil prompted the remaining producers to embark on a hitherto secret venture
- construction of long distance pipeline. With utmost secrecy, the producers embarked on the project, codenamed Tidewater, constructing a 100-mile pipeline, which became functional in May 1879, thereby cutting out the railway operators’ role in distribution, which was a key part of Standard’s stranglehold on the market. Although taken by surprise and beaten somewhat at its own game, Standard Oil quickly responded by constructing four long distance oil pipelines from the oil regions to Cleveland, New York, Philadelphia and Buffalo, and also became a minority shareholder in Tidewater. Like the fox he was, Rockefeller would always retain in the employment of Standard Oil the best brains working in firms he bought up. He never mixed business with emotions and would painstakingly go through every small detail, including scrutinizing every item on a meal ticket before he paid for it.

**To the Courts**

However, some of Standard’s opponents refused to give up and resorted to the courts, where they sued Rockefeller and his associates for criminal conspiracy to create monopoly and harm competition. A grand jury in Pennsylvania found Rockefeller and his bedfellows guilty. Rockefeller and his men became fugitives in Pennsylvania and it was only through intensive lobbying of the governor of New York that they escaped being extradited. However, the saga earned Rockefeller and Standard a fiercely negative image. Mothers would threaten stubborn children with the whisper of the name Rockefeller. The *Atlantic Monthly* in 1881 carried “The Story of a Great Monopoly” on the charges against Standard Oil and, due to the interest in the issue; it had to run a reprint seven times (Yergin, 1999: 44). There was also a congressional investigation, which resulted in republican Senator John Sherman proposing an anti-trust bill, which President Harrison signed in 1890, with many other US states following suit. But the crisis only made the unrepentant Standard Oil develop legal strategies of shielding itself from the law. Reorganization was carried out in which the Standard Oil Trust was established, with seven hundred shares and forty-one shareholders in fourteen wholly owned and twenty-six partially owned companies. This enabled Standard Oil to circumvent the law that prohibited a company from having shares in others. Although technically they were different entities, a parent
Standard Oil with an executive committee was retained to oversee the operations of the subsidiaries, each of which had its own management, with headquarters located at 26 Broad Way in Lower Manhattan. Standard Oil also developed a good network of intelligence gathering and corporate espionage. From then on Standard Oil, was almost untouchable by the state governments which seemed small beside it, or by the federal government in Washington, whose regulatory powers were still minimal. By bribes and bargains it established ‘friends’ in each legislature, and teams of lawyers were ready to defend its positions. Its income was greater than that of most states (as the income of modern multinationals is bigger than most nations where they operate) (Sampson 1975: 25-26).

By 1885 three Standard refineries in Philadelphia, Cleveland and New Jersey produced about a quarter of global kerosene. Subsequently Standard became worried about its future should the Pennsylvania oil wells get exhausted. So far Standard had invested heavily in building refining and marketing networks, including setting up refineries, pipelines, tanks, and boats. If the oil wells were to dry up, all this would lie in waste. As a strategy to guard against such an eventuality the company embarked on buying up all the crude oil it could lay its hands on. When large quantities of oil were discovered in the Lima fields on the borders between Ohio and Indiana, Standard bought over 40 million barrels in 1887 at 15 cents a barrel to resell later at over 30 cents a barrel after its chemists found a way of eliminating the bad odour in the Lima oil. Standard continued purchasing all the oil wells it could such that by 1891 it was responsible for a quarter of America’s total crude production.

**Breaking the Camel’s Back**

However, the anger against the big companies, particularly Standard, continued to grow and during electoral campaigns castigating Standard became a sure means of attracting applause from the public. The charges against the companies included non-accountability, merciless elimination of competitors and a serious threat to the survival of the middle class as well as small and medium scale businesses. It was the first time America was experiencing, with phobia, a situation whereby new giant companies
known as trusts were fast swallowing and annihilating small-scale industries. It was seen as threatening the very foundation of the free market rather than as the ultimate success of the free market. By 1898 there were over 82 such trusts with over $1.2 billion capitalization.

President Theodore Roosevelt promised during his campaigns to curb the spread of the trusts and during his tenure he launched over forty five legal assaults against the big trusts and the biggest fish that was targeted by the dragnet was none other than Standard, the company that everybody loved to hate and heap every type of conceivable blame upon, usually with considerable justification. Initially individual states including Ohio, Texas, and Oklahoma took legal actions against Standard with outcomes that ranged from light penalties to auctioning the property of the company. Nevertheless, Standard with its financial ability to marshal an array of legal luminaries always filed an appeal and where this failed it would often simply buy back its auctioned property, via yet another fictitiously independent intermediary if necessary. The culmination came in 1892 when Standard Oil was again forced to break up into twenty loose ‘Standard Oil Interests’.

However, in 1898 Standard Oil found an agreeable abode in New Jersey, the only state in the union to have chosen to make it legal, an enactment of the preceding year, for corporations to have tentacles and own stocks in other companies. It formed the Standard Oil Company of New Jersey with capitalization of $110 million, controlling the other forty-one companies and their subsidiaries. Less than a decade after the changes Rockefeller, exhausted and caught up by old age, resigned and handed over to John Archbold. It was under the chairmanship of Archbold that the Roosevelt administration launched the last legal attack that was to irreversibly break the back of Standard. The charges, which include conspiracy to scuttle free trade, were brought in 1906. After the federal court hearings in which 444 witnesses testified, with 1,371 exhibits tendered and a record of 14,495 pages of evidence, Standard Oil was found guilty. As expected it headed to the Supreme Court but the Supreme Court upheld the judgment of the federal court and Standard was given six months to dissolve.
With no option left but to comply, the Standard Oil Company of New Jersey was broken into seven separate companies: Standard Oil Company of New Jersey (Exxon), Standard Oil Company of New York (Mobil), Standard Oil Company of California (Chevron) Standard Oil Company of Ohio (Sohio), Standard Oil Company of Indiana (Amoco), Continental Oil Company (Conoco) and Atlantic Oil Company (Sun). However, the shareholders remained the same with the shares distributed pro rata. But the outcome that followed the dissolution was as shocking to the American government and public as the Supreme Court decision was to Standard Oil: within a year the value of the shares of the new companies more than doubled giving Rockefeller and his associates the last laugh. Rockefeller’s personal shares rose from about $400 million at the time of the dissolution to $900 million a year later.

The Wise Old Owl

Rockefeller, the man behind Standard, always liked to sing about the wise owl, which he likened himself to. Several texts on Standard’s history carried the poem:

A wise old owl lived in an oak;  
The more he saw the less he spoke;  
The less he spoke, the more he heard;  
Why aren’t we all like that old bird?  
(Nevins Allans 1940; Sampson 1975; Yergin 1992)

The man who became one of America’s richest men led a frugal life style. He would insist on wearing his suits till they wore out. He made his children share one tricycle and his son would walk alone to school and would earn pocket money by working on his father’s estate with other labourers. Although he professed to be a practicing Baptist, identified with the church and give it huge financial contributions, and thought of himself and his associates as those who “give the poor man his cheap light,” others saw him as, “a bloodless monster, who hypocritically invoked the Lord as he methodically set about destroying people’s livelihood and even their lives in his
pursuit of money and mastery” (Yergin, 1999: 54). Rockefeller donated over $550 million of his wealth to philanthropy, becoming the principal donor in establishing a Baptist University in Chicago. Samson (1975) recapitulated the Rockefeller legacy:

According to his grandson Nelson, John D. Rockefeller gave away a total of $550 million to various foundations, and gave to his only son $465 million; while paying only $67 million in taxes (income tax was only invented in 1913). His son, John D. II, gave away $552 million, paid $317 million in taxes, and gave to his family, including his five sons a total of $240 million. Among those sons, Nelson claims to have given away or pledged $53 million and to have paid $69 million in taxes; while the value of his own and his trusts’ asset in 1974 was $218 million. In spite of all the benefactions, the total value of the assets of all living descendants of John D. Rockefeller was estimated in 1974 at two billion dollars—which remains, as far as can be ascertained, the biggest family fortune in the world (Sampson 1975: 30-31).

The Seven Sisters
Subsequently, some of the companies that emerged after the break up of Standard Oil became stronger and more profitable than the original parent company. Three of them – Exxon, Mobil and Socal – became part of the legendary seven sisters ‘le sette sorelle’ (Sampson, 1975).

Exxon: Previously known as New Jersey Oil Company it came to be the biggest oil company in the world for the next sixty years. It inherited about half of the total value of Standard Oil of New York at the dissolution. It obtained most of the oil for its outlets in the US and abroad from the other companies and in return provided them with capital for exploration and development. Unlike the others, Exxon developed the most extensive markets and had huge capital but little crude sources of its own. With sales of $45 billion Exxon became the world’s richest company in 1976 (Turner 1980:15).

Mobil: Previously known as Standard Oil Company of New York and also as Socony, Mobil inherited nine percent of the net value of Standard at dissolution and had huge markets sprawling across continents from Europe to Asia. But like Exxon, it had little
or no crude oil of its own. In 1925 it bought over Magnolia, another Texas oil producing company that had some links with Standard Oil. The great depression made it merge with Vaccum, another company that specialized in lubricants in 1931, and changed its title to Socony Mobil and subsequently came to be referred to just as Mobil. However, Mobil was to remain the smallest of the seven sisters.

**Socal:** the Company known as Standard Oil of California was bought by Standard in 1895. California was then a virgin state, itself bought by the US from Mexico in 1850. Its oil seepages attracted prospectors after Drake’s successful drilling. Socal lasted barely for eleven years under the aegis of Standard Oil before the break up. However, by 1919 it was producing 26 per cent of total US production, more than any of the other companies. Unlike Exxon and Mobil, Socal had huge oil reserves but with few outlets. Socal was plunged into a crisis when the Federal Government decided in 1909 to withdraw millions of acres of land in California, including some of Socal oil fields, from sales in order to protect the government’s naval reserves. After a protracted battle, in 1919, the government gave concessions to oil drillers already operating on government land.

**Enter the Nobel Brothers**
The Caucasus mountainous region of Russia had been noted for its abundant oil but its development was hampered by its inaccessible location and hostile terrain. In Baku where oil seepages had been a common sight for centuries a small local oil industry had been thriving with oil being collected through hand digging. Thirty-three years before the first American oil shipment reached St Petersburg, in 1862, (where it got a ready market), there were over eighty-two such oil pits in Baku (situated in today’s Azerbaijan). But everything changed when modern drilling was introduced in 1871. Within the first year over twenty small refineries were producing kerosene in Baku. This would, within a short time, push back American oil from Russian markets. Two brothers, Ludwig Nobel and Robert Nobel, children of a Swedish inventor, invested in the Baku oil industry by purchasing a refinery and within a short period emerged as
the major refiner, despite the difficulty of getting the oil to farther markets. Subsequently, in October 1876 their oil made it to St Petersburg.

In order to overcome the difficulty of shipping oil in barrels (which were expensive and in short supply) over long distance, the Nobel brothers established and perfected the system of building large tanks into ships. Their first tanker ship named Zoroaster was launched into the Caspian Sea in 1878. Within a short period the Nobel brothers were able to dominate the Russian oil market through the development of an integrated oil company from production to marketing with an extensive transport system and marketing outlets. By the 1880’s they were responsible for producing about half of Russia’s kerosene. The Baku oil industry grew rapidly as production rose from 600,000 barrels in 1874 to 10.8 million barrels in 1884, which translates to about one third of US production at the time.

However, the Russian oil industry could not capture larger markets because of the ruggedness and inaccessibility of its oil region. Even the shipping of oil through the Caspian Sea to other parts of Russia was limited to barely half of the year, as the oil could not be shipped on the Caspian Sea during the severe Russian winter. The oil merchants of Baku would be out of business for half the year and most of the refineries would remain dormant. The unfavorable terrain made it more difficult and expensive to get oil to the markets: “Even parts of the empire were inaccessible; in the city of Tiflis, it was cheaper to import kerosene from America, 8,000 miles away than from Baku, 341 miles to the West” (Yergin, 1999: 60).

Despite the half year production, Baku’s oil could not all be absorbed by Russia and the search for new markets led to the construction of a railroad to link the oil region of Baku with the Black sea port of Batum, a distance of 78 miles, given the circumnavigation of terrain required. Two other producers, Bunge and Palashkovsky, completed the railroad in 1883 with the financing coming from the Rothschilds in return for crude. The Rothschilds, a French Jewish family famous for financing governments, wars and businesses, were already in the oil business, operating a major
refinery at Fium on the Adriatic. They were interested in Russian oil for their European markets. Three years after the completion of the Baku-Batum railroad the Rothschild’s formed the Caspian and Black Sea Petroleum Company, known by its Russian acronym Binto. The Batum seaport, which became an important port for exporting Russia’s oil, subsequently attracted other oil merchants including the Nobel brothers. The new outlet led to a rapid rise in Russia’s crude output, which then stood at about four-fifths of American output. Another significant development that followed was the construction of a 42-mile long pipeline connecting Baku to Batum, which was necessitated by the limited volume of oil that the railroads could deliver.

By the 1870’s kerosene was US’s fourth largest export in value and 90 per cent of it belonged to Standard Oil Company. However, the rise of Russia’s oil posed a threat not only to American kerosene’s market share in Russia but also beyond in other European markets. Initially it deprived Standard Oil of the market in Russia and subsequently it encroached into Standard’s secure markets in Europe. By 1888 the Nobel brothers and the Rothschilds had set up marketing outlets in Britain, threatening Standard’s major market in the region. Standard made concerted and desperate counter attacks, including launching price wars, engaging in sabotage and orchestrating the peddling off negative propaganda in order the ward off the invaders, but to no avail. As would be expected, Standard finally attempted to buy up Nobel oil but its offer was turned down.

**Emergence of Shell**

In their effort to secure markets beyond the reach of Standard, the Rothschilds formed an alliance with the Samuels, an English Jewish family who specialized in trading in seashells in Asia and the Far East. The Samuels had good links with British trading houses in Asia and the Far East, including India, Singapore, Thailand, the Philippines, China and Japan. In association with the British trading houses, mostly those of Scottish origin, the Samuels negotiated and secured a contract with the Rothschilds to give them the exclusive rights to sell Binto’s kerosene in Asia and the Far East for the period 1891-1900.
In order to effectively undercut Standard Oil and secure an upper hand, the Samuels came up with a grand scheme which involved, among others, building bigger ship tankers in order to move oil in larger volumes at the lowest possible cost. They also sought and got the permission of the British government in January 1892 for their oil tankers to sail through the Suez Canal. The Canal, which was opened in 1869, reduced the journey from Europe to the Far East by four thousand miles allowing undercutting of Standard Oil, which had to route its oil through the longer route round the Cape of Good Hope. The British government, on the grounds of safety, rejected Standard’s request made earlier to ship its oil through the Suez Canal. It was feared that the oil tankers could explode and disrupt shipping in the busy Canal. Nevertheless, the Samuels made effective use of their contract with, among others, the Rothschilds who financed Britain’s payments of the Suez Canal shares in 1875. Samuels’s tankers were declared safe to sail through the canal. In reality the motive for this distinction in judgment was apparently the Foreign Secretary’s view that such concession to the Samuels was in Britain’s interest. The approval gave Shell several advantages: “For instead of sending out cargoes in cases costly to make, expensive to handle, easy to be damaged and always prone to leak, the promoters intend to ship the commodity in tank-steamers via the Suez Canal and to discharge it where the demand is greatest into reservoirs, from which it can be readily supplied to consumers” (Yergin, 1991: 67).

Similarly, the Samuels moved swiftly to construct storage and distribution networks throughout Asia and the Far East from China, Singapore, and Hong Kong to Bangkok. Ultimately on July 22, 1892 Samuel’s Murex tanker, constructed at West Hartlepool, left for Batum from where it loaded Binto’s oil and made its maiden voyage through the Suez Canal in August on its way to the Far East. Despite the huge operation and the logistics involved, Standard’s spies were taken by utter surprise as they only learnt of the Samuels project when Shell kerosene, known by its red tins, had flooded Standard’s strongholds. It was too late in the day for Standard to launch a price war as it was wont to do - by cutting prices in some markets - funded by raising them in others, in order to drive its competitors out of a particular market. Within a year of
securing the contract to retail Binto’s oil in Asia and the Far East, Shell had eleven ships, all named after seashells, sailing through the Suez Canal with its kerosene. Within the next decade only ten percent of the kerosene that passed through the Suez Canal belonged to Shell’s competitors, the balance of 90 percent was Shell’s. The Samuels achieved this feat through collaboration with the trading houses of the Far East with whom they shared all profits and losses.

**Royal Dutch**

The Dutch East Indies areas (covering parts of South East Asia including parts of Brunei, Malaysia, Indonesia and Timor) had been noted for its seepages for centuries. The local population had been using the oil for medicinal purposes and illumination for a considerable period. In 1890 Aleiko Jans Zijker, a Dutch national who travelled to the Dutch East Indies to trade in tobacco but ended up drilling oil, floated the Royal Dutch Company after a decade of searching for, finding and drilling oil in Sumatra, which had the advantage of yielding a large amount of kerosene. With financial and political support from a former Governor General and the head of Dutch Central Bank, along with that of King William III, Zijker signed an agreement with the Sultan of Sumatra and commenced oil production. With additional funds from Holland, Royal Dutch increased production six fold and opened markets in the East Indies. In a protectionist move, the Dutch government denied Shell and Standard Oil the opportunity to look for oil in its sphere of influence, just as in the same manner the British denied Standard Oil passage through the Suez Canal. With no competitors, Royal Dutch was able to expand its market and increase production five fold between 1895 and 1897. However, it did not take long for Standard Oil to turn its attention to the East Indies and in 1897 it made an offer to buy Royal Dutch or a part of its shares under the guise of providing capital for investment. Royal Dutch was too suspicious to accept Standard’s offer. Initially, the Samuels also attempted buying up Royal Dutch but were turned down.

In order to insulate itself from being swallowed by the bigger fish, Royal Dutch’s management came up with the idea of a restricted preferential stock, which could only
be obtained by invitation. This was specifically done to deter further attempts by Standard and Shell to get hold of Royal Dutch’s shares. Both Shell and Royal Dutch had strong sentiments when it came to national pride. Relations between the oil companies was characterised by deep seated suspicion, rivalry, predator-prey instincts and mutual détente only where none could eject the others. Even then companies remained watchful, hoping for opportunities to launch surprise attacks on one another. Their primary motive was essentially to knock the others out of business in particular markets and enjoy monopoly status there.

They only cooperated when forced to as competition brought prices too low. In 1892, due to glut in crude and refined products as well as uncertainties in the oil market, Standard Oil made some effort to come to terms with the Rothschilds and the Nobel brothers to carve out the markets among themselves in order to control production and stabilize prices. Due to the different prevailing operational environment, the Nobel brothers and the Rothschilds were able to liaise with the smaller independent producers in Russia to control production but Standard Oil could not bring American oil producers under same umbrella, despite the fact that it controlled ninety per cent of America’s oil.

After failing to implement any agreement Standard, as usual, unleashed another price war on a global scale in 1894. Again in 1895 Standard attempted another agreement with the Russian producers, the basis of which was that the Russians could control 25 per cent of the world export market while the Americans retained the balance of seventy-five, but the Russian government scuttled the attempt. Again Standard reacted by declaring another price war.

**The Age of Electricity and Gasoline**

In the history of oil two distinct developments had major impacts on the demand for oil (Yergin, 1991). First was the harnessing of electricity by Thomas Alvan Edison in 1882 in the US. Initially the electric industry started competing with gas, which was being used to light the streets, but after sometime the incandescent electric bulb also
started displacing the kerosene lamp as the primary source of illumination for domestic use. Electricity got quick acceptance because of numerous advantages such as brighter light, safety and the absence of poisonous gas emissions compared to kerosene, which produced heat and carbon monoxide, in addition to being prone to cause fire outbreaks. It was for the last reason that public buildings, including the Harvard library, were banned from using kerosene lamps. In 1885, three years after Edison launched his electricity generating system in Lower Manhattan, a quarter of million electric bulbs were already in use, a figure that rapidly grew to 18 million by 1902. Subsequently both in Europe and America electricity continued to push back kerosene to the rural fringes with every passing year.

However, just as electricity was dampening the demand for kerosene, the production of automobiles which started attracting market in the 1890’s, opened up new demand for gasoline. In fact the effective use of the automobile in the rescue operation following the earthquake in San Francisco in 1906 served as the incident that convinced Americans of the need for automobiles. During the operation Standard Oil used the opportunity to donate 15,000 gallons of gasoline, whether purely for humanitarian reasons or as an avenue to advertise the company and its product is another matter open to speculation. By 1912 almost a million cars were on the road in America bringing a huge new market for another product derived from oil.

**More Oil Discoveries in the US and its Impact**

Initially there were fears that with the decline of the Pennsylvania and the Lima oil fields, the future of America’s oil supply would be bleak. But the sudden discovery of huge amounts of oil in California reversed the apprehension to despair in the face of an imminent glut. The wells that produced 470,000 barrels in 1893 increased their annual output to 73 million barrels in 1910 making the state the largest global producer, with 22 per cent of world output. Similarly, the discovery of another thunderous gusher ejaculating seventy five thousand barrels a day at Spindletop in Texas sent prices crashing to 3 cents a barrel in 1901. A series of other discoveries followed with ranchers drilling for water only to encounter oil, with Texas eventually
becoming the largest producer of oil in the US. In between the discovery at Spindletop in 1901, and 1928, other major discoveries were made in Louisiana and Oklahoma. Indeed it was only in 1931 that Texas really became the largest producer of oil in America with the discovery, by one Columbus Joiner, of a well nicknamed well known as The Black Giant that produced at an average rate of 350,000 barrels a day.

As a strategy to diversify its sources for crude, Shell signed a contract with James Guffey, the main producer at Spindletop in 1901, giving it the right to lift half of Guffey’s production for a period of twenty years at 25 cents a barrel. But within a year the oil dried up. The dwindling output was largely attributed to the uneconomical manner the field was mercilessly milked, with over a hundred companies and two hundred wells competing for space on the small hill. Initially Shell acquired four new tankers for the ill-fated contract but had to convert them to carrying Texas cattle to London instead.

Nevertheless, two oil companies that were to later take their place among the major oil companies in the world emerged out of Spindletop: Gulf Oil and Texaco. Guffey actually got the capital he invested at Spindletop from the Mellons, a banking family in Pittsburgh. With the awful prospects of losing their entire investment with the dwindling of spindletop, the Mellons intervened directly by taking over from Guffey. They succeeded in getting Shell to cancel the ill-fated contract and formed Gulf Oil, which became an integrated global oil company with its pipelines, refineries and sources of crude.

Similarly, in 1895 Joseph Cullinan of the Standard Oil Company resigned his post and formed the Texas Fuel Company to trade in Spindletop oil. With the support of James Hogg, an ex-governor of the state, the Texas Fuel Company became one of the principal oil businesses in Spindletop. With huge storage facilities, the company engaged in buying oil when prices dropped and reselling when the markets picked up. Texaco was known to have mopped oil at 12 cents a barrel and resold the same at 65
cents. It was in 1906 that Cullinan renamed the company to Texaco. He transformed it into an integrated oil company with its own pipelines, refineries and marketing outlets.

Shell’s Travails
The failure of Shell to secure crude supplies in America with the collapse of its ‘deal of the century’ with Guffey, combined with the fact that its agreement with the Rothschilds would come to an end by 1900, led it to a frantic search for its own sources of crude. Shell was also apprehensive that Royal Dutch, with its cheaper secure crude sources in the East Indies, would start undercutting it in the Asian and Far East markets. Consequently in 1895 Shell obtained a concession in Borneo and, after two years of prospecting, it struck oil in several wells from 1897-98. However, the Borneo oil produced very little kerosene which was still the fuel with the largest market share. Even with the invention of the automobile and the introduction of electricity, it was only in 1910 that sales of gasoline exceeded those of kerosene for the first time in history. Just as Shell was about to go into despair, the Rothschilds agreed to extend their contract supplying Shell with their Russian oil. Shell also took a step to consolidate its relationship with its partner trading houses in the Far East by incorporating, in 1897, the Shell Transport and Trading Company, giving the trading houses direct ownership of shares in the new company lest Standard or Royal Dutch start courting them.

Nevertheless by 1900 the tide again started changing ominously for Shell. With famine and economic depression in Russia, demand for oil was dwindling and Russian refineries were competing to export their kerosene to keep up throughputs and defray the huge fixed costs associated with their plant. The depression, coupled with organizational problems and the disruption of its Chinese supplies by the Boxer Rebellion, took their toll on Shell’s fortunes.

Royal Dutch/Shell: Marriage of Convenience
Even as Royal Dutch continued to expand its storage and marketing facilities commensurate to its crude production, the unexpected started manifesting in 1897. Its
oil wells in Sumatra started producing salt water, an indication that the oil was drying up. By 1898 fear gripped the Amsterdam Stock Exchange and shares of Royal Dutch began crashing. However, by 1899 when all its efforts to find other viable wells in its concession in Sumatra yielded no fruits, Royal Dutch acquired another concession in Perlak, north of Sumatra, where it struck oil. Royal Dutch entered into negotiations with Shell. Together they controlled over fifty percent of Russian and Far East kerosene exports but in order to bring an end to the damaging price wars between them, as well as survive Standard’s assaults and the seemingly endless unpredictable market fluctuations attendant upon these actions and other sources of volatility in both supply and demand, there was need for some form of co-operation or amalgamation. Initially Shell was only interested in an arrangement restricted to sharing the market between the two companies but Royal Dutch insisted on a closer relationship.

Finally, in 1901 after rejecting Standard’s offer to buy Shell for $40 million, the latter signed a union agreement with Royal Dutch. The new union became known as the Shell Transport Royal Dutch Petroleum Company (also known as British Dutch) with Deterding as chief executive and the older of the Samuels as Chairman. The Rothschilds, who did not want to be left out, joined British Dutch in 1902 and the company was renamed the Asiatic Petroleum Company. The new company set about regulating production in the East Indies and harnessing markets in Asia and Europe. The relationship remained that of a loose union limited to controlling production and market share whilst ownership remained separate.

However due to Shell’s dwindling fortunes, the loose union with Royal Dutch did not work well and consequently, in 1907, it was reviewed to include the value of the two companies at the ratio of 60:40 in favour of the latter. As a bail out plan Dutch also bought twenty five percent of Shell’s shares and the union was renamed the Royal Dutch/Shell group to reflect the new seniority. The new company had its corporate headquarters in London and operational centre in Amsterdam. The deal, which left the Samuels less than satisfied, was the only practical way of curtailing Shell’s downhill slide at a time when it could hardly pay a five percent dividend to its share holders.
while Royal Dutch was offering over sixty percent to its owners. Subsequently, in 1912, the Rothschilds also converted their Russian concessions into stocks in the Royal Dutch/Shell group in the face of growing anti-Semitism and revolutionary upheavals in Russia. The relation that followed was cordial.

Nevertheless Standard was not particularly alarmed by the new alliance of its rivals. Rather, when Deterding visited Standard’s headquarters in 1910 with the hope of obtaining some understanding on the sharing of markets in order to avert price wars he was treated with disdain. Standard offered him $100 million for the Royal Dutch Shell Group instead of receiving him as an equal market partner. He rejected the offer and Standard punished him with another price war, in addition to acquiring some concessions in southern Sumatra, traditionally and historically Royal Dutch’s enclave. In return Royal Dutch/Shell decided to take the battle to the doorsteps of Standard by acquiring some concessions in California and marketing outlets in the US for the first time.

Gambling with Communists
As the communists took over power in Russia in 1917, the Nobel brothers, who fled the country with no intention of returning, put their Russian oil business on sale. Royal Dutch/Shell, who had earlier acquired the Rothschilds’ oil business in Russia, wanted to jump at the offer, which they thought would finally make them the masters of Russian oil. But they could not get a guarantee that the British government would give them political backing. They offered to purchase the Nobel brothers’ holdings jointly with Anglo-Persian but the British government refused. Standard Oil of New Jersey exploited the situation by buying the hapless Nobel brothers’ assets for a fraction of its value, paying just $14 million to acquire one third of Russia’s known oil reserves in addition to about half of Russia’s refining capacity and a well-established marketing network. Standard Oil of New Jersey was working in anticipation of the Bolshevik revolution soon collapsing. Jersey experts were so sure that the revolution would fail that they signed the sales agreement with the Nobel brothers in July 1920, after the communists had nationalized the Baku oil fields.
In 1921 the British government signed a trade agreement with the Bolshevist government in London and the companies, including Royal Dutch/Shell and Standard Oil of New Jersey, formed a joint front to reclaim what they thought belonged to them or at least get some compensation from the Russian government for their lost ownership. But before they could take any action other western oil companies including Standard oil of New York and Vacuum were falling over one another to do business with the communists. To the disgust of Royal Dutch/Shell and Jersey, their western comrades not only exhibited haste and greed but were also buying cheap Russian oil produced from Royal Dutch/Shell and Jersey facilities, despite their warning that none should buy ‘stolen oil’ from the Russians. The Russian government gave the nationalized companies the option of buying back their properties under new terms. Both Royal Dutch/Shell and Jersey refused to accept it. Royal Dutch/Shell responded by launching a price war wherever it could against the oil companies buying cheaper Russian oil.

Already, even without the price war, there was something of glut in the oil industry worldwide, with more oil than the market could (immediately) absorb due to new discoveries being made in the US, Mexico, Venezuela, Romania, Russia and the Middle East. With counter offensives by the other majors, as well as the on-going Great Depression, things deteriorated very quickly. The British government, worried over its investment in Anglo-Persian convened the Achnacarry peace conference in 1928, which lasted for two weeks. (The nature and extent of the British Government’s investment in Anglo-Persian at this historical juncture will receive greater attention later in the chapter). The participating companies, including Anglo-Persian, Royal Dutch/Shell and a consortium of seventeen American companies, agreed to divide the global market among them. They agreed to keep market quotas ‘As Is’ in 1928, to avoid new production/expansions and to generally cooperate in keeping prices high. However, the deep rooted, historically ingrained instinct to undercut one another would not allow the agreement to be implemented and the price wars continued.
Wielding the Weapon of Sovereignty

The relationship between the oil companies and their host governments had been constantly shifting. Oil was perceived not only as an economic resource by the state but also as an element of national power and pride. In 1917 the Mexican government passed a new constitution, which transferred the ownership of all resources beneath the sub soil to the state, effectively nationalizing the oil fields, which hitherto had belonged to land owners. This led to series of conflicts with oil companies operating in the country. Mexico was an important oil producing country not only because by 1931 it became the second largest oil producer, after the US, but also because the quality of its heavy oil made it particularly suitable for production of output well suited to shipping, industrial and rail purposes. The Anglo-American companies, with the support of their governments, resisted the move, with the US government threatening to invade Mexico as it did during the revolution. In return the Mexicans threatened to set all the oil fields ablaze. The two parties came up with a face saving agreement in 1927, such that while the subsoil remained state property, the oil companies could continue operating. But in the 1930’s the oil companies, finding cheaper oil in Venezuela, abandoned most of Mexico’s oil fields except for a trickle.

By March 1938 the relationship between the Mexican government and the oil companies deteriorated still further, over the issues of wages and the demand for more local participation. After a legal battle, the Supreme Court passed a verdict upholding the decision of an earlier commission set up to look into the dispute. The companies rejected the verdict of the Supreme Court and on March 13, 1938 the Mexican government responded by formally nationalizing the oil companies. Among the losers were Royal Dutch/Shell and their British shareholders and the acrimony that followed led to the severing of diplomatic ties between Mexico and Britain. With the call by Britain for economic sanctions on Mexico, the Mexicans developed new market partnerships with Nazi Germany, Fascist Italy and Imperial Japan as principal trading partners. In 1943, following a negotiation between the Mexican and American governments, American oil companies collected a compensation of $30 million as against the $408 million they were claiming. The British government refused the offer
of compensation and instead argued that Mexico should be taught a lesson so that other oil producers, which Britain relied heavily upon for her supplies, such as Venezuela and Iran, would not follow the Mexican example. It was only after four years, in 1947, that the British, realizing the futility of dragging out the issue, collected $130 million compensation for her companies from the Mexican government.

The Emergence of Anglo Persian
Noted for its oil seepages for centuries, Persia seemed always to be at back of the mind of the oil merchants. Early efforts by foreign investors to acquire some oil concessions included that of Julius de Reuter, founder of the Reuters news agency. For various reasons the concession Reuters acquired in Persia in 1872 did not yield any fruits and he subsequently abandoned the search. In May 1901 the Persian government granted a sixty-year concession covering about three-quarters of the country to one William Knox D’Arcy, an English-born solicitor who had interests in gold mining in Australia.

D’Arcy commenced drilling in 1902 but the cost proved so high that he soon had to seek additional funding in order to continue the search for oil. After sinking a total of over £160,000 on exploration alone from his personal fortune with no oil yet in sight, he embarked on a search for new capital from several potential sources, including the British Royal Navy, the Rothschilds and Standard Oil, but none of them showed any interest. After three years of drilling without any success and unable to get any further loans to continue, the British government came to his rescue for imperial reasons. Downing Street was afraid that if D’Arcy lost the concession, it would end up in the hands of Russia at a time when the two powers were engaged in a tussle over political influence in Persia. The Royal Admiralty was brought in by the foreign Office to prevail on Burmah Oil, a Scottish trading house’s syndicate in the Far East who had been given a contract to supply the Admiralty with oil from Burma, to go into a partnership with D’Arcy. The concession syndicate was formed in 1905, with Burmah Oil undertaking to invest cash and expertise in D’Arcy’s Persian concession. This was pleasing to the British government, which needed a secure fuel supply for its
Admiralty at a time when the imperial fleet was patrolling the Persian Gulf in order to protect its route to its Indian colony and deter Russian expansionism. Following a painstaking and frustrating search for oil, which took the drillers from one extreme of Persia to the other, the Concession syndicate struck oil on May 25, 1908.

With ample oil discoveries, the syndicate formed the Anglo Persian Oil Company. The majority of the shares went to Burmah Oil and D’Arcy was given shares worth £895,000, in addition to reimbursement for the previously mentioned exploration expenses he shouldered. He was also appointed a director of Anglo Persian. The new company expanded rapidly and established a major refinery at Abadan on the Shatt-al-Arab waterways. Anglo Persian later went into an arrangement with Asiatic, with its well-established Royal Dutch/Shell marketing outlets, to dispose of its products in the markets in which Asiatic operated. Asiatic accepted only because it saw the arrangement as a means of preventing the newcomer from disrupting the supply/price balance in the Asian and Far East markets.

Barely two months after Anglo-Persian signed the marketing agreement with Asiatic, another financial problem manifests itself, with the company running out of working capital. Fortunately for Anglo-Persian this was happening at a time when a debate was going on in Britain over the need to convert the Royal navy from coal to oil. The proponents of the conversion, led by Churchill, pointed out that oil, which could increase speed, manoeuvrability and efficiency on the high seas, would sustain Britain’s global naval superiority. The debate was kindled due to the move by Germany to develop a naval capacity that would challenge Britain both in quality and quantity, as part of a grand plan to rival the latter’s global supremacy. In order to have an edge over Britain, the Germans were embarking on developing a naval force that would use oil rather than coal. Germany conceived rightly that the natural obstacle to her global ambition would be none but the British with their tentacles spread all over the world and a mastery over the high seas.
Nonetheless, the opponents of the conversion to oil argued that there was no certainty that adequate oil would be available compared to coal, which at the time seemed to abound. In addition, compared to coal, which was available in sufficient and secure quantities under British soil, Britain had no oil deposits of her own and getting enough secure supplies from abroad would come with its own host of problems. Eventually, on the recommendation of a Royal Commission, the government decided to convert the Admiralty to oil. But alas for Shell, in spite of its campaign for and commitment to the project, the government decided that the Royal Navy would not just get oil from Anglo-Persian, it would also itself invest directly in the company and become a shareholder in Anglo-Persian. In June 1914 the House of Commons passed the bill that authorized the government to invest £2.2 million in Anglo-Persian, with a controlling share of 51 percent and the right to appoint two veto-wielding directors. The agreement also included a clause stipulating that the admiralty would get oil from Anglo-Persian for the next twenty years at a special discount.

In the same year the self-fulfilling prophesy regarding the need to convert to oil came to pass with Britain declaring war on Germany as a result of the latter’s invasion of Belgium and the extant alliance system prevailing in Europe. Anglo-Persian crude output rose from 1600 barrels a day in 1912 to 18000 in 1918 and by 1916 the company was supplying the Royal Navy with about a quarter of its total oil requirements. The company was basically a crude producer and the need for expansion into an integrated oil company that would also make profit from sales of refined products made it purchase British Petroleum (BP), which had well-developed marketing outlets in Britain. BP was owned by Deutsche Bank and was renowned for selling its Romanian oil in the UK but was taken away from the Germans after the outbreak of the war. In September 1947, the company entered into a co-operative agreement over marketing and refining with Jersey and Socony for political as well commercial reasons. As part of the deal, the two American companies with huge capital to invest in the European market were to receive Anglo-Iranian crude for a period of twenty years.
Scramble for Middle East Oil Concessions

With the end of the World War I, the victors—the British, the French and the Americans—engaged in another scramble over the sharing of oil concessions in the captured Ottoman territories in the Middle East, which led Anglo-Persian into another partnership. During the conflict Britain made it a war aim to capture territories in Mesopotamia, which were known possess some oil potential. Even after the armistice with Turkey in 1918 Britain moved on to capture Mosul, reputed for its huge oil deposits. This followed a negotiation with the French to give up Mosul, which was supposed to be its post war territory. In return for Mosul and its oil, Britain was to support French occupation of Syria. The French only agreed with the understanding that it would share Mosul oil with the British. An agreement, known as San Remo, was signed to this effect in 1920.

However, even before the war an agreement had been drafted on acquiring concessions in the Middle East. At the centre of the arrangement was one Calouste Gulbenkian, a first class Armenian engineer from an Ottoman oil trading family. Gulbenkian was responsible for arranging the Mesopotamian concessions for different parties through the Turkish national bank, in which he was a major shareholder. The parties included Royal Dutch/Shell and Anglo-Persian. The arrangement led to the formation of the Turkish Petroleum Company (TPC) in 1912 with Anglo-Persian holding 50 percent of the shares, Deutsche Bank and Shell 22.5 percent each while the remaining five percent went to Gulbenkian, who earned the nick name Mr Five Percent. The agreement stipulated that the parties could only seek further concessions in Turkey and the entirety of the ex-Ottoman territories of the Middle East (with the exception of Kuwait, Egypt and few other territories) through joint venture under the auspices of Turkish Petroleum Company and could not go it alone within what was called the red line.

According to most accounts the redline is a pencil line, drawn on a map of the region, by Gulbenkian during the negotiations—not of the original set up of the TPC in 1912 but rather of July 31, 1928—which he claimed represented the borders of the Ottoman
Empire of 1914. Alternative accounts suggest that the line was drawn by the French negotiators rather than Gulbenkian. However, throughout the war the Turkish Petroleum Company lay in limbo. After the war, German’s share in the Turkish Petroleum Company was given to France. The French government, borrowing a lead from Britain, set up its national oil company, known as Compagnie Francaise des Petroles, retaining 25 percent of the stock itself, along with powers to appoint the company’s directors, while the rest of the shares were subscribed by banks and corporate bodies.

After WWI the US also started developing interest in foreign sources of oil. This move was informed by the fear of imminent shortage that may face the US with an ever-expanding economy that depended heavily on oil. American companies, with the support of the State Department, made an attempt to seek for oil concessions in Mesopotamia but the British vehemently blocked the move to the extent of detaining and deporting American oilmen seen in Mesopotamia. The US government had to employ arm-twisting tactics, including threats of banning US oil export to Britain, before London reluctantly gave in. However, after several months of negotiations in 1922 the parties failed to agree on how to share Mesopotamia’s oil. Earlier in August 1921 Britain installed Faisal Hussein, who was deposed from Syria by the French, as the King of what the British now renamed Iraq, with the purpose of making him sign a revalidated concession on behalf of the newly carved out country.

After long haggling between the Europeans and Americans, a new concession agreement was signed in March 1925 between various parties including American companies who formed a syndicate, Anglo-Persian and the Royal Dutch/Shell group, and the newly formed French national oil company all agreed but Mr Five Percent refused to sign, insisting he be given cash dividend rather than oil, which the other members insisted he should collect. In October 1927 the companies struck an oil well in Kirkuk gushing at about 100,000 barrels a day. For fear of litigation and avoidance of delay in the face of flowing oil, another agreement was signed in London in July 1928 giving the British, the French and the Americans each 23.75 percent while the
remaining five percent would go to Gulbenkian, which the French offered to convert from crude to market rate cash. The parties also agree to abide by the Red Line Agreement, which stipulated that none of the companies would seek for any concession within the former Turkish Empire except through joint venture with the others. This clause was later to become a source of dilemma for the US companies, which wanted to acquire more unilateral concessions in the region.

While the big companies were busy sharing Iraqi oil among themselves, one loner, Major Frank Holmes – a British mining engineer, originally from New Zealand - was busy seeking for concessions in other parts of the Arabian Peninsula which the big companies ignored in the belief that there was no chance of finding oil there. He set up the Eastern and General Syndicate for pursuing business opportunities in the Middle East. Among the concessions that Holmes secured for himself was one in what became eastern Saudi Arabia at al Hasa, acquired in 1923, and in 1924 he got another concession on the borders between Saudi Arabia and Kuwait, whilst in 1925 he was rewarded with yet another in Bahrain, after successfully drilling desperately required water for the ruler of Bahrain.

He also attempted in vain to get a concession within Kuwait and attempted competing against the Turkish Petroleum Company in Iraq, “thus assuring the further enmity of various governments and companies” (Yergin:281). But because of the scepticism, his efforts to get investors in Britain yielded no fruits. Thereafter he travelled to America in 1927 where Socal agreed to invest in his Bahrain concessions while Gulf Oil went for the Kuwaiti concession. After haggling with the British for over three years, who on the basis of being the overlords of the Arabian peninsula were not keen on allowing American intrusion, Holmes and Socal’s new company, the Bahrain Petroleum Company, with aggressive diplomatic backing from the State Department were allowed to commence operations. In May 1932 the company struck oil and this led to a wild rush by the big companies for concessions in the area whose similar geological property stretched deep into Saudi Arabia.
Before the discovery of oil in Bahrain, King Ibn Saud of Saudi Arabia, like his counterpart in Bahrain, was desperately looking for westerners with the technology for drilling water wells and not oil. Indeed Holmes was in Bahrain to drill for water before he secured the concession. Jack Philby, an English graduate of Trinity College Cambridge, who converted to Islam in 1930, invited Karl Twitchel, an American mining engineer, to drill Cartesian wells for Ibn Saud in 1931 but after failing to get water he informed the King of the prospects for oil and promised to look for investors. The mining engineer brought in Socal and, with Philby as go-between, Ibn Saud granted the concession covering about 360,000 square miles for a period of sixty years to Socal in May 1933. After years of frustrating search Socal finally hit oil in March 1938. The British, whose geologists declared there was no chance of finding oil, rejected an invitation to join via the Turkish Petroleum Company, which became known as the Iraqi Petroleum Company from 1929. But when oil was struck they paid a higher price to get a concession in another part of Saudi Arabia where, unfortunately, they never found a drop of it. Similar moves were made by the axis powers - German, Japan and Italy - to acquire concessions, in addition to establishing diplomatic relations with the Kingdom.

Similarly, Holmes discussed the prospects of finding oil with Amir Sheik Ahmad of Kuwait and brought in Gulf Oil in 1931. After initial British protests concerning US companies encroaching into its protectorates and sphere of influence, Gulf was allowed to negotiate with Kuwait after Anglo-Persian stated that it had no interest in Kuwait. But before any agreement could be signed, oil was struck in Bahrain in 1932 and Britain changed her mind instantly. Not only because Anglo-Persian started believing in the possibility of finding oil in the country but also because in November of the same year the Shah cancelled the Anglo-Persian concession in Iran. When Sheikh Ahmad insisted on signing the concession with the highest bidder instead of simply giving way to Anglo-Persian, the British initiated a joint bargain with Gulf Oil instead of allowing the Kuwaitis to play them off against each other and thus was formed, in 1933, the Kuwait Oil Company, with a 50/50 split between Anglo-Persian and Gulf and a British veto over any oil development in the partnership.
In December 1934 a concession agreement with the Amir was signed, giving the Kuwait Oil Company a seventy-five year lease. But due to glut and low prices the new company did not rush into drilling. It was only after three years that it commenced drilling and struck oil in February 1938. Initially, Socal had to go into a marketing arrangement with Texaco to sell its Bahrain oil in order to survive the low demand, a move encouraged by other big companies so as not to destabilize market prices. After WWII, Gulf went into a 10-year marketing agreement with Shell to sell its growing Kuwaiti oil, which covered about a quarter of Gulf’s proven reserves.

The Role of Oil in the World Wars

By the advent of World War I the internal combustion engine was already in place. It brought about more speed, flexibility and increased devastation among the adversaries. Hitherto the means of mobility in the battle was the horse, which consumed more food than the soldier, and was prone to fatigue, but now the beast of burden in the battlefield had been replaced by steel. The virtue of the use of the internal combustion engine was demonstrated during the battle of Paris. After the destruction of the French rail system by Germany in the summer of 1914, the French army carried out a swift operation under the cover of darkness using the Paris taxicabs, which numbered about three thousand, to deploy French troops to the front to repel German soldiers trying to overrun Paris. The quick deployment of the French forces using the gasoline-fired automobiles tilted the balance against the advancing Germans who were beaten back. Thus the Paris taxicabs were not only credited with saving the French capital, the operation also demonstrated the strategic significance of the internal combustion engine and its bright future.

The rapid development of the armoured vehicle, military trucks, motorcars and motorcycles fired by gasoline facilitated the victory of the Allies against Germany in what otherwise would have been, at best, a stalemate because both sides had dug themselves into trenches, topped with barbed wires, and were holding same positions for over two years. It was only the invention and use of the armoured cars by Britain,
which could withstand the hail of bullets as well as run over the trenches and barbed wires that dramatically changed the situation. Before then the Germans held the aces when it came to locomotives fired by coal, which motivated the supply lines to the front. As the war progressed fighter planes that used octane grade oil were developed and deployed in bombing what only a few years earlier would have been unreachable targets. During the war it was estimated that the British alone made and deployed to the battlefield 56,000 trucks, 23,000 motorcars, and 34,000 motorcycles, in addition to 55,000 fighter planes. The other parties deployed similar numbers (Yergin 1991). The fact that the US was responsible for the production of over 60 percent of world oil whilst the companies controlling the oil industry were basically Anglo-American was also seen as a principal factor that contributed to the ultimate victory of the Allies (Venn 1986).

Yergin (1991) argued that the allied naval blockade of Germany, which prevented it from getting oil, was partly responsible for the defeat of the latter during WWII. Germany never had any oil on its own but relied on external sources, including Romanian oil and the Allies made it a point to ensure that Germany was starved of the required oil to efficiently prosecute the war. This included the destruction of oil wells where the Allies had to withdraw. In contrast, the US had huge oil within its shores and made it a point to ensure that her European allies were supplied with adequate oil. This was in addition to other sources from the Middle and the Far East where Dutch and English companies held sway. In order to overcome its problem of dependence on foreign oil, the Germans went into the production of synthetic fuel from coal through hydrogenation even before the WWII but the process proved expensive and inadequate.

A similar attempt to produce oil through hydrogenation in the US by Standard in 1929-1930 produced similar results, it being about ten times more expensive than the process based on oil from wells. Despite that Germany was not discouraged and by 1939 it had fourteen hydrogenation plants under operation, producing 72,000 barrels a day by 1940, which met the overall need of the German air force and about half of its
other requirements. With the invasion of Russia in 1941, Hitler ordered his generals to capture the Caucasus in order to deprive the Russians of supplies from Baku’s oil wells, as well as secure the supplies for the German army. By July 1942 German soldiers were able to capture Rostov and cut off the Caucasus oil pipeline connecting the Caucasus to the rest of Russia. Yet despite being within the Caucasus in the next two months they could not capture Baku and part of the reason was, ironically, their inadequate supplies of oil to the overstretched troops.

The original plan of the Axis powers was for Germany to capture Baku, get enough supplies, move on to India and ultimately end up capturing the Persian oil fields. Meanwhile Mussolini’s forces, backed up by other German brigades in North Africa, would advance from Libya to Egypt, and through Palestine, Iraq and Iran, so that if the Germans at the other end could not make it the Italian-led forces would proceed to capture the Baku oil fields. But the Italians did not go beyond Egypt before the tide turned against them, again largely due to inadequate fuel supplies. Indeed lack of fuel and miscalculation of the amount of supplies required made even retreating difficult for the defeated forces in the face of advancing adversaries.

German General Heinz Guderian and Field Marshal Erich Von Manstein, who lead the Russian invasion, consistently complained to Hitler of the problem of shortage of fuel supply and ultimately German’s Sixth Army had to surrender to the Russians at Stalingrad because it did not have adequate fuel to beat a retreat. Added to that the Russians also captured the Romanian oil fields from where Germany had been deriving her external source of oil supply. In North Africa, the Allies controlled the Island of Malta and used it to blockade the Axis shipping supply line. General Erwin Rommel, the WWI veteran leading German’s Panzer Army in North Africa, had his victories against the British in North Africa rolled back in 1943 because of inadequate fuel supply. By June 1944 General Carl Spaatz, commander of the US air force in Europe, embarked on a new offensive against German synthetic fuel plants, managing as a result to reduce their production from 92,000 barrels a day to 5,000 barrels a day.
within a period of three months. From September 1944 the German air force was effectively grounded due to lack of fuel.

Similarly, securing the supply of oil was one of the principal reasons why Japan eventually plunged itself into World War II. Japan produced only seven per cent of its oil requirement and relied on imports, with 70 percent of its oil supplies coming from Royal Dutch/Shell and Standard-Vacuum, who provided sixty percent of Japan’s oil from the US, while Japanese companies were providing the balance from other sources, mainly from the Dutch East Indies. However, oil accounted for only seven per cent of Japan’s energy mix but its strategic significance lay in the fact that the oil served its imperial fleet and air force. With renewed hostilities with China over Manchuria in 1931, the Japanese government started enforcing closer control on the companies, demanding increases in imports. A law promulgated in 1934 forced the companies to have inventories in excess of six months. This was to allow the country stockpile enough oil so that it could survive any embargo in future. By 1934 the relationship between Japan and the Western oil companies had deteriorated so much over the regulations that the British Foreign office requested the State Department to enforce an oil embargo on Japan. Consequently in August 1937 Japan and China embarked on a full-scale war and because of the dire need for oil the Japanese not only improved their relationship with the oil companies but also embarked on a synthetic oil programme.

As the war continued, the Japanese made it clear that any attempt to stop them from getting oil from the East Indies would be considered a declaration of war and warned Britain to stop supplying China with oil from Burma. With British prodding, the US finally agreed to impose restriction on the export of aviation oil to Japan by US oil companies in July 1940. Convinced that America, Britain, China and the Dutch, referred to as the ABCD powers, were conspiring against them, the Japanese signed a pact with Germany and Italy in September 1940 and made up its mind to invade the Dutch East Indies and Indochina in order to secure its supplies. In the same year the US quickly moved its fleet from California to Pearl Harbour in Hawaii to back up
Britain and deter Japan. Tokyo made up its mind to move in to the Dutch East Indies, but before it could do that it had to neutralize the US fleet at Pearl Harbour. Ultimately, after careful planning the Japanese launched a surprise attack on the American fleet on December 7, 1941, killing over two thousand four hundred Americans and destroying the entire American naval fleet and air force stationed there. But their failure to invade and destroy the American oil dumps of four and half million barrels proved to be a costly mistake because it could have severely delayed any effective US response and prolonged the war by two more years. If the Japanese had destroyed the oil dumps, the US would have had to ship oil from California which was thousand miles away.

By January 1942, Japanese forces had captured a Shell oilfield and refinery at Balikpapan in Borneo but before evacuation the oil wells was destroyed and the refinery blown up, in line with a plan designed by the allies. Although by March 1942 Japan had captured the entire East Indies, with its oil fields, they discovered that all the oil fields and refineries had been destroyed by the retreating forces. Nonetheless, the Japanese had anticipated this and made contingent arrangements with regard to human resources and equipment to restore oil production. By 1943 Japan was able to restore three quarters of the pre-war oil production, reaching output of 49.6 million barrels per year and Japan was, for the first time, in possession of more oil than it had ever seen before. In addition they discovered the largest oil field in the East Indies during the war. However, the Japanese were not able to ship the oil to the Home Islands because the US, with its superior torpedoes, continued sinking Japanese ships in the Pacific. Gradually, the situation moved from bad to worst for Tokyo. By late 1944 Japan’s import of the required fuel dropped to a mere 4 percent of the pre-war figures. However, the country did stockpile oil from the territories it captured in the Dutch East Indies. Its attempt to produce synthetic fuel proved too costly and inefficient and failed to provide more than 5 percent of the country’s requirement.

The imperial forces lost the battle of the Philippines to the Americans because of lack of sufficient oil to move round and rout the comparatively weaker US forces. Even the
kamikaze option was rationalized in the light of the oil shortage in that it made more sense to inflict damage on the enemy using and losing a plane and pilot fuelled one-way rather than having the Americans pick them off as sitting ducks due to the limits to manoeuvrability that limits to supply of fuel imposed when attempting to attack and return. Nevertheless, the Japanese spirit to fight the Americans to the death rather than surrender made American casualties continue to rise and the US calculated that despite the gradual elimination of the enemy’s supply requirements it would still cost hundreds of thousands of American lives to bring Japan to the ultimate surrender.

Consequently, the Allies encouraged Stalin to attack Japan from the rear in order to capture some disputed islands from them and the US dropped the first atomic bombs on Hiroshima on August 6, 1945 and the next bomb on Nagasaki on August 9 that led to the final capitulation of Japan in the Pacific war that cost twenty million lives (of which two and half million were Japanese) triggered by the desire to secure, among others, oil supplies. The allies still believed, justifiably, that their victory was in large part secured by denying their enemy access to oil whilst enjoying plentiful supplies themselves. In all probability if the Axis powers had as abundant uninterrupted oil supplies as did the allies the war could have taken on another dimension, significantly extended duration and perhaps even an entirely different outcome. In the words of Lord Curzon, the British Foreign Secretary, “the allies floated to victory on a wave of oil.” (Sampson, 1975:60).

During the war Britain’s oil supplies came from Royal Dutch/Shell, Anglo-Persian and Standard Oil of New Jersey and most of the oil came from America. In the early stages of the war the British government established the Petroleum Board and merged all the downstream activities of the oil companies operating in Britain. The government also established a rationing system for motorists and tighter control over gasoline stations. After the German’s capture of refined French oil reserves stored in fuel depots, the British put in place a plan to destroy its entire oil inventory if the Germans succeeded in invading Britain. Earlier on Britain urged Romania to destroy
its oil fields in the face of the Nazi’s advancement without compensation, but the Romanians declined to destroy their national treasure.

The US, which was responsible for two-thirds of global production, came to the aid of the British. In March 1941 the Franklin D. Roosevelt administration repealed the neutrality legislation which prevented giving supplies to the warring parties in Europe and channelled its excess one-million-barrel-a-day capacity to Britain. In addition, the administration also established a body similar to the British Board known as the Petroleum Administration to increase oil production and regulate prices and supplies. The Roosevelt administration also established a rationing system for motorists in the US, made industries switch to coal, encouraged the use of natural gas and imposed a ban on gasoline for auto racing: all with the purpose of diverting the excess fuel to Britain. But from December 1941, when Germany formally went to war with the US, to March 1943, more than half the ships carrying the oil supplies to Britain were sunk in the Atlantic by German U-boat and Britain suffered severe shortages. Throughout the war US crude production increased by 30 percent and provided for six out of the seven billion barrels that the Allies expended during the war. The US produced about ninety per cent of the oil used by the Allies (Yergin 1991:393).

**Preserving the Concessions during World War II**

During WWII oil exploration and production was suspended in the Middle East, with the number of Western oilmen operating in the region massively reduced to teams that would destroy the oil fields if they were threatened with being overrun by the Axis powers. But even as the war raged the oilmen were still working on post war plans for the Middle East concessions. In 1944 the US companies in the region estimated that the region had a reserve of between five to three hundred billion barrels, with one third of it deposited in Saudi Arabia. Due to the strategic role Saudi oil would play after the war, the US and British government were apprehensive lest the Saudis offer the concessions to others.
In order to ensure that other parties did not cut any oil deal with King Saud, the US and British governments offered the cash-strapped King Saud a total of $2 million in loans, which would be repaid when the oil started flowing after the war. Worries were being expressed in the US that its continental ground crude reserves were being depleted during the war and there was a perceived need to get external sources in order to preserve the remaining US reserves after the war for another rainy day. There was no other region that offered better prospects for cheap oil after the war than the Middle East. This informed the policy of engagement that followed towards the Middle East. The US was so much concerned that by July 1943 President Roosevelt was discussing how the US government could acquire direct ownership of the Saudi crude reserves. He set up the Petroleum Reserve Corporation to buy up the entirety of Texaco and Socal’s concessions in Saudi Arabia under the name California-Arabian Standard Oil Company (Cosac). As would be expected, the companies protested and the administration modified its demand to one-third, which would make it an equal partner with the two companies. It offered $40 million for Cosac but with the condition that it remained the largest buyer during peace times and the sole buyer during war. But the two companies, along with congress and public opinion, opposed the government’s direct participation and the plan was ultimately aborted.

Nevertheless, the administration did not renege in its efforts to secure access to Middle East oil. It only changed strategy by coming up with another plan on how it could cooperate with Britain to control the international oil market. But the two countries could not agree and kept on wrangling over who should control where. The US wanted Britain to keep Persian oil exclusively to itself while it kept Saudi oil as its exclusive domain, whilst the two shared the oil from Kuwait and Iraq. Britain found the demand preposterous in a region it considered as its imperial domain. Roosevelt and Churchill engaged in less-than-courteous exchanges over the issue at a time when the two allies were fighting a vicious war against the Axis powers. Both countries were forecasting the central role Middle East oil would play in the post war era and each wanted to secure the lion’s share. Finally in August 1944 the two countries reached a compromise and signed an agreement establishing the International
Petroleum Commission (IPC) in order to ensure equitable control of oil resources between them, but the US senate, at the behest of the independent oil men was opposed to the agreement and it was not ratified. Their fear was that it would introduce international regulation of domestic oil production while the majors were afraid of facing antitrust violation if they cooperated with the IPC.

Similarly, in 1945 Roosevelt met with Ibn Saud at the Suez Canal to discuss future bilateral relations centred on oil. Churchill could not conceal his displeasure at what he considered as Roosevelt flirting in a British sphere of influence and he took immediate steps to undo whatever Roosevelt might have hatched with Ibn Saud: “Churchill rushed to the Middle East, and three days after Roosevelt, the British Prime Minister drove into the Egyptian desert to meet Ibn Saud in a hotel at an oasis.” (Yergin 1991: 405).

**Post World War II Developments**

Wyant (1997) has argued that since the Second World War three major transformations have occurred in the oil industry. First, the oil producing states have wielded more control over the oil industry through the creation of a cartel (OPEC) and in some cases nationalization of the concessions belonging to the multinational oil companies. Second, the entry of hundreds of other companies replaced the pre-war era when few companies dominated the oil industry, which led to increased competition. The third significant development was the priority of oil in foreign relations. A remarkable proliferation of oil companies occurred particularly in the Middle East, “In 1946, 9 oil companies operated in the region; by 1956, 19; and by 1970, the number reached 81. Yet even this was only part of a larger expansion. Between 1953 and 1972, by one estimate, more than 350 companies either entered the foreign (that is non-US) oil industry or significantly expanded their participation” (Yergin 1991:531-32).

These changes happened predominantly from the 1980s on, way after OPEC both came into being and began to flex its muscles. Even then, many of the companies
involved have merely exploited the (partial) vertical disintegration of the majors largely as a result of the effects of OPEC delivered price hikes to which they responded by refining more crude to produce more product than they could actually sell themselves through their dedicated distribution and marketing networks. They did this to keep refineries running to defray the fixed costs associated with them for even when as a result they were forced to sell product as a loss, this still made marginal economic sense. This short sightedness led to new intermediate markets in refined product in which players like Jet and the supermarkets bought up product when it was well priced (from their perspective) and sold it at discount prices (since they did not have the costs associated with servicing the huge vertically integrated networks of the majors). The majors then disintegrated further, modelling themselves, in parts of their business, on the new competitors they had themselves created.

The three transformations are very much interrelated and interdependent. Part of the drive behind OPEC’s formation and increasing willingness to act is the perception amongst Arab states (themselves often the product of imperial, oil driven divisions) that ‘their’ wealth was not only being stolen, it was being stolen to fund the continued existence and regional military dominance of Israel. This reached a height in the Yom Kippur war of 1973, which of course the Arab states ‘lost’. It was following this that OPEC really flexed its muscles, forcing the price of oil up by factors of magnitude. Similarly with the Iranian revolution of 1979. A US/UK installed administration, installed to secure supply of oil, was overthrown with the resulting chaos and subsequently deliberative action by an understandably anti Western administration resulting in further increases in oil price, again by orders of magnitude. In the seventies oil thus went from about US $3 per barrel to about US $30 and it was this that brought about the economic slow down that made the oil companies pump out surplus products from their refineries that were constructed on assumptions of ever increasing world demand (assumptions which turn out to be false, partly as a result of the companies’ and their sponsoring states’ actions).
In the aftermath of WWII demand for oil continued to rise. In the US alone demand for gasoline rose by almost half between 1945 and 1950. The country’s proven reserves also rose by 20 per cent within the same period assuaging earlier fears of depletion. But despite the increase in proven reserves, the US started importing oil in 1948, closing the chapter to years when she was the world’s major exporter.

Meanwhile in Saudi Arabia, Aramco made huge discoveries beyond their wildest expectations. The problem shifted from the search for oil to the search for investors and markets. The two companies owning Aramco, especially Socal, lacked the capital required for developing the concessions. But the two companies and the US government wanted the concessions to remain purely American. Two other US companies, Jersey and Socony, were invited to join Aramco. But the obstacle remained that Jersey was part of the Iraqi Petroleum Company, which meant that she could not join the concession except through the IPC, along with the other companies and Mr Gulbenkian. The other members of the IPC - Shell, Anglo-Iranian, CFP and Gulbenkian - rejected the move by Jersey to join Aramco without the others. They wanted all members of the IPC to be allowed in, but the US companies refused, insisting that the Aramco concession was exclusively for American companies; an idea endorsed by Ibn Saud. It seemed Churchill’s apprehensions were well founded after all!

In December 1946 Jersey and Socony signed an agreement with Aramco to take over 40 percent of the Company’s shares; paying $102 million desperately needed by Aramco to undertake project Tapline, the construction of a 1,040-mile pipeline from the Persian Gulf to the Mediterranean, to convey Arabian oil to European markets. Of the 40 percent Aramco offered, Jersey took 30 percent after Socony developed cold feet and agreed to accept only 10 rather than the previously agreed 20 percent, but it did not take long for Socony to regret the decision. Despite the protest by other IPC members and separate legal suits instituted by CFP and Gulbenkian against the US companies, the new Aramco agreement was signed on March 12 1947. Thereafter, in May 1947 Jersey persuaded CFP to withdraw its suit in return for more stakes in IPC.
But it took over one and half years to arrive at a settlement with Gulbenkian, again via offers of more shares in the IPC. In November 1948 a new agreement was signed, bringing an end to the Red Line Agreement. But strangely enough the available literature, including Yergin’s, which delved long into details on the issue, was silent on the position of Shell and Anglo-Iranian on the matter. Surely they could not have sat back, like hypnotized dummies, and watched the others securing something over the brawl whilst failing to take their bite, especially if viewed in the light of the British government’s strong obsession with Middle East oil?

Overall, the demand for Middle East oil continued to grow. At the end of WWII about three-quarters of Europe’s oil was supplied by America. Five years later about 80 percent of net oil import into Europe came from the Middle East. In September 1950 the Tap line project was completed, conveying Middle East Oil from the Persian Gulf to the Lebanese port city of Sidon on its way to Europe, effectively replacing the 7,200 miles shipping distance through the Suez Canal. It marked the beginning of the era of shifting balance of power relating to oil from mighty America to the desert Bedouins.

**The Duel between the Oil Companies and the Oil Producing States**

Mexico's nationalization of its oil in resources in March 1938 was the culmination of the struggle between a national government and foreign oil companies. The Mexican decision encouraged other oil producing countries to demand more rents from the oil companies. With the death of Venezuela's strongman, General Goruez, in 1935, the new government demanded a review of the rent being paid by the oil companies, advocating equality in the profit share through the fifty-fifty principle. The Venezuelan government passed a law in 1943 demanding an equal split of the revenue being made from oil sales. Subsequently, the Venezuelan government’s overall income rose to become in 1984 six times what it earned in 1942. The government also, for the first time, began participating in the downstream sector of the industry, from transportation, refining to marketing, breaking what the president described as "the veil of mystery over the marketing of oil - behind which the Anglo-Saxons had
maintained a monopoly of rights and secrets" (Yergin 1991: 436). Creole, a subsidiary of Jersey which had half of its income from Venezuelan oil, accepted the new changes for fear that the alternative could be outright nationalization, as had been the case in Mexico. The companies were also made to comply with the government demand to employ more indigenes in the oil industry. The new arrangement proved to be better in monetary terms for the state than outright nationalization and the Venezuelan government was making seven percent more on every barrel than Mexico, with its fully nationalized oil industry. But the fear of the oil companies, which eventually came to pass, was that other producing countries would start demanding similar terms.

Even without the Venezuelan example the rules could still have changed anyway. Aminoil, another US company, secured a concession in the neutral zone between Kuwait and Saudi Arabia by offering Kuwait better terms than the majors were paying the oil producing states in the Middle East. In addition to more attractive royalties, the company also agreed to pay fifteen percent of its profit to Kuwait. Similarly Pacific Western, another oil company that won the concession for the Saudi part of the neutral zone in December 1948, offered better terms to the Saudi government than it was receiving from the other companies already operating in the kingdom. In addition to agreeing to the fifty-fifty principle, Pacific Western was to provide social facilities and free gasoline to the Saudi military. Comparatively, Pacific Western’s “55-cent-a-barrel royalty to the Saudis loomed over Aminoil’s 35-cent royalty to Kuwait, the roughly 33-cent royalty that Aramco had just been compelled to pay the Saudis - and far overshadowed the 16 and half cents that Anglo-Iranian and the Iraq Petroleum Company were paying in Iran and Iraq respectively, as well as the 15-cent royalty that the Kuwait Oil Company was paying” (Yergin 1991: 444). The new entrants were offering such attractive terms to the countries because it was the only way they could win the concessions in the face of the more powerful companies with stronger ties and other advantages associated with already being on the ground. Additionally the Gulf States were also becoming more skilful in the art of negotiation with the realization of their new status.
The Saudis were also to discover much later that they were worse off than not only the oil companies (Aramco’s profits were about three times Saudi’s earning from the concession) but also the US government, in terms of sharing the wealth that came from the oil in their homeland. By 1949 Aramco made over $125 million in profit, while the company paid the US treasury $43 million in taxes from its activities associated with the extraction of Saudi oil, in comparison to a total of $39 million the company paid to Saudi Arabia in the year in question. What infuriated the Saudis more than anything was the fact that Aramco voluntarily preferred to give more to its home government despite the fact that if it was paying Saudi Arabia the sum it was forwarding to the US treasury, the company would have enjoyed ‘foreign tax credit’ for the same amount from the US government. In other words, if Aramco was paying Saudi Arabia $78 million it would have only been requested to pay the US treasury $4 million. A 1918 legislation allowed a US company operating abroad to deduct from its domestic income tax the amount it paid in foreign tax.

Also, the Venezuelan government was working hard to spread the fifty-fifty principle to the Gulf States out of fear that it could start losing market to the cheap Middle East oil, and without the fifty-fifty principle in the Middle East the oil companies would simply abandon Venezuelan oil in favour of marketing oil from the other sources. The Venezuelans translated the fifty-fifty document and embarked on a tour of the Gulf States, urging them to demand similar terms from the oil companies. Venezuela adopted a foreign policy posture depicting herself as a champion of developing countries in their struggle against domination by multinational corporations (Vallenilla 1975). Ultimately in December 1950 Aramco succumbed to the new demand and signed a new agreement with Saudi Arabia enshrining the fifty-fifty principle, in addition to having the amount being paid to the US government by Aramco as taxes redirected to Saudi coffers. The changes made a big difference to the Saudi government, for in 1951 she got paid $110 million by Aramco while the US tax authorities collected just about $6 million tax from the company. Within no time the Kuwaiti government also made similar demands and despite initial objection by the
British government on behalf of Anglo-Iranian interest in the Kuwait Oil Company, its demands were eventually met.

However, despite the struggle by oil producing states to get more from their oil resources, the fact remains that governments of consumer countries still make more money out of every barrel of oil produced than the governments of oil exporting countries. For instance between 1996-2000 the G-7 governments made a total of $3.1 trillion from oil compared to a total of $850 billion earned by oil exporters over the same period, from which the cost of exploration, production and transportation had to be deducted (OPEC: 2001). OPEC annually make about $170 billion from oil sales while the G-7 governments make a whopping $270 billion a year from oil, with the UK topping the list by collecting $1.19 tax from every litre of oil, while the US charges the least per litre of $0.4.

A Different Twist
Unlike the others, Iran which had similar problems, reacted in a different manner. It discovered that from 1945-50 while Anglo-Iranian made £250 million from Iranian oil, the Gulf state was paid only £90 million. The US intervened, seeking to distance Iran from Russian influence, by urging Anglo-Persian to agree to the fifty-fifty demand. But Anglo-Persian, the third largest global producer of crude oil, was still possessed with an imperial mentality and viewed its relations with Iran as those between unequal partners and was dragging its feet towards accepting any changes. It made an annoyed President Harry Truman of the US describe William Fraser, Anglo-Iranian chairman, as a typical 19th century exploiter. Consequently, the Iranian parliament also took a confrontational stand and on April 28, 1951 passed a law nationalizing Anglo-Persian. Long negotiations followed between the contentious parties with the US government, concerned with geopolitical and cold war rivalries, urging the British government to embark on meaningful dialogue with Iran at a time when all London could contemplate was military action. The thinking in Westminster favoured confrontation based on the fear that if London caved in it would lose control of the Middle East. Britain, incapable of carrying out invasion due to lack of military
bases in the region to fight a protracted war, imposed economic sanctions on Iran and threatened legal and military action against any oil tanker that lifted Iranian oil. Relationships continued to deteriorate and by September 1951 all British oil workers were expelled from Iran. When all hope was lost of settlement, the US tried brokering talks on compensation, but that also failed.

In 1953, the US, no longer a neutral broker, conspired with Britain to overthrow the Iranian government and replace it with a puppet government in an operation codenamed 'Ajax'. MI6 and CIA agents, including Kermit Roosevelt, grandson of the President converged in Tehran and aided their local agents who successfully overthrew the government of Prime Minister Mossadegh, who was the real thorn in the flesh of Anglo-Iranian. The new government acted according to script and a new UK-US consortium took over the Iranian oil industry. The take over agreement was signed on October 29, 1954. It gave Anglo-Iranian forty percent, Shell fourteen percent, Jersey, Socony, Texaco, Gulf, Standard Oil of California eight percent each and the French CFP six percent. Anglo-Iranian was paid $509 million as compensation. A similar episode, which the British government feared, repeated itself with Egypt nationalizing the Suez Canal on July 19, 1956. The action followed a demand by Egypt that Britain split fifty-fifty with Egypt the proceeds being made from shipping oil in the canal. The Suez Canal, which cut the 11,000-mile journey around the Cape of Good Hope to Britain to 6,500 miles, was responsible for two-thirds of all oil imported to Europe. Britain, France and Israel conspired to jointly invade Egypt. In October 1956 the military offensive against Egypt was launched but the Egyptians, in a swift move, blocked the canal with ships loaded with rocks and cement, effectively blocking ship movement in the narrow canal. In a show of solidarity with Egypt, Syria blocked the Tapline that passed through its territory, creating oil shortages in Western Europe. The US, which was against the invasion, refused to offer help by not sending oil shipments from America as it did during the world wars and consequently the three countries were forced to withdraw from Egypt.
Fifty-Fifty Down the Drain

In August 1957, Ente Nazionale Idro carburi (ENI) of Italy secured a concession in Iran but under unprecedented terms whereby Iran took 75 percent of any profit made from the concession while ENI claimed the remaining twenty five percent. The other companies operating in the Middle East reacted with shock and anger knowing that before long they would be confronted with similar demands. They never wanted any oil company to go beyond the fifty-fifty principle, but the incoming oil companies had to pay a higher price in order to gain entrance into the region. The big companies even threatened the Iranian government on the consequences of going into any agreement that would jeopardize the fifty-fifty principle in the region, but Tehran went ahead with the ENI deal. Despite the fact the company did not find any oil in its area of concession it did succeed in destroying the invincibility of the fifty-fifty principle. The company proceeded to Libya where it dealt another blow to the fifty-fifty principle.

In a similar move the Japanese, who did not have any oil reserves of their own and did not own any concessions in the Middle East, made their debut under new terms. In 1951 a Japanese oil company called the Arabian Oil Company acquired an offshore concession in the neutral zone between Saudi Arabia and Kuwait under the ratio of 56:44 in favour of Saudi Arabia. The deal also stipulated that the Saudi government could acquire shares in the company if and when it commenced production. In the following year the company signed another agreement with Kuwait in the adjacent zone. Within half a decade the company discovered oil and was meeting fifteen percent of Japan’s oil needs. Likewise, in 1958 Standard Oil of Indiana joined the fray and became the first American oil company to go into a deal that broke with the 50:50 template; a 75:25 deal with Iran.

The Era of OPEC

The oil glut in the 1950’s which was caused by the increase in Russia’s production that made her displace Venezuela as the second largest producer after the US, along with new discoveries in the Middle East, led to a downward slide in oil prices. Venezuela, whose cost of production was four times that of the Middle East, found
itself being threatened by the cheaper Middle East oil, in addition to the import quotas imposed by the US, which also affected its exports. As a survival strategy Venezuela embarked on a massive campaign for the formation of a cartel to secure the income of oil exporters by regulating production and price. The unilateral slashing of prices by 18 cents per barrel by BP in 1959 from its Middle East oil infuriated the Gulf States. The oil producing states openly complained that they could not accept a situation whereby foreign companies would be undermining their earnings while depleting their non-renewable resource. A meeting of oil exporting states, including Venezuela, Saudi Arabia, Kuwait and Iran was convened in Cairo in 1959, at the end of which an agreement outlining measures to be taken to protect the interest of oil producers was signed.

The measures included each of the exporting states establishing their own national oil companies to compete with the majors as well as a review of the fifty-fifty agreement between the oil producers and the oil companies to sixty-forty in favour of the former. Coincidentally, another incident further galvanized the oil producers into immediate action. On August 9, 1960 Standard Oil of New Jersey unilaterally cut oil prices by fourteen cents a barrel. Although the other companies were apprehensive of the reaction that would trail the decision they also followed suit and slashed their prices of crude oil. The companies argued that technically they owned the oil below the ground in their concession areas but the oil producing states insisted that they could not accept unilateral slashing of prices that would affect their royalties. The reaction that followed Jersey’s decision was swift. The oil producers commenced immediate consultations and on September 10, 1960 delegates from Venezuela, Saudi Arabia, Iran, Iraq and Kuwait converged in Baghdad for a meeting. The outcome of the meeting was the formation of the Organization of Petroleum Exporting Countries (OPEC), with the primary aim of defending oil prices and regulating production.

The Gaddafi Factor
Col Muammar Gaddafi’s coming to power in Libya on September 1, 1959 with his revolutionary zeal added more impetus to OPEC’s militancy. By the time Gaddafi
came to power twenty-one oil companies were operating in Libya where they found abundant high quality oil. The fact Libya was situated on the other side of the Mediterranean facing Europe eliminated the need to ship its oil through the turbulent Suez Canal to European markets. Within a decade of oil being discovered in the country, Libya’s oil exports exceeded those of Saudi Arabia. By 1970 Libya was producing 3.1 million barrels a day and was supplying thirty percent of Europe’s oil demand. Libya also exported about 40 percent of its oil to the US and 85 percent of her total production was being handled by US companies (Waddams 1980).

On coming to power Gaddafi closed down US and British military air bases in Libya, deported Italian settlers and closed down Catholic churches. In January 1970 he initiated a demand for an unprecedented forty-three cent increase per barrel in posted price from the 21 oil companies operating concessions in Libya. The demand came at a time when the Suez Canal was still closed and subsequently in May the Tapline which transported Saudi oil through the Mediterranean was ruptured preventing five hundred thousands barrels a day Saudi oil from reaching the markets. The companies could not afford to treat Libya the way they had treated Mexico or Iran in the past in the face of what they considered as preposterous demands. At the end of bitter negotiations the companies agreed to give Libya a thirty cents increase, in addition to increasing the country’s profit share from fifty to fifty five per cent. With electrifying effect, the other Middle East producing countries made similar demands from oil companies operating in their territories, which were all met by September 1970. Venezuela, not satisfied with the 55:45 arrangements demanded for a review to 60:40, which was carried out under the first collective negotiations between the oil companies forging a common front while the producers negotiated under the auspices of OPEC. Following the Tehran agreement of February 1971 and the Tripoli agreement of March 20, 1971, OPEC secured an increase in posted oil prices, from $1.80 per barrel in 1970 to $2.18 in April 1971.

Shortly thereafter OPEC members started demanding the right to direct joint participation with the companies instead of remaining as rent collectors. In the past oil
producing states had participated directly in the oil industry only through outright nationalization. However oil producers now preferred joint ventures, with the states having a fifty-one percent stake in the operation. In the wake of Libya’s nationalization of BP - as retaliation against Britain for handing over an island on the Persian Gulf to Iran, which neighboring Arab states were equally claiming - the companies, afraid of outright nationalization, agreed to give up twenty five percent of their concessions to their hosts. But all the OPEC members, with the exception of Saudi Arabia, rejected the offer. Libya then took the first step in nationalizing fifty one percent of all the oil companies in its domain in mid 1973, an action that was subsequently adopted by the other members of OPEC including Saudi Arabia.

The 1967 and 1973 Oil Embargo

On June 5, 1967 Israel launched a massive surprise military attack against its Arab neighbors in what came to be known as the Six-Day War, capturing Sinai, Jerusalem, West Bank and the Golan Heights. Arab states including Saudi Arabia, Iraq, Kuwait, Algeria and Libya, imposed an oil embargo on the US, Britain and Germany for their open support of Israel. By June 8, Saudi Arabia and Libya stopped exporting oil, reducing oil output from Arab countries by sixty per cent, equivalent to six million barrels a day. Before the crises could be resolved coincidentally a civil war broke out in Nigeria in July, 1967, cutting the West African country’s supply to the international market by 500,000 barrels a day.

On October 6, 1973 Egypt and Syria launched their own retaliatory surprise military attack against Israel in a bid to reclaim the territories that they lost to the Jewish state during the 1967 war. This war too led to another major oil crisis. Within forty-eight hours of commencement of hostilities the US began a massive operation of airlifting military supplies to Israel, to save it from being overwhelmed. The use of US air force planes under broad daylight, which were being refueled at the Portuguese controlled Azores on their way to Israel, infuriated even Washington’s friends in the Middle East, including Saudi Arabia. To make matters worse, President Nixon, with Watergate tightening its noose on him, in a public relations move openly announced
that Washington would give Israel a $2.2 billion military aid package. The Organization of Arab Petroleum Exporting Countries (OAPEC) - with the exception of Iraq - under the sway of demonstrators who had taken over the streets in the Middle East, announced an immediate oil embargo on the US, a move that was later extended to include Portugal, the Netherlands and Rhodesia (now Zimbabwe). The oil weapon, some argue, was a non-violent defensive measure by the Arab states against its adversaries (al-Sowayegh 1984: 193).

The embargo, which was not anticipated by Washington largely because in the past the Arab states had failed to put up a common front, came at a time when the US no longer had excess capacity and was importing 6.2 million barrels a day, equivalent to 35 percent of its daily consumption. The outbreak of the war also coincided with an on-going meeting between OPEC and the oil companies on demands for further increases in the price of crude oil. OPEC declared a seventy per cent increase in posted price, raising a barrel to $5.11 compared to $2.18 per barrel in 1971. This marked a drastic change with producers unilaterally fixing prices in contrast to the previous situation when oil companies alone fixed prices. Nevertheless, OPEC pointed out to those complaining about the increase in prices that it was the governments of the consumer nations that were exploiting the increase in prices, with the latter making sixty-six percent of oil retail prices in taxes while the exporting countries were making an equivalent of nine percent. OPEC was demanding a hundred percent increase in price per barrel in world markets while the companies were insisting on offering only a fifteen percent increase. When the negotiations failed, OPEC took the matter into its hands and unilaterally increased prices by seventy percent from $3.00 to $5.11 a barrel.

The effect of the embargo was severe as it took away fourteen percent of daily global supply because some countries actually did cut down their daily production levels, thereby starving the markets. The panic buying that followed led to an increase in prices to $17 a barrel. Oil companies trading crude also had their net profits increased from $6.9 billion in 1972 to $16.4 billion in 1974 amidst the suffering by consumers.
The governments of the industrialized countries who collect oil taxes in percentages also made more money from the increase amidst suffering by their citizens. When tempers piped down OPEC pumped more oil, which led to reduction of the prices to $11.65 a barrel. The new price was based on estimates using alternative sources of energy as a yardstick. Ahmed Zaki Yamani, the long term Saudi oil minister (1962-86), argued that the seed of the oil shocks were sown by the multinational oil companies who imposed lower prices for their profitability and that the price increase in 1973-74 was justified as a step towards addressing the issue. However, the successful takeover of the industry by the oil producing states as well as the increased revenues, he added, “gave OPEC illusions as to how it could utilize its oil…political rather than economic considerations became dominant in the process of forming OPEC policies” (Al-Chalabi 1990: IX).

Thereafter Saudi Arabia became the bête noir of the cartel, continuously sabotaging attempts by other OPEC members to increase prices. Saudi Arabia did and does so by using her over 3 million barrel excess daily capacity to dampen the market. Countries with low reserves were desperate for higher prices so that they could make as much as they could before their reserves got depleted while those with smaller populations and higher reserves preferred to opt for long term sustainability of prices. However, it was clear that Saudi Arabia was under intense pressure from the US to lower prices. In their frustration countries such as Libya and Iran did not hesitate to refer to Saudi as an imperialist stooge. Henry Kissinger, the US Secretary of State, used to issue threats of political instability to the Gulf regimes to keep them away from raising oil prices. Because of inter-rivalry and weak indigenous defence bases most of the Gulf States depended on the US for their security and the US performed the role by selling weapons to them and using its influence as a superpower. Similarly, the US also started importing oil from Russia at a discount under the ‘barrels-for-bushels’ program by supplying the Soviet Union with grain in exchange for oil. Ultimately, even Iran, a strong advocate for higher prices, succumbed to the US pressure and to everyone’s surprise started calling for lower oil prices. It was not until 1979 when the fury of the Islamic revolution in Iran challenged the status quo that oil prices soared once again.
Squandered Fortunes

OPEC and Western oil companies made tremendous fortunes from the hike in crude prices. OPEC members had their collective oil revenues increase from $32 billion in 1972 to $140 billion in 1977 at a time when the cartel was responsible for over sixty percent of global supply. The Gulf States embarked on a spending spree on arms purchased from the West, particularly the US (Lever and Huhne 1985: 47), while other OPEC members engaged in unsustainable huge infrastructural projects. The sudden influx of easy cash also brought with it official corruption, abandoning of other economic sectors and near total dependence on petrodollars. The curse of petrodollars led to economic difficulties and political instability for some of the oil exporters (Venn 1986; Kissinger 1981). The excess cash deposited in western banks was also largely responsible for the huge borrowing by poor countries in the 1970’s, which led to the debt burden whose crisis is still beleaguering most of the third world (Toye 1993: 213-231, Griffith-Jones 1991: 108). But it was not long before the bubble burst. By 1978 the oil exporters were not only broke and recording balance of payment deficits but some resorted to external borrowing (Zakariya 1987). The industrialized oil consuming countries adjusted well to the increase in oil prices and ended up collecting back OPEC’s excess earnings through exports of goods and services to the latter (Willett 1975).

Loss of Concessions

Meanwhile OPEC countries took steps to totally dispossess the oil companies of all their concessions. In 1968 Indonesia nationalized the rest of oil industry following its earlier policy of admitting oil companies as contractors rather than owners of concessions. In Mach 1975 Kuwait took over the entire holdings of all the companies operating in the tiny Gulf state after commencing with a sixty percent takeover in the previous year. The Kuwaiti government paid the former owners of the concessions $50 million compensation. Similarly Venezuela, which was to terminate all the concessions it gave to foreign oil companies after the expiration of the agreements in 1983, had a change of heart and nationalized the companies on January 1, 1976,
retaining the companies as contract employees. It established its own state oil company, Petroleos de Venezuela (PDVSA). Like Kuwait, Saudi Arabia also started by taking over sixty percent of Aramco and took the remaining forty percent in 1976 at a time when the country’s proven reserves stood at 150 billion barrels. But unlike Kuwait, which took over supplies to all its foreign customers, Saudi Arabia retained the former owners of its concessions as its foreign marketing outlets. It was argued that the oil companies were operating the concessions in a manner that served the interest of the industrialized countries (Venn 1986), hence the inevitable reaction, which led to the cancellation of the concessions. In 1973 Nigeria also nationalized BP in response to the latter’s sales of Nigeria’s crude to the Apartheid regime in Pretoria.

Alaska, North Sea and Mexico

Even as OPEC countries were consolidating their grip on the oil industry, three different huge discoveries were made in Alaska, the North Sea and Mexico. With the completion of its 800-mile pipeline, Alaska was pumping over a million barrels per day by 1978, reducing US dependence on foreign oil. Similarly, although oil was first discovered in the North Sea in 1969 production only commenced in 1975 with the development of the required technology. But both the extraction technology and the terms of the concessions enabled North Sea oil to grab a share of the growing market (Philip 1994). In an ironic twist of fate, Britain started calling for higher oil prices as OPEC would, abandoning its previous arguments that higher oil prices would undermine global economic growth. Britain and Norway started haggling with the owners of the concessions amidst threats of nationalization and extra contractual measures in a typical OPEC type approach. Thus emerged the ‘blue-eyed sheiks of the North Sea’ (Zakariya 1987: 110). The North Sea discovery was to have an effect of dividing the ranks of the industrialized on their urge for low oil prices, with Britain and Norway no longer keen on such (Doran 1977). Although the new discoveries in Mexico, the North Sea and Alaska increased the daily global oil production by three to five million barrels, the new comers acted in such a way as to ensure that oil prices remained high. It was only Saudi Arabia, under hypnotic US influence, that continued releasing its excess capacity to dampen the market.
By December 1978 the Iranian oil industry, the second largest global exporter, was ground to a halt by the Islamic revolution that gripped the country. Oil prices rose from $13 to $34 per barrel, despite Saudi Arabia’s pumping of two million extra barrels a day, exhausting its maximum daily capacity of 10.5 barrels. Saudi Arabia even went so far as to insist on selling its oil at the old rate when other producers were reaping the hike. Panic purchases and manipulation of prices were largely responsible for the increase.

Although the excess capacity being pumped into the market was enough to satisfy global demand, panic buying of oil to boost inventories kept the price of oil artificially high. An OPEC meeting in Caracas failed to stabilize prices. Between June 1979 and June 1980 oil prices rose from $29 to $36 a barrel. The only exception was Saudi Arabia which insisted on selling its oil at lower prices. The warning by the Saudi’s that an inevitable overflow of the inventories would send prices crashing were ignored. Meanwhile measures being taken to arrest the situation, including Western governments discouraging their oilmen from further purchase and the threat of trade sanctions against the Japanese government if it failed to prevent its oilmen from frenzy buying, in addition to Saudi Arabia’s attempts at flooding the market with its excess capacity. The high prices also had the effect of encouraging non-OPEC producers to boost their production. All these inevitably led to a glut and as anticipated, things started to fall apart for the oil producers (Yager and Eleanor 1974).

The increase in prices in December 1978 from $12.70 to $36 per barrel in January 1981 meant massive transfer of wealth from the oil consuming countries to the oil producing states. It led to inflation and balance of payment problems for less developed oil importing countries. The high prices also led to rushed investment in the oil industry. One that stood out was the sinking of $2 billion dollars by a BP-led consortium at Muklum off the coast of Alaska but instead of hitting oil the consortium found salt water. Other marginal non-OPEC producers in the developing countries
including Egypt, Argentina, Malaysia, Brunei, Oman, Brazil and India also increased their production in the 1970’s and early 1980’s.

Similarly, the rising oil prices led to growth in the use of alternative sources of energy in electricity and industrial sectors. Nuclear power stations, coal and natural gas started snatching the market away from oil. It also led to more economical use of oil, enhanced oil recovery (EOR) and the development of shale oil and tar sands (Zakariya 1987). Oil share in the energy mix dropped to forty three percent in 1985 from fifty three percent in 1978. When the inventories were filled to the brim, oil demand began declining and by 1983 it had dropped by forty percent. OPEC made attempts to cut down production but non-OPEC producers continued flooding the market with oil such that by 1982 they overtook OPEC in crude production for the first time. Britain’s output alone was more than that of Nigeria, Libya and Algeria put together. OPEC cut its production to eighteen million barrels a day compared to the thirty one million barrels a day it used to produce in 1979. Even Saudi Arabia was forced to cut its production to 1970 levels. OPEC’s share of the international oil market fell from forty eight per cent in 1979 to thirty three percent in 1983.

However, the cuts failed to stabilize prices because non-OPEC producers were pumping more oil into the market. By 1985 the oil industry had an excess capacity of 10 million barrels a day. The loss in market share and revenue was dramatic for OPEC, falling from $287 billion in 1980 to $78.8 billion in 1986. Saudi Arabia had its oil income slump to $26 billion in 1985, from $119 billion in 1981. Consequently, Saudi Arabia resorted to offering refiners her oil under terms in which they would merely have to give her back whatever it fetched after deducting a predetermined, attractive bonus. It was even argued that Saudi Arabia no longer had the ultimate power to control prices (Bromley 1998). Other countries such as Nigeria also resorted to bartering their oil for manufactured goods. All these further undermined the quotas OPEC was trying to impose in order to stabilize prices. Eventually by the end of 1985 oil prices had slumped to $6-10 a barrel. It was a complete reversal of roles and fortunes with producers chasing consumers with cheap oil.
Even the non-OPEC producers who were flooding the market with impunity now engaged in direct talks with OPEC on measures to arrest the unbearably low prices. This became necessary because the cost of production in the North Sea, Alaska, among others, was much higher than that of the Middle East. If prices dropped below an average of $6 it would become uneconomical to produce while the Gulf States could still make some profit even if prices drop below $6 a barrel. Norway, which used to believe that it was unpatriotic for a European country to associate itself with OPEC, ended up dispatching its oil officials to the Middle East. Even the US which used to put considerable pressure on the Gulf States to lower oil prices realized that the low prices were posing serious threat to the survival of its domestic oil industry. The Reagan administration, which officially prided itself upon free market ideals and slogans, started singing a different song. Vice President George Bush was dispatched to Saudi Arabia to find ways of taking the reins of market forces. This time around the free market was no longer good because it was threatening US national security and domestic interests, Bush explained. Oil, the slippery black substance, had succeeded in turning market forces into an enemy of the ‘capitalist free world’. Japan, a country bereft of oil, also complained that low oil prices were threatening its investments in alternative sources of energy.

Thereafter, an OPEC conference was held to find ways of preventing solely market forces from determining prices with the aim of fixing prices that would be sustainable for both producers and exporters. Following prices of $7 a barrel in July 1986, both OPEC and non-OPEC producers enforced the quotas and in the next three years oil prices stabilized at an average of $18 a barrel. The fluctuation in prices even by one dollar makes a significant difference to both importers and exporters because of the daily volume of oil being traded.

Iraq Invades Kuwait
Old habits die hard. Barely recuperating from the exhaustion of his war with Iran, Saddam Hussein rolled out his over bloated military to invade his tiny little neighbour.
The action followed allegations that while Saddam was busy fighting the mullahs, Kuwait stole $2.5 billion worth of oil from the Kumaila oil field, jointly owned by the two countries, in addition to conspiring with UAE to bring down prices (Schwarzkopf 1992: 339; Hart and Spero 1997: 298-299). The conflict came at a time when non-OPEC crude sources were dwindling. Mexico and the North Sea were producing at optimum and US total output had dropped by two million barrels per day from its pre-1986 levels. The US, which forecasted that it would depend more on Middle East oil as time went on, could not accept Saddam Hussein controlling over twenty percent (200 billion barrels) of proven global reserves. It quickly mobilized a coalition to eject Iraqi forces from Kuwait. Germany and Japan who constitutionally could not deploy soldiers outside of their own home territories were made to contribute in cash in the collective war to secure oil. The conflict disrupted the flow of four million barrels a day from the Persian Gulf and the markets reacted by doubling prices from $18 a barrel pre-invasion to $36-$38 a barrel.

Although within three months OPEC members, led by Saudi Arabia, pumped in their excess capacity to stabilize prices, prices remained generally at an average of $30 a barrel. Nevertheless after the January 11, 1991 US-led assault on Iraq, prices plummeted to $20 a barrel after a brief skyrocketing to $40 a barrel. However, before the Iraqis were repelled from Kuwait, they set over six hundred oil wells ablaze. The conflict not only destroyed much of Kuwait, it also left Saudi Arabia in a state of deficit after paying its contribution to the war cost and purchasing more arms from the US (Mohamedi and Sadowski 2001) in the face of heightened security fears. The deployment of US soldiers in the Kingdom also led to open dissent against the Saudi regime by Islamists, and al-Qaeda always cited it as one of the reasons for carrying out attacks against US targets. Therefore, it did not come as a surprise that eleven out of the nineteen hijackers who carried out the September 11, 2001 attacks in the US were purportedly Saudis. Some argue that the Gulf war demonstrates that OPEC is no longer the dominant player in the oil industry due to fall in demand for its oil and non-compliance on quotas by its members (Spero and Hart 1997).
A major distortion of the oil market only occurred again from the last quarter of 1997 to the first quarter of 1999 when oil prices plummeted to an average of $12.28. This was largely due to the 1997 financial crisis in Asia, which reduced the demand for oil. This major fall in oil prices, which was described by Ridwan Lukhman, the OPEC Secretary General as ‘a violent storm’ necessitated for the adoption of joint measures between OPEC and non-OPEC producers involving a 2.1 million barrels cut in daily output. Similarly, the devaluation of the Russian rouble and the depreciation of the Japanese yen also contributed to the lower prices. Within one year of the Asian financial crisis global economic growth dropped from the 3.9 percent recorded in 1997 to 2.3 percent in 1998. OPEC annual income also fell by a third from $166 billion to $110 billion within the same period. The GDP of some OPEC members including Venezuela, Kuwait, Libya, Iran, UAE and Indonesia recorded negative growth, which forced some of the countries to carry out economic reforms.

OPEC at Forty
In September 2000 OPEC held its 40th anniversary meeting in Caracas, the Venezuelan capital. It not only claimed to be a formidable organization which had succeeded in protecting the interests of its members but also defied the prediction of its detractors who believed the organization would never tarry this long due to the divergent nature of its members’ interests. OPEC first opened its headquarters in Geneva but the Swiss authorities did not consider OPEC serious enough to grant it the status of an international organization, which made it relocate to Austria. At forty OPEC changed its tone from that of a militant organization to that of a humbled warrior describing itself as an “organization, which has displayed maturity and a sense of responsibility towards all the players in the global oil industry, whether they be oil exporters or importers, producers or consumers” (OPEC 2000:5).

Venn (2002) conclude that the power of OPEC was short-lived, the oil embargo by some its members did not have any effect on the Arab-Israeli conflict and that the organization’s attempt to bring about a new international economic order failed. Furthermore, she claimed that OPEC wrestling control of the oil industry did not affect
the profitability of the multinational oil companies. In contrast others, including Gilpin (1983) acknowledge that OPEC did bring about “the greatest forced redistribution of wealth in the history of the world.” It had succeeded not only in forging a collective front which enabled it to successfully take some local control of the oil industry from the multinationals and engage in wider participation in that industry both in the upstream and downstream sectors (Wyant 1977). OPEC also claimed that it did bring about a new international energy order which helped in conserving oil in contrast to the days of the multinationals, when cheap oil encouraged quick depletion of the world’s petroleum reserves (al-Chalabi 2000).

By the time the Caracas meeting was held oil prices had appreciated to $27.60 a barrel, compared to the previous year’s average of $17 a barrel following the abating of the Asian financial crisis. This was in spite of OPEC’s increase in daily production by 3.7 million barrels. The increase, as illogical as it seemed, was precipitated by the protest in Europe over excessive oil taxes, market speculation and the dwindling refining capacity in the US. OPEC’s celebration also came at a time when the US was openly pleading with the cartel to increase production (Andoni 2000). Within 1990-98 OPEC crude production rose from 22 million barrels a day to about 28 while non OPEC production also moved from about 37 million barrels a day to an average of 44.5 within the same period.

After the first Gulf war western governments were once more concerned with the dangers of over reliance on Middle East oil. Measures such as increased use of coal, nuclear power plants and, especially, gas were accelerated. In the US alone the use of natural gas in generating electricity increased by about forty percent between 1990 and the beginning of the new millennium. But in real terms the growth in the demand for natural gas only reduced the rapid rise in demand for oil rather than reducing the need overall. It should also be noted that the highest number of proven gas reserves is still with the oil producers, with Russia, Iran, Qatar, Saudi Arabia, UAE Nigeria and Algeria topping the list.
Within the 1990-2000 decade oil demand rose from 22.65 to 27.94 million barrels a day with 40:60 ratios between OPEC and non-OPEC producers. Over the years the key determinant for oil demand has been global economic growth. Rising oil demand is associated with economic boom while recession leads to fall, or at least slow down in increase, in oil demand. The demand for oil in the future will continue rising with the Chinese and Indian economic expansion as the main long term contributory factors. In 2004 alone China’s oil consumption increased by about a million barrels a day, making it the second largest importer of oil in the world while twelve years ago it was not importing oil at all (CERA: 2005).

Post September 11, 2001
For most of September 2001 oil prices were stable on an average of $21 a barrel, until the September 11 attacks on New York and Washington crippled the aviation industry and subsequently led to another oil war on Iraq. Following the attacks prices temporarily rose out of fear that US response to the attacks may lead to a chain of events that would destabilize the Middle East. However, OPEC, in solidarity with the US, issued a statement on the day of the attacks promising to pump excess oil in order counter any price increase from market speculation. The OPEC move, coupled with a crash in share prices and and dwindling demand for aviation fuel, caused prices of crude to plummet to $17 a barrel by December. OPEC had to retrace its initial steps and withdraw about two million barrels a day in conjunction with non-OPEC producers (particularly Russia, Oman, Norway, Angola and Mexico). This led prices to stabilize at an average of $24.36 per barrel for the rest of 2002.

This was achieved despite the looming threat of the US/UK led invasion of Iraq. In addition, a strike by Venezuelan oil workers took another two million barrels a day from the market at a time when inventories were low and a colder winter was being experienced in the northern hemisphere. OPEC attempted to make up for the shortage (Petroleum intelligence Weekly 2003b) but market speculation led prices to rise to over $33 a barrel in March 2003. The planning of the invasion of Iraq on March 20, 2003 included measures to ensure that OPEC released all its capacity into the market
to mitigate the loss of supply attendant upon the war and any associated speculative activity. Consequently, instead of prices rising with the loss of 2 million barrels a day from Iraqi exports and another 800,000 shortfall from Nigeria as a result of social unrest in its oil producing areas, prices actually dropped to $23 a barrel in April. For the rest of the year the average price per barrel was $28.

**Alternatives to Middle East Oil**

Since the end of the cold war geo-economics has, for some observers, increasingly come to substitute for geopolitics (Luttwak 1999). This is nowhere more evident than in the quest to control the flow of oil. The volatility of the Middle East at a period when US domestic production was dwindling led to hyperactivities by Washington think tanks on how to reduce dependence on Middle East oil (Ali: 2003). US oil imports were predicted to increase from fifty three percent in 2001 to sixty five percent in 2020 (Klare 2003; Renner 2003) and fifty four to sixty seven percent of global oil exports would come from the Middle East. The assertion that the Gulf states cannot afford to use oil as a political weapon because their countries mainly rely on oil for their income to maintain the regimes in power (Mohamedi 1997) seemed to negate the historical fact that while the oil producers can afford to impose an oil embargo at least for a short period of time, the importing states cannot afford an oil embargo because it would have an immediate disruptive effect on their economies.

The US identified the Caspian Sea and the Gulf of Guinea (including Nigeria, Equatorial Guinea and Angola) as alternative sources to Middle East oil. But the Caspian Sea proved to be a disappointment when it was discovered it held less than twenty billion barrels of poor quality, sulphur laden oil instead of the initial expectation 200 billion barrels of sweet crude, which would have made it second only to Saudi Arabia. The earlier prospects for oil in the Caspian led the US to violate UN sanctions on the Taliban regime in Afghanistan and request Kabul’s permission to allow the proposed pipeline that would carry the oil from the Caspian Sea through Afghanistan on its way to the West.
The then US Vice President, who was previously the chief executive of Halliburton, was spearheading the project. The Taliban turned down the US request and according to Pakistani sources the US left with the threat of dislodging the Taliban from power (Wayne and Brisad, 2002). The disappointment with the Caspian Sea prospects, others argue, was responsible for Washington’s resolve to secure access to Iraq’s oil which was known to hold a reserve of no less than twenty percent of global proven reserves (Clarke 2003: 18). This is in addition to “the US Energy Department estimate that Iraq has as much as 200 billion barrels in undiscovered reserves that would bring the Iraqi total to the equivalent of 98 years of current US annual oil imports” (Jhaveri 2004). Iraq not only possessed good oil in huge quantities but it is also one of the places where the cost of production is cheapest (Barlett and Steele 2003). The fact is that the Gulf countries hold over seventy percent of world recoverable reserves and as much as the US may search elsewhere, the region still hold the key to future oil supplies.

Similarly, Saddam Hussein’s switching from the US dollar to the euro as his oil trading currency and his conversion of $10 billion reserve fund to euros in November 2000 was meant to undermine the dollar’s hegemony as the currency of international reserve. This, arguably, may have contributed rather more to his hastened removal than the non-existent weapons of mass destruction. Already other US adversaries such as Venezuela and Iran were also taking steps in the same direction while China has also diversified in foreign reserves to include more euros by reducing its dollar holding and North Korea has completely stopped trading with the dollar. The abandoning of the dollar as the currency of global transaction is the surest way of practically threatening US global economic hegemony and its super power status at a time when it was the most indebted nation in the world, running “a $6.3 trillion deficit” (Clark 2005).

Removal of Saddam’s regime and putting the country under occupation was expected to not only ensure the restoration of Iraq’s currency reserves to the dollar but also serve as a deterrent to other OPEC members from threatening the dollar’s status as the currency of oil trading, for oil has its special place “at the centre of the distributive
system of American hegemony” (Keohane 1984:140). Likewise, the control of Iraq’s oil would also have been hoped to give the US an upper hand in curtailing OPEC’s powers because despite the fact that Iraq only produced 2 million barrels a day, with new investments it has the potential of producing over 7 million barrels a day. The US apparently intended to denationalize the Iraqi oil industry by eventually privatizing it (Petroleum Intelligence Weekly 2003c). This excess capacity under a pro US regime could then be used to dampen oil prices at will. This calculation by the US is not surprising seeing that OPEC and especially the Gulf producers will become more strategic in the long term (Amirahmadi 1998).

However, even before the advent of the Bush administration the hawks in the US establishment have been calling for the removal of the Iraqi regime. A letter addressed to President Clinton on January 26 1998 written by Donald Rumsfeld, Paul Wolfowitz and Richard Perle, among others, called for the removal of Saddam because if he acquired WMD (Weapons of Mass Destruction) “a significant portion of the world’s supply of oil will all be put at hazard” (Washington Times 2001). Control of Iraq’s oil seemed to be the principal motive behind the US invasion and regime change in Baghdad (Jhaveri: 2004). However, the idea of securing Middle East oil supplies through military might was first considered by the US after the 1973 oil shock. It was only postponed because of the fear that it could lead to a major military confrontation with the Soviet Union (Odell 1986: 236). This was in contrast to Europe’s position, which believed courting OPEC and establishing special relationships were the best ways of guaranteeing stable supply of oil at reasonable prices.

**Conclusion**

This chapter sought to recapitulate the adventurous history of the petroleum industry through its various stages beginning with the era when oil seepages were collected for medicinal purposes. It then proceeded to the next era when oil (kerosene) repelled the dark nights as an illuminant and finally focused on the contemporary era when oil became the life blood of the modern economy. The chapter also described the role of oil in the world wars and how in other instances the scramble for its control led to
wars. Similarly, it analysed how oil prices and security of its supply become a dominant theme in the political economy of the world.

What is of interest is that since the era of Standard oil there is the emergence of issues that relate to corporate responsibility. Oil companies were not seen as only serving economic interest of generating profits for their owners but also as significant actors who should abide by the rules of behaviour expected of them by society. Where they failed to do so, legislation was passed to force them to do so. This was exemplified by the eventual ruling that led to the breaking up of Standard Oil. The ethical and legal aspects of corporate responsibility were mirrored since the early days of the oil companies. In the next chapter, I will turn my attention to the history of Nigeria’s petroleum industry. This will help in providing a background to the circumstances and modalities for the entry of the oil majors, particularly Shell, into the Niger Delta where I conducted part of my fieldwork.
Chapter Three

History of Nigeria’s Petroleum Industry

Introduction

In this chapter, I will attempt to recapitulate the history of Nigeria’s petroleum industry. I will focus more on Shell not only for the fact that the prism of this study is focused on it, but also because it is the biggest oil company in Nigeria and is responsible for about 40% of the country’s daily oil and gas production. In other words, the history of Shell forms a large part of the history of Nigeria’s petroleum industry. I will also dwell on Nigeria’s relationship with the Organization of Petroleum Exporting Countries (OPEC). The references used in writing this section were largely derived from the current information on the official websites of the respective oil companies.

The Early Years

In 1908 the Nigeria Bitumen Company and British Colonial Petroleum was set up to search for oil in Nigeria but the outbreak of WWI in 1914 halted the initiative. The first oil concession covering Nigeria’s entire land mass (357,000 square miles/971245 square kilometres) was granted to Shell-d’Archy Petroleum Development Company of Nigeria (a joint venture between Shell and d’Archy) by the British colonial administration in November 1938 (Shell 2006). During WWII, its activities were suspended but subsequently resumed in 1947. In 1951, the company narrowed its search to an area covering 58,000 square miles (150219 square kilometres) in southern Nigeria.

However, because the concession agreement was renewable every five years, by 1962 the company restricted its search to the Niger Delta covering an area of about 15,000 square miles by converting only about a third of its prospecting licenses into mining licenses. Shell-d’Archy, enjoying monopoly status under the colonial administration, carried out intensive prospecting and picked the most promising parts of the country and what it abandoned was later picked up by other companies.
In January 1956 the first successful oil well was drilled by the company at a community called Oloibiri. In April 1956 the company changed its name from Shell-d’Archy to Shell-BP. However, it was only in February 1958 that the company shipped its first oil cargo of 5,100 barrels per day out of Nigeria. In April 1961 the company commissioned its Bonny terminal and a decade later in September 1971 it added another terminal at Forcados for exporting its crude (Shell 2006). In comparative terms, “The rate of success for drilling operations was higher in Nigeria than in Libya, the greatest African oil producer” (Schatzl 1969:16).

However, the Nigerian civil war which erupted in 1967 led to the shutting down of all the oil wells in the country with the exception of the offshore wells operated by Gulf oil. Before the civil war, Nigeria was the 13th oil producer in the world with an annual production of about 20.5 million tonnes (150265000 barrels) in 1966, trailing behind Libya and Algeria as the main oil producers in Africa. In terms of production costs, Nigeria’s 30.7 cents per barrel was slightly higher than Libya’s 15.2 cents and Algeria’s 25.9, in contrast to US’s 156 cents and Venezuela’s 61.5 cents (Schatzl 1969:130). Oil started playing an increasingly prominent role in Nigeria’s affairs from the 1960’s. Whereas in 1958 it amounted to only 0.8 per cent of the country’s total exports in terms of value, by 1966 the figure had risen to 33 per cent. Europe, the United States and other African states were the main destinations of Nigeria’s crude. The lightness of Nigeria’s crude, which has low sulphur content compared to Middle East oil, made it particularly competitive.

As at December 2006, six major oil companies – Shell, Chevron/Texaco, Mobil, Elf and Agip - are the major players in Nigeria’s petroleum industry, involved in different sets of joint ventures and production sharing contracts. Their operations cover 98% of the country’s reserves and operating assets while other 50 other minor companies are also involved to smaller degree (NNPC, 2007). Nigeria’s oil covers 500 fields, of which 193 are currently active. According to the NNPC (2007) the current average
production cost stands at $3.5 and $5.0 per barrel for onshore and offshore respectively.

Map of Nigeria
State Participation

Realizing the importance of the commodity, the Nigerian government set up its own national oil company, the Nigeria National Oil Company (NNOC), in 1971 (which was later renamed the Nigeria National Petroleum Corporation (NNPC) in 1977). This followed the carving out of a Ministry of Petroleum Resources from the Ministry of Mines and Power in 1975. It is the sole state-owned company holding government equities in all the different joint ventures in the country’s oil industry. Prior to 1971, there was no state participation. In 1969 a Petroleum Act was enacted which gave the Federal Government exclusive ownership of all petroleum and mineral resources in the country. Previously regional governments also potentially possessed 50% claims over such resources.

In April 1973 the Nigerian Military Government embarked on what was referred to as the ‘First Participation Agreement’ by acquiring 35% shares in Shell-BP through
renewal of the concession agreement. Exactly a year later, the government embarked on the ‘Second Participation Agreement’ by renegotiating its share to 55%. Subsequently on 1st July 1979 the government carried out the ‘Third Participation Agreement’ by renegotiating its equity still further to 60%. A month later the Nigerian government nationalized BP’s holding, changing the balance again by thus taking over 80% ownership of the company, while Shell was left with 20%. The nationalization of BP’s shares followed a diplomatic row between Nigeria and Britain over the situation in southern Africa, particularly on the issues of the independence of Rhodesia (now Zimbabwe), Namibia and white minority rule in South Africa. Key here was the accusation that that BP was trading with and indeed supplying Nigeria’s oil to the apartheid regime in Pretoria. It was the era of African nationalism and the Nigerian Military Government, reputed for its pan African policies and its projecting of Nigeria as the giant of Africa, was ready to use its oil card in furthering its foreign policy objectives. Prior to the first participation agreement, the Nigerian government did not own anything and was content to collect taxes and royalties only from the oil industry.

In December 1979 Shell adopted its current name, the Shell Petroleum Development Company of Nigeria (SPDC). There was no further name change when BP’s shares in the company were nationalized. The reason for the changes of name had to do with the changes in the structure of the ownership. The company which started as Shell d’Arcy was later changed to Shell-BP because it was then jointly financed by the Royal Dutch/Shell group of Companies on 50:50 basis. With BP’s nationalization, the Nigerian state holds 80% of equity whilst Shell holds 20% under the third Participation Agreement in 1979. In the 80’s the Nigerian state maintained its joint holding with Shell and in 1989 the government decided to relinquish some of its shares to other companies in a new joint venture agreement with the state owning 60%, Shell 30%, Elf 5% and Agip 5%. It is worth mentioning that the company does not own the oil in the ground but rather a concession to explore for and extract it from particular areas for certain, usually renewable, period. According to the Nigerian constitution, all mineral, oil and gas resources are owned by the nation state. In 1993
the Nigerian state gave up another 5% to Elf with SPDC as the vehicle of the joint venture. As at 2006, the SPDC Joint venture remains the biggest single player producing over 43% of Nigeria’s oil (about 1 million barrels a day) and controlling a drilling area of about 31,000 square kilometers with over 1000 wells, 8 gas plants and 87 flow stations and a network of about 6,000 kilometers of flow lines and pipelines across the Niger Delta (Shell 2006). The SPDC joint venture operates under a Joint Operating Agreement (JOA) being administered by a legal and fiscal framework of Memorandum of Understanding (Shell, 2006).

Map showing areas where Shell operates in Nigeria
How the Joint Venture (JV) Operates

In the JOA the partners fund the operations from exploration, development to production and bear the risk proportionally. But the concession is legally owned by the state while the partners recover their cost through a share of the oil output and “the remaining oil is shared with the government on a pre-agreed ratio” (Shell 2006:5). According to the NNPC (2007), the Joint Operating Agreements (JOA) set the guidelines for running the operations of the joint ventures. It differs from the MOU in the sense that it establishes the basic framework of the JV while the MOU addresses the specific fiscal details. One of the JV partners is designated as the operator but the state-owned NNPC legally reserves the right to become the operator. The operator is responsible for preparing proposals on the budget and program of work on a yearly basis while technical matters and policy decisions are handled by joint operating committees. Although all parties involved share in the cost of operations, each partner can lift and sell its crude separately subject to the payment of Petroleum Profit Tax (PPT) and royalty to the state. The (PPT) is a tax on oil companies based on the profits they make in their operations usually taken at the end of a company’s accounting period while royalty is a payment made to the state as a compensation for the extraction of a non-renewable resource belonging to the state. It is more like a price for the resource rather than a tax.

However, it is also stipulated that each party reserves the right to opt for and carry out sole risk operations. This partly explains the confusion in the literature on the financial/production statistics of each company as a separate entity and as part of the JV. The case of SPDC and SNEPCo (Shell Nigeria Exploration and Production Company) is a good example. All the documents refer to the two simply as Shell, while they can be distinctly separated. Even Shell annual reports make this matter worse. In its introduction, the 2006 Shell Nigeria Annual Report outlines four Shell companies: “Shell Petroleum Development Company of Nigeria Limited (SPDC), Shell Nigeria Exploration and Production Company (SNEPCo), Shell Nigeria Oil Products Limited (SNOP) and Shell Nigeria Gas Limited (SNG),” but immediately adds that, “The above companies are referred to collectively as Shell in this report.”
In general, NNPC documents (2007) state that currently there are six JV contracts in the country, as follows:

Shell Petroleum Development Company of Nigeria Limited (SPDC) operated by Shell and accounting for more than 40% of Nigeria’s total oil production (about 899,000 barrels a day) with NNPC having 55%, Shell 30%, Elf 10%, and Agip 5%.

Chevron Nigeria Limited (CNL): a joint venture between NNPC (60%) and Chevron (40%) responsible for 400,000 barrels a day as the second largest producer.

Mobil Producing Nigeria Unlimited (MPNU): a joint venture between NNPC (60%) and Mobil (40%) with 632,000 barrels a day.

Nigeria Agip Oil Company Limited (NAOC): comprising of NNPC (60%), Agip (20%), and Phillips Petroleum (20%) with an output of 150,000 barrels daily.

Elf Petroleum Nigeria Limited (EPNL): NNPC (60%) and Elf (40%) with daily production of 125,000 barrels daily.

Texaco Overseas Petroleum Company of Nigeria Unlimited (TOPCON): NNPC (60%), Texaco (20%) and Chevron (20%) with daily production of 60,000 barrels.

Subsequently, there are changes in the funding arrangements for new offshore deep water operations such as Bonga, which are called Production Sharing Contracts (PSCs). Under this arrangement, the JV Company bears all exploration, development and production costs in exchange for a stipulated share of the production. In 2006 all PSCs enjoyed investment tax credits (Shell 2006:10).
## How the Joint Ventures Work

1. NNPC represents the Federal Government of Nigeria and is the major partner. One partner is appointed as the operator. A Joint Operating Agreement (JOA) governs the administrative relations between the partners including:
   - Budget approval and supervision
   - Crude lifting and sale by the partners in proportion to equity
   - Funding by partners.

1. A Memorandum of Understanding (MoU) governs how the oil income is allocated among the partners including payment of taxes, royalties and industry margin. The joint ventures are funded by the partners according to their equity share.

## Production Sharing Contract

A PSC is a risk contract where the private partners take all the risks. The private partners fund all operations including exploration, development and production. In view of the high cost of offshore operations, this is the preferred option by government as it does not have to put forward any funds (i.e. no cash calls). The concession is retained by government. The private partners recover costs, both capital and operating, through a share of the oil output. Remaining oil is shared with government at a pre-agreed ratio.

Source: *Shell Nigeria Annual Report (2006:5)*

Nonetheless, a thorough review revealed that both the NNPC and the other companies’ annual reports are silent on the detailed nature of the agreements. Leaving such issues shrouded in mystery may not be unrelated to the so-called trade secrets of the oil industry. Many NGO’s are still campaigning for the full implementation of what is referred to as the Nigeria Extractive Industry Transparency Initiative (NEITI), where such oil companies should be made to disclose to the public these hidden details, especially as it relates to how much they make and how much tax and royalties they pay to the state as well as what defines such taxes and royalties.

In its 2006 *Annual Report* Shell attempted releasing some of the details. In a section titled, “Split of the Barrel,” it explained that under the current MOU signed in 2000 between the Nigerian and the JV companies, the JV companies receive a fixed margin within an oil price range of $15 to $19 a barrel…at an oil price of $19 per barrel, the Government’s take in taxes, royalties and equity share is $13.78 per barrel. Of the remaining $5.22, operating cost and future investment take the lion’s share with about
$1.22 left to be shared among the private shareholders (Shell, Total and Agip). At $10 per barrel, the Government’s take falls to just over $5.12 per barrel, while the amount shared amongst the private shareholders declines to 88 cents. At $30 per barrel, the government’s take increases to $24.13 per barrel, while the amount shared by the private partners increase to $1.87 – a level maintained even if oil prices rise above $30 per barrel. At the level of oil prices in 2006 the Government’s take increase to 95% of the profits. (Shell 2006:11).

**Changing Tide of Fortunes**

In 1980 the Nigerian state made about $20 billion from oil sales. Thereafter oil prices slumped and by 1985 the country’s oil reserve was also dwindling. The government came up with a new strategy of encouraging the major oil companies to search for more oil. It signed a memorandum of understanding with the companies in 1986 which was subsequently reviewed in 1990 and 1991. The new strategy yielded positive results because between 1986 and 1998 the country’s known crude reserve rose from 11 to 24.1 billion barrels, a figure that was expected to rise to 40 billion by 2010 with the discovery of more offshore wells. Similarly, the prospecting for oil in the northern part of the country was renewed with the existing joint venture partners searching for oil in the Benue trough. Between 1990 and 2006, the Nigerian state earned the sum of $2.187 billion as signature bonus from the sales of 152 oil blocks (NNPC 2006). The signature bonus is a separate agreement where the state auctions designated areas to interested private companies to the highest bidder. It is a demand for advanced payment in relation to exploration activities for the rights to develop an exploration area from oil companies by their host states. It is paid before the contract is signed with the successful bidder. The winner pays the non-refundable fee to the state in addition to sharing the proceeds of whatever oil is subsequently discovered with the state-owned NNPC, but only after the private partner regained their initial investment and production cost. The state sees this as a strategy of encouraging private companies to invest in the oil sector without it necessarily bearing any financial cost and risk. However, Nigerian observers complained that the companies, after discovering oil, inflate the cost of their investment, which they have to recover first
before sharing what remains with the state, thereby ultimately short changing the latter.

While the JV under SPDC is on going, all the existing members, in addition to other companies, also have their separate parent companies operating under other agreements. In the case of Shell as a parent company, for example, it has the Shell Nigeria Exploration and Production Company (SNEPC), which operates a separate joint venture with NNPC. Similarly SNEPC is also operating other concessions with Agip, Esso and Chevron.

In 1993 SNEPC, in a production sharing contract with NNPC, began its offshore search for oil by securing five blocks in Nigeria’s territorial waters. Within two years it made a huge discovery in its portion of the Bonga field and in 2001 it made another huge discovery at its South West Bonga deep-water field. These major discoveries were part of the optimism that suggests that by 2010 Nigeria can produce 4 million barrels a day. As of 2006 the country was estimated to have a total oil reserve of over 23 billion barrels (*Nigeria Direct* 2006). This makes her the country with the 10th largest proven reserves in the world and the 6th in OPEC.

**The Other Major Oil Companies in Nigeria**

Although SPDC is the largest and most visible company in Nigeria’s petroleum industry, there are other key players without whom the history of Nigeria’s petroleum will remain incomplete. Notable among them are Mobil, Agip, total, Elf, Chevron, Texaco and Statoil.

**Mobil**

Mobil is the second largest oil producer in Nigeria. In 1955 the Socony-Mobil Oil Company was granted a concession area covering the northern part of the country and in 1957 it also took over the territory abandoned by Shell-BP in western Nigeria. But after a fruitless search, the company abandoned the regions in March 1961. In the same year the company acquired new concession areas in the south east of the
country. It found some oil in 1968 and commenced production in February 1970 at its Idoho field in present day Akwa Ibom state. The Nigerian state started by acquiring 3.5% equity in the company in 1973 which was increased to 55% in 1974 and 60% in 1979 under concession agreements similar to those with SPDC. In 1985 and 1995 the company attained the annual one-billion and two billion barrels production marks respectively (*Nigeria Handbook & Review* 2002: 81).

In 1991 Mobil invested another $900 million in its Oso condensate field. In addition, it also invested another $810 million in a gas project in 1998 where it controlled a majority share of 51% and the Nigerian government 49%. Currently its operations are all offshore with 90 platforms producing about 720,000 barrels a day. The company also controls 56.25% in another deep sea oil and gas project in partnership with the Nigerian state. This is in addition to the 20% equity it holds in another area of the Bonga field being operated by SNEPCo. In total it employs about 1900 people in the country, 96% of whom are Nigerians.

Similarly, Mobil also registered another subsidiary in Nigeria called Esso in 1993, which owns the second largest deep water offshore concession area of 3.2 acres, comprising of six blocks. It has made a discovery of half a billion barrels and production was due to commence in 2005. In addition, it holds 30% equity in another venture operated by TotalFinaElf as well as 47.5% shares in a different joint venture operated by Conoco. In 2005 Esso signed another 40% production sharing contract in the Nigeria-Sao Tome Joint Development Zone (JDZ) offshore area, while ChevronTexaco and Dangote Energy Equity Resources hold 51% and 9% respectively (*Exxon Mobil* 2006).

**Agip**

Another major oil company is Nigeria Agip Oil Company (NAOC), a subsidiary of the Italian ENI. It acquired its prospecting license in Nigeria in 1962, covering an area of 5,313.5 square kilometres (2051.5 square miles). But rather than go it alone, the company agreed to a clause that should it discover oil, the Nigerian government could
automatically become a shareholder in the company at a pre-agreed ratio, but only after the recovering of initial investment costs. In 1965 the company signed a joint venture agreement with Philips Oil and in the same year it struck two oil wells, one each in its Ebocha and Mbede fields. In 1967, it made five other big discoveries and commenced actual production in 1972. However in 1971 a new joint venture agreement came into place giving the state 60% and Agip/Philips 20% each. Between 1972 and 1977 the company’s daily production stood at 250,000 barrels per day. In the following year it made discoveries in its Obama and Ebegoro fields. As far back as 1973 the company proposed constructing a plant for gas liquefaction but it was not until 1985, under a joint venture with Shell, that it started recycling the gas being flared from its operations and even this was done in a bid to help the partners increase the quantities of recoverable oil through re-injection in order to maintain pressure levels in the wells (ENI 2006).

With the major discovery of oil in its Ogbainbiri field in 1989, Agip took up another 5% in a new joint venture with NNPC (55%), Shell (30%), and Elf (10%). In 1998 Agip signed another agreement with the Nigerian state securing its concessions for the next 30 years. Agip has an estimated reserve of 1.7 billion barrels of oil and 164 billion cubic metres of natural gas. It was a partner (with 10.4%) in the Nigeria Liquefied Natural Gas (NLNG) joint venture, which has started exporting liquefied natural gas to Europe and America.

**TotalFinaElf**

Another player is Total which has been involved in Nigeria’s petroleum industry since 1956, under several arrangements. It operates two onshore and three offshore blocks via a joint venture of 40:60 in favour of NNPC. Similarly, it holds 10% equity in another joint venture with NNPC, Shell and Agip (ENI) as well as 15% in the NLNG Company. The company also owns 20% equity in a deep offshore venture with Exxon, Chevron and Nexen and 24% equity with Sapetro deep offshore. In addition the company also holds other 12.5%, 40% and 90% shares in three other deep offshore joint ventures. In 1999 Total merged with Petrofina (a Belgian oil company) to form
TotalFina and in 2000 it went into another merger with Elf Aquitaine and adopted the title TotalFinaElf. However in May 2003 the name was shortened to Total.

In 1962 the French company SAFRAP got its first concession area in Nigeria. It made its first discovery in 1964 in its Obagi field. However it took the company two years to commence production and a year later it expanded its concession areas. In 1971 the government–owned Nigeria National Oil Company (NNOC) acquired 35% under a concession agreement in the company and within one year the company made other major discoveries. Prior to this there was no joint venture with the state. It was in 1974 that SAFRAP changed its name to Elf and the NNOC re-negotiated its holding in the joint venture company to 55%. However, the company’s daily production did not exceed 80,000 barrels a day. NNPC’s (successor to NNOC) holding in the company increased to 60% in 1979. Thereafter, the company acquired some offshore concessions and discovered oil there in 1988 but did not commence production in its offshore facilities until 1993.

It is also involved in other joint ventures, including 40% equity in another arrangement where Exxon and Chevron were holding 30% each. Similarly, it also acquired 10% equity in a joint venture between NNPC, Shell and Agip which produces over 900,000 barrels a day. In addition, the company also acquired 12.5% equity in a joint venture comprising of two deep offshore and three onshore blocks in the Benue trough. In 1995 the company in a joint venture with NNPC, launched its Obite gas project, which commenced actual production in 1999. However, up to 2000 its total daily oil production was still at about 100,000 barrels a day, this also being the year of the global merger between TotalFina and Elf.

**ChevronTexaco**

Chevron, an American Oil company, is another one of the visible multinationals operating in Nigeria. It discovered its first offshore oil in 1963. Then the company was known as Gulf Oil. Compared to SPDC, it was a minor producer with a maximum output of 122,000 barrels per day in 2005, employing about 2,000 workers, 90% of
whom are Nigerians. That said, in 1999 the company had the largest acreage of offshore blocks in Nigeria and actually made the largest deep water discovery in Nigeria of about 900 million barrels. Overall the company has 11 concession areas of about 2.2 million hectares (202000 square kilometres). The company holds 40% interest in 14 concessions but its onshore production accounts for just about 45,000 barrels. Like SPDC and other companies in the Niger Delta, Chevron too has been losing lots of barrels daily due to the mounting militant activities against the oil companies in the region.

The company started Nigeria’s first major natural gas collection project in 1997. In 2005 it signed a Memorandum of Understanding (MOU) with NNPC and other major players on establishing another LNG plant in Nigeria’s free trade zone between Lagos and Escravos. The company is also spearheading the 421 square mile (1090.3 square kilometres) West Africa Gas pipeline project joint venture which would deliver gas from Nigeria to the neighbouring West African countries of Ghana, Benin Republic and Togo. The project was designed by the World Bank as a means of strengthening the Economic Community of West African States (ECOWAS), which seeks to promote regional economic integration. In 2005, Chevron embarked on a project that would enable it to process 300 million cubic feet (72392124.005 barrels) of natural gas per day in Nigeria.

Similarly, Chevron is a leading player in the Sao Tome-Nigeria Joint Development Zone (JDZ). The zone comprised of the territorial waters between the two countries, which has huge deposits of oil and gas. Chevron was allocated some blocks in the JDZ in 2003 and in 2004 and commenced operations there. Texaco, another US oil company, jointly commenced oil exploration in Nigeria in 1961 with Chevron. The company is the operator of a joint venture between NNPC (60%), Texaco and Chevron (20% each). Currently, this joint venture operates under the name ChevronTexaco. In the 1990’s its daily production stood at over 70,000 barrels a day.
The Others

Norway and Brazil are also involved in Nigeria’s oil industry. The Norwegian state-owned oil company entered the Nigerian oil industry, with BP as partner, in 1991. The partnership was awarded three offshore blocks in the Nigeria’s Atlantic territorial waters but BP subsequently withdrew leaving only Statoil. In 2005 the company won another offshore block along with Brazilian-owned Petrobas, with the latter as the operator. On discovery of oil, the NNPC will have a pre-agreed share after the other partners recover their initial cost. In total, Statoil has equity in nine offshore oil blocks. In all the above, the companies operate as JVs in which the NNPC controls 60%.

There are several indigenous oil companies who have joined the oil industry. From the early 1990’s the Nigerian government adopted a policy of allocating marginal oil fields to Nigerian companies. As at the end of 1996, the government awarded licenses to 38 indigenous oil companies but only about nine of them have been fairly successful. The companies were also encouraged to look for 40% investment from foreign companies out of financial and technical considerations. However, these indigenous companies are barely visible, less significant marginal players in the country’s oil industry compared to the multinationals. As was the case with the multinationals, the joint venture agreement with NNPC applies after oil discovery in favour of NNPC having a 60% controlling share. The government has been trying to offer incentives to the oil companies. As at 2007, all oil companies operating in Nigeria enjoy a minimum guaranteed notional margin of $2.50 per barrel, after tax and royalty on the equity crude (NNPC 2007).

Nigeria’s Natural Gas

Nigeria is ranked among the first ten countries with the largest proven reserves of natural gas in the world. Its current reserve estimates stand at over 160 trillion cubic feet, which can last for 109 years at the current extraction rate (NLNG 2006). The gas is equally split between Associated Gas (AG) and Non-Associated Gas (NAG). As at August, 2007, about 63% of the associated gas is still being flared. But the
government is working on forcing the companies to comply with a 2010 deadline to end the flaring. Shell indicated that it would not be able to meet the earlier government deadline for eliminating gas flaring by 2008 (Shell 2005).

As at 2007 the following gas projects are on going in the country:
LNG Project: involving NNPC, Shell, Total and ENI
Escravos Gas Project: a joint venture between NNPC and ChevronTexaco
Oso NGL project: NNPC/Mobil joint venture
Ekpe Gas Compression Project: Another NNPC/Mobil joint venture
Belema Gas Injection Project: NNPC/SPDC joint venture
Odigbo Node Gas project: Another NNPC/SPDC joint venture
Cawthorne Channel Gas Injection Project: NNPC/SPDC joint venture

The biggest of the gas projects is the multi-billion Nigeria Liquefied Natural Gas (NLNG) joint venture project which was set up in 1995 between NNPC (49%), Shell (25.6%), Total (15%) and ENI (10.4%). Under this agreement, the private partners put in the investment cost and after retrieving their initial cost, the balance of whatever is generated is shared between the partners in proportion to their equity percentage. The plant, which was sited at Bonny Island, started production in 1999. It continued expanding into its different phases with major leaps (launching of its trains) in 2000, 2002, 2005 and 2006, with more to come in subsequent years. The gas is being collected from the oil wells with associated gas, which was previously being flared. However, in subsequent stages the company would start collecting gas feeds from non-associated gas fields.

Currently the oil companies in Nigeria stumble on their gas reserves in the process of searching for oil because previously they were only interested in oil rather than gas. The JV partners believed that when they commenced a deliberate search for gas, more fields would be discovered. As an incentive for the gas industry, the government is offering a 10-year tax holiday to all gas projects from the first day of actual production. In 1992, Nigeria’s share of the global gas market stood at 8%. As at
December 2006, the NLNG is delivering its gas to destinations in Europe and the US. The utilization of Nigeria’s gas resource was belated for several reasons. The discovery of natural gas on the British side of the North Sea in the 70’s stifled a negotiation on exporting Nigeria’s gas to the UK. Similarly, unlike oil, gas does not have a ready fluid market. It requires a dedicated market, with long supply contracts usually spanning decades, before the necessary and expensive infrastructure can be put in place at both the supplier and consumer ends. Although gas can also be moved in tankers, its limited usage and very limited ready market compared to crude oil make companies only willing to invest in the product after signing long-term contracts with dedicated buyers.

**Chart: Gas utilization in Nigeria, 1965 to 2004**

*Utilisation includes re-injection, i.e. for increased oil extraction. 12% of the total gas volume is currently being re-injected. INNPC 2006b)*

**Nigeria and OPEC**

Nigeria has been an active member of the Organization of Petroleum Exporting Countries (OPEC) since the country joined the organization 37 years ago in 1971. In December 14, 2006 Nigeria hosted the organization’s 143rd extraordinary meeting, the
second time it had the opportunity of doing so. According to Shetima Ali Munguno, its petroleum minister when the country joined the organization, Nigeria decided to do so because, like other oil producing countries, she felt she was being cheated by the multinationals and was looking for a way of wrestling control of its resources from the big companies, “We knew we were not getting much from our hydrocarbon potentials. [Former Head of State] General Gowon decided that we needed controlling shares in the oil companies operating at the time to make some progress” (OPEC bulletin Dec 2006:17).

It was a surprise move against the oil companies who applied for the renewal of their licenses just before the West African state joined OPEC. The Minister added, “Thinking we were planning to join OPEC, I deliberately held onto their applications and refused to grant the renewal until we returned from our first OPEC meeting after we joined the organization. OPEC fortunately agreed to encourage us to go back and negotiate with those oil companies when I told the meeting of our plans” (OPEC bulletin Dec 2006: 17). Nigeria ultimately succeeded in making the multinationals negotiate for a joint venture with the state-owned Nigeria National Oil company (NNOC), which in 1977 was renamed the Nigeria National Petroleum Corporation (NNPC). The minister admitted that without OPEC’s unflinching support, the country would not have been able to force the multinationals to relinquish controlling shares to it.

The aim of OPEC - according to Article 2 of its statute, which was an echo of a UN Solemn Declaration that seeks to give countries sovereign control over their natural resources - was to harmonize the policies of member countries and pursue collective interests such as stabilizing prices and ensuring stability in the industry for all its stakeholders. Nigerians have held many strategic posts in the organization including OPEC Conference President four times and OPEC Secretary General three times.

Nigeria was producing about 2 million barrels per day at the time the country joined OPEC. By 1979 the figure jumped to 2.4 million barrels a day. However, the figures
dropped in the 80’s with the slump in the oil market. The country achieved a peak of 2.5 million barrels daily in 2004, a figure that was projected to rise to 4 million barrels per day by 2010 (NNPC 2006). Nigeria was one of the beneficiaries of the 1973 oil embargo by Arab states against the West. The government was able to finance its 4th national plan from oil proceeds, “From 1973 to 1978 Nigeria earned upward of $32 billion from petroleum. Revenues were $16 billion in 1979 and increases in oil prices in 1980 raised earnings to $24 billion” (Spiliotes 1981:41).

It was oft-repeated that the then Nigerian Head of State General Yakubu Gowon declared that the problem of the country was not how to make money but how to spend it. The country engaged in a massive spree of imports of all sorts of goods from consumer to infrastructural goods such that its ports were over congested. Hundreds of thousands of tonnes of cements were dumped into its Atlantic shores when the cost of demurrage from queuing ships was outgrowing the value of the goods. The country also doled out generous amounts to African and Caribbean countries as a diplomatic South-South solidarity gesture to cash-strapped governments.

**Security Problems in Nigeria's Petroleum Industry**

The oil industry has in Nigeria has been a target of protest and attacks by its host communities in the Niger Delta. In the 1990’s these largely took the form of collective community non-violent protest, demanding for infrastructure improvements, employment and other forms of social services. Equally, it was also a protest against what the host communities consider as degradation of their environment and destruction of the sources of their livelihoods by the oil companies. These include oil spills, flaring of associated gas and destruction of the environment as a result of exploration activities.

However, the protest is not restricted to the negative impacts of the activities of the oil companies. It also has wider political undertones. Ethnic groups in the Niger Delta have been advocating direct control of the oil resources in their land. This struggle is targeted both at the Federal Government, which constitutionally has absolute right
over all the oil and mineral resources in the country, as well as the oil companies who are seen as the direct agents of the nation state in exploiting the resources of the region to the detriment of its inhabitants. Major examples of such protest include the 1991 uprising against Shell by Umuachem community in Rivers State and the expulsion of Shell from Ogoni land in 1994 by the hostile attitude of its host communities following a major crisis.

However, with the advent of democracy in the country from May 1999, a new dimension to the struggle emerged with violent shadowy ethnic-based militant groups springing up in the Delta. They perfected the art of kidnapping expatriate oil workers in exchange for ransom, blowing up pipelines and disrupting the country’s daily crude production. Their primary aim was to chase the oil companies out of the region and take control of the oil resources from the Federal Government. The groups - who are largely financed by proceeds from crude oil theft in the region, ransom being paid by oil companies over their kidnapped workers and support from local politicians - are becoming very sophisticated and daring. Previously, they used to avoid clashes with the Nigerian army, deployed in the region to secure the operations of the oil companies. However, recently the groups have adopted a deliberate strategy of attacking military posts and killing soldiers. One of the military spokespersons I encountered during my field work informed me that the militants have been attacking and killing soldiers largely because the government of President Obasanjo and the leadership of the Nigerian army, who were largely from the region, were deliberately denying the army the right to fight back and eliminate the militants. The intricate details of this issue involving oil theft, money laundering and trafficking in arms, have been addressed by some of my respondents in my data presentation in subsequent chapters.

However, it is worth noting that Western countries who import Nigeria’s crude were very worried over the instability in Nigeria’s oil industry. The Gulf of Guinea, which includes major oil producers such as Nigeria and Angola, was supposed to be a secure fall back for oil supplies to the West compared to the ever-turbulent Middle East oil
sources. In an effort to tackle the rising militancy against the oil industry in Nigeria, a joint security forum was set up between Nigeria and some Western countries. The Gulf of Guinea Energy Security Strategy (GGESS), comprising Nigeria, Britain and the US as members, held a meeting in August 2006 in Abuja in an effort to find a solution to the crisis in the Niger Delta, with Canada, Norway, the Netherlands and Switzerland attending as observers (NNPC 2006).

It was also mooted that the US government is not only willing to support the Nigerian state in arresting the security menace posed by the groups in the Niger Delta but may also consider deploying troops to secure the oil facilities if the situation continues to degenerate. The US and UK are working on a plan to track stolen Nigerian crude so that they can put diplomatic pressure on recipient countries to refrain from taking it. The GGESS believed that this would have direct consequence in reducing money laundering and trafficking in arms afflicting the Niger Delta.

**Conclusion**

The details of the joint venture agreements between the different private players on one hand, and that with the NNPC, on the other, are very vague and ambiguous in the existing literature. There is a dearth of published materials in the area. Almost all the information, which is at best sketchy, is found mainly on the official websites of the oil companies. The details and complexities of the agreements are not fully disclosed, which makes it very difficult to disentangle the intricate web and nests in the equity holdings.

In order to entangle the complexity of motives and issues surrounding Nigeria’s petroleum industry, this research will present and analyse the views of the different players on wide range of issues with the aim of offering an in-depth understanding of the situation. The main argument is that Nigeria’s petroleum industry is facing many problems. The main questions I will examine are: What are these problems? What are their causes? Are there any workable solutions? For me to do this I need to explain the methods that I employ. Therefore, next, I will present my methods and methodology.
chapter in an attempt to explain the theoretical/philosophical justifications for adopting the interview/semi-participant observation techniques I did in collecting my data. I will also dwell on the practicalities of conducting the fieldwork in Nigeria, which took about nine weeks to complete.
Chapter Four

Methods and Methodology

Introduction
In this chapter, I will attempt to explain and justify the methods and methodology I employed in conducting my research. First, I will analyze some background literature relating to methodological and epistemological issues as they pertain to ethnographic research and demonstrate how such reflects on my approach. I will further make a critique of the technique, identifying its strengths and shortcomings from philosophical, methodological and ethico-political points of view. Similarly, I will explain why and how I chose the sites where I conducted my field work as well as the categories of respondents I interviewed. I will discuss the type and number of interviews I conducted in each location. Finally I will explore some textual and practical problems I encountered during the course of the research.

Though I found the arguments of Harvey (1982), Hammersley (1998), and Smith and Heshusius (1986) plausible in their emphasis on the blurring between naturalism and positivism and their rendering of the two as points on a continuum that complement each other rather than as opposites, I would nevertheless describe my research as qualitative in character. I employed semi-structured and unstructured interviews, semi-participant observation and analysis of archival data in trying to make some sense of how my respondents explain their relationship with the other key stakeholders in Nigeria’s petroleum industry. Broadly speaking I tried to present an “ethnography” of Shell’s relationship with its stakeholders. I found Whyte’s (1955) classic of the Chicago School of Sociology tradition, which focused on conducting systematic research on different groups and communities in urban setups, very useful. Equally, Hammersley and Atkinson (1992) and Hammersley (1998) proved to be very inspiring methodological beacons.

Generally, ethnography gives the researcher the opportunity to observe “the lives of real people in real situations” (Alvesson and Deetz 2000:17) as they go on with their
daily lives “watching what happens, listening to what is said, asking questions; in fact collecting whatever data are available to throw light on the issues with which he or she is concerned” (Atkinson and Hammersley 1992:2). This perhaps would begin to enable one to comprehend the world from the native’s viewpoint (Bryman et al 1988), with an emphasis both on what goes on in terms of practices as well as on the ideological and structural factors that give meaning to what is being observed (Alvesson and Deetz 2000).

The reason why I deployed an array of techniques, ranging from the strictly ethnographic, through semi-participant observation, semi-structured and unstructured interviews, to the analysis of archival data was that this toolbox of techniques had the advantage of delivering more multiple representation of the situation and perhaps even a more comprehensive portrayal of its dimensions than that which could be delivered using interviews alone. For instance interviews are limited in their ability to give a clear picture of the reality out there that they purport to capture (Silverman 1994). Interviews place the respondent on their guard, thereby creating a seemingly artificial response influenced by the situation; a response that must ultimately remain context dependent. In trying to impress or put up with the researcher’s questions the respondents, at best, provide ‘distorted reports of reality’ (Silverman 1985:176).

Even while engaging the respondents in an open interview in order to get the most accurate, or at least the most natural, response, as suggested by Fontana and Frey (1994), prevailing subjectivities and the language being used can significantly influence the outcome (Fleetwood, 2005; Guba and Lincoln 1994). The likelihood that the respondents get swayed or influenced by the researcher’s assumptions and language is always there. Although others, like Collinson (1992), advocate a repeat of interviews over time in order to validate consistency, there is no absolute guarantee that such shortcomings can be eliminated. All that said, the ways in which respondents may express themselves in interviews, as partial result both of the context dependency of the elicitation of that expression and of the related desire for particular forms of self presentation, remain in themselves potentially rich empirical resources.
Overall though, using archival data and semi-participant observation in addition to structured and unstructured interviews, provides a means of getting alternative sources of data, which can help in validating, via triangulation, feedback from respondents. The use of participant observation gives double advantage to the researcher. It not only allows him or her to study the social world without disturbing it, but also by playing the stranger (Schutz 1964), the researcher will also possess a relative ‘objectivity’ - distance - not available to those under study because he will be able to see beyond what they see; or perhaps better and more modestly, will at least see things a little differently to the ways in which respondents might see them. The fact that respondents are so immersed in their social world may not allow them to see beyond their culture, circumstance and environment. The researcher will be able to take a step back and maintain some distance that will enable him to see maybe not beyond what his respondents can perceive (Schutz 1964) but at least through different perspectives.

The use of multiple sources helps in filling the gaps left by interview as well as providing a richer and wider scope in comprehending social processes (Geertz 1973, Atkinson and Hammersley 1992). Similarly, it aids in avoiding the risk associated with reliance on a single kind of data. The multi-stranded approach, “provides basis for triangulation in which data of different kinds can be systematically compared” (Atkinson 1992: 24).

However, this is not to suggest that ethnography will present a more ‘accurate’ or ‘true’ account of the object of the study than other methods. No research method is neutral or fool proof. In other words, there can be no utterly ‘objective’ research outcome or ultimately authorized method for ensuring the delivery of such. The subjective philosophy of hermeneutics would argue that there can be no understanding without prejudice (Gadamer 1975). Even the privileging use of the term “natural” setting in describing ethnography and referring to other methods as entailing research in “artificial” settings can be criticized since the latter too is necessarily a part of society, as argued by Hammersley and Atkinson (1992). A situation is no less real if
explicitly manufactured; it is merely a different (sort of) location in which research takes place, with different affordances, costs and benefits. Distinguishing such locales as ‘artificial’ in relation to the ‘natural’ may, with a considerable squint of the eye, appear accurate, but it is not the accuracy that gives the comparison its purchase on reader and writer. Rather it is the pejorative overtones of the contrast through which the natural appears as the good and the artificial as the bad.

This ambivalence on the part of naturalism over the nature of ‘artificial’ settings is a symptom of a general problem. It reflects a conflict between the account of the social research it presents, bordering on a naive realism, and its view of social actors, derived from symbolic interactionism and other forms of interpretive sociology (1992:12).

Further, the “real world”, which the ethnographer tries to capture, however “natural” it may be rendered via comparisons such as those above, is itself usually something of an imposition of some powerful groups and the ethnographer may end up merely reinforcing such oppression in the social world, if they take their desire for and valorization of the natural too far. Indeed the action of the ethnographer can on occasion easily be seen as in itself just such an imposition of power. This is even more so in reference to traditional ethnography, as postcolonial critiques of the discipline of anthropology’s master texts have made only too clear (see, for example, Pels, 1997). Similarly, despite the naturalists’ rejection of universal inferences, they have not escaped from using such, as illustrated by Hammersley and Atkinson, “For example when setting out to describe a culture, we operate on the basis of the assumption that there are such things as culture, and have some ideas about what they are like; and we select out for analysis the aspects of what is observed that we judged to be ‘cultural’ (1992:13).

In addition, the reflexive character of research cannot allow the ethnographer to come up with neutral data for the researcher is inevitably part, in myriad ways, of the social
world they are observing (Borhek and Curtis 1975). Therefore it is nigh impossible to be objective in the strong sense of the word, “There are no objective observations, only observations situated in the worlds of - and between - the observer and the observed” (Denzin and Lincoln 2005:21). Similarly, though naturalists may in certain instances argue against developing universal laws in social research, they have to find ways to go beyond mere description of social phenomenon by developing and testing theories, otherwise their product will not be any different from literary or journalistic pieces (Strong 1982) and they will lose the privileges attendant upon the specificities of their production.

But even the attempt to go native has been criticized because of the difficulty or impossibility of the researcher effectively making a presentation of a culture they do not belong to (Alvesson and Deetz 2000). Likewise, there is the difficulty of converting empirical data from the field work to render an ethnographic account that would reflect the real world ‘out there’ (Vaan Maanen 1988, Marcus and Fischer 1986). In addition, the ability of the researcher to justly and fairly interpret data collected through unstructured and non systematic method is questioned. This is further tied to the question of the criteria to be used by the ethnographer in the process of editing and selecting the accounts that would finally be produced.

Only a very small portion of all that has been said by the interviewees and observed, usually during several weeks or months, can be reproduced in a publication or even fully considered in analysis (see Clifford 1986). If one conducts, tapes and carefully transcribes, say, 25 interviews each lasting for one to two hours, one easily gets 500 pages of transcript. If one has ‘been there’ for 200 days and written 10 pages of field notes per day, one has 2000 additional pages…of that material perhaps 2 per cent at most may be presented directly…in a research book and less than 0.2 per cent in a journal article (Alvesson and Deetz 2000: 78)

The argument by post structuralists negating the possibility of any single true understanding of the world can equally be used in countering ethnography’s claim to portray the field as it is. Any research is but the interpretation of the researcher on
what they assume to be the ‘truth.’ Ethnography, “claims to represent the setting studied ‘as it is’, but this is not possible because we have no access to an independent reality, all we have are interpretations…” (Hammersley 1998:17). Nevertheless, it is worth pointing out that, “If a relativist and subjectivist epistemology is taken to its limits then case study research, or any research at all, is merely a matter of telling stories” (Parker 1995:113).

In essence what I did was to present a plausible empirical case study to my academic audience who are interested in corporate social responsibility in the petroleum industry. I am not claiming that my research is presenting the ‘truth’ or that it is better than those produced by others. This would be a fallacy, as illustrated by the above arguments. It is but an attempt at presenting and analyzing the views of my respondents through my own understanding in a way that would be most persuasive to my target audience. Therefore, like every other research report, my account is, “partial rewritings of partial understandings of partial data” (Parker 2000:240). Their modesty however should not necessarily be seen as a weakness, particularly as it pertains to claims to their ‘truth’ and their implications:

I rather felt it was people who claimed to be the sole possessors of the truth who should be ill at ease for the disruption they caused in others’ lives (Barley, 1986, p. 25).

**The three city sites where I interviewed my respondents**

I conducted my fieldwork around three Nigerian cities: Port Harcourt, Lagos and Abuja. Strictly speaking, I cannot describe my studies in each as ethnographic in the anthropological sense of the word because the level of immersion and the time I spent there were very limited. Although I can equally argue that I had ample previous experience of living in, observing and interacting within the Nigerian context. Specifically, I have been travelling to and lived in Lagos for over a year and had been a resident in Abuja for over five years. I had also been a practising journalist in Nigeria for about a decade and all these have in many ways contributed to the content of my research. I have used my previous contacts and experience in facilitating my
field work. In other words, I have not been a complete stranger to the Nigerian scene as I was born and grew up within it. Specifically, for the field work I spent about ten weeks traveling between the three cities, interviewing my respondents, making specific observations and collecting archival data. I traveled to the three cities in order to meet the different stakeholders associated with Shell’s presence in Nigeria. I felt interacting with and interviewing several stakeholders, from Shell’s managers and its employees, through host communities, to government officials, legislators, environmentalists, human rights groups, CSR practitioners and other Nigerians, would generate a richer and more plausible presentation and conclusions. The choice of my respondents was wide ranging in order to reflect the different interests and voices.

I used the following methods in carrying out the research:
1. Interviews: I interviewed several stakeholders on their relationship with, and expectations of Shell, as well as their understanding of the role of corporate social responsibility in managing the relationship. The interviews were semi-structured around some broad themes so that the views of the different categories of respondents could more easily be compared in subsequent analysis, whilst at the same time giving interviewees the opportunity to introduce other issues that they deemed relevant to the conversation. Most of the interviews, which lasted between five minutes (the shortest) to two hours (the longest), were recorded on tape to enable permanent capture and to provide a basis for transcription of the precise verbalizations that my interviewing had elicited from respondents along with the specific phrasings I had employed in that elicitation process.

In the course of the interviews, I also jotted down in my notebook observations I made on the non-verbal aspects of my respondents and the surrounding environment as well as the immediate incidents prior to the interviews. Of course, such attention to extra-verbal aspects of the interview situation was itself enabled by the taping process, which meant that I did not have to focus at the time on the capturing of respondents’ words on paper. As will be clear from the rest of this text, I interviewed more respondents from Shell (Ogoni) host communities compared to other stakeholders.
The reasons for this choice will become obvious in subsequent chapters but the choice in itself also confirms the partiality in any case study research as discussed in the previous section.

2. Observation: During my sojourn to the three Nigerian anchor cities and their surroundings, I made it a point to record my observations on the scenery, human interaction and the general environment in order to generate specific ethnographic materials. Similarly, I recorded my observations on the settings at the venues of my interviews and the composure and non-verbal expressions of my respondents during such interviews. This helps in setting the interviews within the wider surrounding context, which enriches the portrayal of the world of my respondents and enhances its comprehensibility for my readers.

3. Document analysis: I derived a lot of valuable background information on the history and current operations of Shell in the Niger Delta as well as the relationship between the company and its stakeholders over the last six decades from document analysis. Specifically, I read the company’s annual reports, visited its website and other Nigerian-based multinational oil companies’ websites in addition to drawing upon cuttings from Nigerian newspapers, BBC news reports on the Niger Delta from its internet pages, Nigeria National Petroleum Corporation (NNPC) publications, information from the official websites of petroleum-based agencies such as NUPENG, PENGASSAN, DPR and other publications on Nigeria’s petroleum industry. Likewise I have also used some electronic on-line documents on Nigeria’s cities of Lagos and Abuja.

After the field work, rather than doing selective transcription, I decided to transcribe all the tapes. After several reading of the scripts, I was able to sieve the data by identifying and generating different categories as well as particularly choice quotes that either served to vividly exemplify common positions or express particularly individual or idiosyncratic takes upon the object of my interest. Subsequently, I narrowed these categories down to what I judged to be the most relevant issues by re-
editing previous drafts. I employed the inductive process through systematic collection of strands of material that could be woven into an organized set of comprehensible narratives rather than merely engaging in testing hypotheses (Glaser and Strauss 1967). Hitherto, I used the available secondary literature as a clue in framing my research questions but I went to the field with an open mind and minimal assumptions and had cause to subsequently fine tune my research questions (Dollard 1937). This methodological flexibility allows me to test my initial assumptions and preconceptions once I commenced the fieldwork and continued focusing on developing themes of central interest, with emerging facts serving as my beacons.

I organized the views of the different Shell stakeholder respondents under the three different cities - Port Harcourt, Lagos and Abuja - corresponding to where I conducted the interviews. What I first did was to present these different voices in a narrative style. The aim was to make the presentations as interesting, captivating and as plausible as possible to the reader. In chapters five and six, I deliberately avoided making explicit any deep or overarching analyses. The essence of the task undertaken here is to portray the picture to the reader as I saw it in its proximal development and allow them to enjoy the stories without overt or extensive interference from any overweening, instrumental reordering in the light of extant or subsequently developed theorisation. It was only thereafter that I made my analyses of the presentations in subsequent chapters. It is then, of course, up to the reader to agree or disagree with my analyses and conclusions.

In Port Harcourt I interviewed fifteen members of Shell’s host communities, two Shell managers who spoke on behalf of the company, four respondents from the Centre for Social and Corporate Responsibility (CSCR) and three other significant observers; a triumvirate made of a journalist, a human rights activist and another Nigerian with radical views of particular interest. All in all I conducted a total of 24 interviews in Port Harcourt. In Lagos I conducted a total of 5 interviews, with leaders of the two Nigerian oil workers unions and a representative of the Department of Petroleum
Resources. Similarly, in Abuja, I conducted 5 interviews, with 3 federal legislators and two other Nigerians.

Data Referencing
Throughout the data, I used double quotation marks for quotes from tape and documentary data. Where the quotes are long I indented such but then removed the quotation marks, which is as per standard academic convention. I used single quotation marks for quotes from field notes. I used serial identifiers for tracing sources from tapes and field notes. Every interview was given a different number, with t standing for tape. Therefore, t1 means tape1, t2 tape 2, etc. My field notes are ordered in a similar way, with n standing for note and, as such, n1 means note 1, n2 note 2, etc.

I adopted this referencing style in order to enable easy tracing back to sources and to avoid the complexity that can result from repeating similar figures under different categories. Hence every respondent is allocated a unique tape number.

Although I have the express consent of most of my respondents to mention their names in the data (Taylor 2002), for ethical reasons extending beyond the mere ensuring of the elicitation of such consent I used pseudonyms in the text for my respondents. Nevertheless, I clearly mentioned their positions and the organizations or communities they come from. However, I realized that in some cases, I cannot utilize such techniques to create complete anonymity that would persist in the face of a sustained interrogation of the text and some obvious potential supplements. For instance I interviewed the Presidents of the Ogoni and the Ijaw ethnic groups as well as the head of the Centre for Corporate and Social Responsibility and it would be easy for anyone to trace the persons holding those offices during the time I conducted my field work, though I have not mentioned their names.

But since I have their express permission to mention their names, and they are clearly the holders of formal representative positions who spoke to me on that basis, I concluded that this was not a matter of significant concern, although it is a point clearly worthy of articulation. Mentioning the positions that my respondents hold
seemed too crucial in giving my reader the opportunity to weigh the significance or prominence of some of the fundamental views they held for such information to be omitted. Indeed it is what gives character and weight to the data extracted from the interviews. In other words, it is not only what is being said that matters but also who is saying it. And given that this practice is potentially compromising only in relation to those who speak as formal representatives, who have clearly chosen to so speak and given their permission to be identified, on balance it seemed the most sensible way to proceed.

**Methods in Practice**

As I previously stated, I embarked on the fieldwork with two broad questions: How would you describe your relationship with Shell? (Or in the case of Shell, ‘How would you describe the relationship between you and your stakeholders?’) and “What are your expectations of a responsible oil company?” From my initial interviews, I learnt to follow up on some important issues being introduced by my respondents. However, for the most part, I was not just a passive listener; I also cross-examined my respondents on some of their claims and arguments. This became important because most of my respondents are emotionally attached to their views and most are clearly on one side or other of a clear divide, either blaming the other party or passionately defending its position.

Most of my interview sessions run like the heated BBC’s (24) *Hard Talk* where the interviewer subject the interviewee to piercing, often blunt, questions. My background as a journalist may have contributed to this attitude of critical elicitation. But I found it very helpful in clearing some seeming contradictions in the arguments of my respondents and in one particular case detecting a deliberate attempt by a respondent to make false statements. In the interview I had with one of the Shell spokespersons, he stated that the company constructed many bridges in its host communities in the Niger Delta but when the journalist I was with interjected and said he travelled across the Niger Delta but never saw any such bridges, my respondent scratched his head and embarrassingly admitted that he could not mention the specifics of any such bridges.
But that does not necessarily or automatically mean that other things he told me were also false, or rather more precisely, false to his knowledge. Similarly, I found that the leaders of the ethnic groups and members of host communities do not have a clear idea on the number of oil spills and oil wells in their communities despite the fact that some of their arguments fundamentally hinged on such issues. In all cases Shell spokespersons in the interviews and in its publications admitted to a far larger number than those claimed by respondents vilifying the company, whereas clearly if the latter had possessed and drawn upon the figures being given by Shell they could only have strengthened their arguments.

Throughout my interviews I tried to switch on a professional smile and utilize other interpersonal skills in an attempt to look friendly to my respondents (Atkinson and Hammersley 1992) but when I posed some unpleasant follow-up questions, some of them could not conceal their disappointment and stared at me like a traitor. In one embarrassing case, an official of an oil union found me interviewing his secretary; he not only stopped the interview but called me a government spy in a room where there were several other people present. I showed him my identity card and University of Leicester complimentary card in an attempt to convince him that I was not but he was not impressed. He stated that he knew of people who possess the identity cards of, and work within the same organization in which he himself is employed but were nevertheless known by him to be secret agents. In the end when he refused to let me go ahead with the interview, I was so annoyed that I also requested that he give me back my compliments card, which he had earlier collected. It was my turn to smile as he meekly handed it over (n7). I did not intend to be mean or rude to him, despite my annoyance but my instinct also told me not to leave my contact details with someone who thinks of me as a local spy of the government. I also needed to ensure that I gave out the limited number of cards I had to respondents I interviewed, for I have a responsibility to them and needed to provide them with clear contact details in case they needed to get in touch with me later on. As expressed by Wax (1971), the tendency of facing suspicion and hostility during the interviews associated with a research project, especially at the initial stage, is a very real and widespread one “and
social embarrassment is a real possibly” (Hammersley and Atkinson 1992:102). This is clearly even more the case when the issue being researched is one of some contention.

In most cases, I actually came to decide that I had a reasonably adequate number of interviews when my subsequent respondents were merely repeating what was being said by others. Although in all cases I had, of course, to make it appear to my respondents that they were telling me something interesting. All these observations demonstrate the limitations of the assumption that the researcher can be an emotionless observer conducting a ‘neutral’ social science study, “All research is interpretive; it is guided by the researcher’s set of beliefs and feelings about the world and how it should be understood and studied” (Denzin and Lincoln 2005:22). However, despite the fact that, “individual researchers cannot step outside their own social and historical standpoints” (Smith and Hodkinson, 2005:915), I have to reiterate that I did not even try to be an utterly detached, neutral professional observer in presenting the data, for to do so, given the range of my relations to the subject at hand, seemed to me nothing but disingenuous.

My personal identity as an individual also has some affects on my respondents. Of course I enjoyed the advantage of being Nigerian. I found it pretty easy to make my respondents feel at home, for example, one said to me on being asked to offer me their views, “I have been doing it for foreigners why wouldn’t I do it for you!” (n2). Only one of my respondents is not a Nigerian. However, the fact that I am not from the Niger Delta played an interesting double role. On the one hand, I was able to distance myself from local prejudices and see things with the eyes of a more distant observer. On the other hand, the fact that I am from the north and physically look every inch a typical northerner- a part of Nigeria that does not produce oil - made some respondents look at me with disdain. One said to me, referring to the north and its traditional economic strengths, “When your groundnut dried up…”(n8). I was clearly perceived as the stranger from one of the other parts of Nigeria, an exemplar of those who are supposedly feeding fat from the proceeds of oil wealth from the Niger Delta
(Keiser 1970). Another respondent referred to my age, when he said, pointing at me, “A small boy like you…” (t3). Still more smiled and looked at me as an instance of one of those few privileged Nigerians who had the opportunity to travel to a more developed country for a higher degree.

Before travelling to the Niger Delta for my field work, I already have my own vague set of perception about the region and its own people. As part of my one-year preparatory training as Nigeria’s Foreign Service Officer in 2000, I and my trainee colleagues from the other parts of Nigeria made a brief familiarisation tour of some of the south eastern states including Akwa Ibom, Ibonyi, Cross Rivers and Enugu. Those we encountered were mainly government officials at the state and local government levels and traditional rulers. But knowing that we are federal officials, I had an inner feeling that we were only told of things that are convenient to learn and not the hard truth. However, I had never been to Port Harcourt and generally had very limited encounter with the people of Niger Delta except what I learnt from the media. However, the Nigerian press, most of which are based in the Ibadan-Lagos axis, are reputed for their sensational styles and making mountains out of molehills. After I graduated with BA Mass Communication, I worked for seven years as features writer and a sub-editor with Today, a northern-based weekly before joining the New Nigerian, the biggest paper in the north previously under the collective ownership of the northern states before it was taken over by the Federal Government. After eight years in journalism, I joined the Nigerian Foreign Service. Although I was more of an independent person who was always inclined to ask critical questions and do things my own way rather than worshipping official versions, which landed me in trouble many times in the past, there is no way I can claim that my being a northerner and years of service with the federal government have no influence on shaping my perception of issues. My image of Port Harcourt was that of a clean rich glittering city manifesting great contentment of oil wealth. I was filled with excitement at travelling to the ‘Garden City’ as it was fondly described.
As a typical northerner, my impression of the people of oil producing states was that they were well off compared to people from the north. Also, over the years from street conversations and the news media, I was made to believe that the call for resource control by some people from the oil producing states was born out of conspiracy to starve the oil-dry north of the basic income it is deriving from the federation account, with the ultimate aim of breaking up the country. I have to add that despite this perception, I had an open mind of going to the oil producing areas and listening to others as a professional researcher who wants to find out firsthand what is really happening. All that keeps going on at the back of my mind was that without a firsthand experience of the region and its people there are lots of missing pieces in my knowledge of Nigeria’s oil industry and I openly stand to fill that yearning gap by asking critical questions and listening to all sorts of answers.

I am not too sure how being a Muslim from the north affected my respondents’ attitude towards me. The north is predominantly Muslim, the South West too is largely Muslim but the South East is predominantly Christian and native religions. The US Central Intelligence Agency (CIA, 2007) estimated that about 50 per cent of Nigerians are Muslims, 40 per cent Christians and 10 per cent indigenous beliefs. In general, Muslims or northerners in general are perceived by southerners as upright and honest. Most Southerners do attest that they would rather have transactions with a northerner than their fellow southerners. Still other southerners stereotype the typical northerner as naïve and illiterate who cares more about cattle rearing than reading books. But on the political level, the general stereotype is that the northerner is politically crafty and knows how to rule over others. On personal encounters, most southerners marvel at the brilliance of the educated northerner, who they assumed should never have been endowed with intelligence. The images varies, depending on whom you are talking to and the issues being raised. But what is significant is there is very limited interaction between the people from the north and those from the south. Most people never travel out of their regions and think of others from what they hear from others and the highly anti-northern southern press. However, on a personal note, being a practicing Muslim makes a difference in my attitude towards others because I was brought up to believe
that being fair to, and speaking fair of others is part of the requirements of Islam and I was expected to say nothing but the truth about others and eschew primordial sentiments and prejudices even when discussing about non-Muslims.

Coincidentally one of my respondents was also conducting action research with Shell on CSR for a master’s degree in one of the other universities in the UK. He discussed his work with me both before and after the interview. Yet, particularly those from the host communities seemed to see me as someone who could give them a voice against the ‘mighty’ Shell. I faced the frequent question, ‘When are you going to publish the interview?’ (n4). This group seems to hold the hope that research such as my own could be more than conventional ethnography, which reinforces existing power relations. They think in line with exponents of more ‘critical ethnography’, which derived its inspiration from the critical theory of the Frankfurt School and Habermas’s extrapolation of parts of that tradition through arguments advocating interpretative techniques that can serve emancipatory tools. Indeed some believe that, research should be “part of a larger human struggle rooted in the right to participate in the construction of meanings that affects our lives” (Putnam et al 1993:227) and that,

A critical text is judged by its ability to reflexively reveal hidden structures of oppression as they operate and impact upon individual’s experience. It should create a space where many voices can speak - in particular those who have little power are asked to articulate their definitions of their situations. (Johnson and Duberley 2000).

I leave it to the reader to judge how much voice I have tried and been able to give to the different stakeholders but the fact that 15 out of the 33 respondents I interviewed are from Shell host communities (who believe that they are at the receiving end of some fairly shoddy treatment, to say the least) meant that the expectations of those members of such communities that the researcher would give them a voice were far from entirely misplaced. However, I have to admit that I did not embark on the fieldwork with the idea of giving more voice to any particular group. Rather I later found that this particular group was obviously larger in number, had more, and more
of interest, to say and the circumstances and limits of interaction influenced my judgment in ending up with what I have. Similarly, I can only hold my hands up to accusations that I not given enough thought to the ultimate use of the research findings (Carr and Kemmis 1986), at least not at this stage.

**Conclusion**

In this chapter, I have tried to demonstrate the complex epistemological, political and ethical issues that I had to grapple with in conducting the research. This, I hope, will dispel the myth associated with the claims to objectivity in conducting fieldwork. The chapter also serves to give the reader some insight into how the data were collected and into some of the practical decisions that had to be made in the process of their collection. These were not issues that one can simply refer to some ‘how to’ manual on methodology in order to resolve; nor are they, for that matter, issues that can in any way be avoided (Hammersley 1998).

Notwithstanding that, although I could not and would not wish to be detached from the situations described here, it is worth reiterating that I tried to be as honest and as reflexive as I could in collecting and assembling the data. I presented the data in the immediately following chapters in a relatively naked narrative style, without undue theoretical commentary, in order to allow the reader to enjoy its beauty and make up his or her mind on how convincing the views presented are. Thereafter, of course, the reader has the opportunity to agree or disagree with my analysis. Such an opportunity can never be denied. Indeed I hope I have rendered it as wide and open as I possibly could.

In the next chapter, I will present the data I collected during my fieldwork in Nigeria. I will present a written version of the stories as told by my respondents. I will avoid making any comments or analysis in order to give the reader a taste of the original interviews. I will reserve the interpretation and analysis of the interviews for chapters six and seven.
Chapter Five

Voices from the Oil Region

Introduction
The next two chapters will present an ‘ethnographic’ account of my visit to Nigeria’s three most important cities (Port Harcourt, Lagos and Abuja) where I conducted my interviews. I will present my interviews in Port Harcourt as a separate chapter due to its volume and category of respondents. I will then present my interviews in Lagos and Abuja. The ordering reflects the chronology of my visits. I was first in Port Harcourt before going to Lagos and finally ending up in Abuja. I conducted more interviews in Port Harcourt, followed by those in Lagos and the least in Abuja, because the respondents from the host communities, NGO’s and Shell officials are all based in Port Harcourt. It is the anchor city of Nigeria’s petroleum industry. My respondents from Lagos are made up of the two trade unions officials representing the workers in the industry and an official of the Department of Petroleum Resources. In Abuja I focused on legislators and Nigeria’s security chief who are directly involved with the Niger Delta issue.

The Garden City
Port Harcourt, the capital of Rivers State referred to as the Garden City, is considered as the most elegant and the richest city in Nigeria’s Niger Delta area. Major oil companies operating in Nigeria, both multinationals and indigenous as well as oil service companies, have their operational or head offices based there. For someone embarking on a research on Nigeria’s petroleum industry, the city naturally comes as the first destination. On the 55-minute flight from Abuja (Nigeria’s capital that was largely built with oil wealth from scratch) to Port Harcourt I was filled with excitement. Though I spent all my life in Nigeria I never had any cause to travel to the city. I anticipated walking into a rich and glittering city in much the same way one would imagine visiting Las Vegas or Kuwait city.
However, Port Harcourt turned out not to be exactly what I anticipated. Though you have relatively beautiful sights such as Hotel Presidential and the new State Government House, for the most part the city is in no way better than the average Nigerian city but undoubtedly less elegant than Abuja and Lagos. It is overcrowded with pedestrians, meandering motorcycles and second hand vehicles belching smoke from their exhausts, with each trying to forcefully find their way through what seem like an endless struggle. Whenever it rains, the streets would be waterlogged largely due to the ill-maintained or non-existent drainage system. In the middle class neighbourhood where I stayed, it was not unusual to come across heaps of uncollected garbage protruding onto the streets with strong stench and overgrown grasses. For whatever reason the local council seems unable to keep the streets of the city clean of such eyesores.

It is a city where electricity can at best be described as erratic. For most part of the day businesses have to do without power supply and those who cannot do without electricity have to install their own generating sets. Residents spend a good part of the humid nights in darkness, battling malaria carrying mosquitoes. In the affluent neighbourhood where people have their own generating sets, one has to contend with the deafening noise of the generators. The residents have to sleep with eyes half shut, ready to interrupt their sleep to switch on to the national power supply system whenever it is restored in order to save diesel for the next night. No clear electricity rationing system exists and residents of the city do not know when to expect power supply. And the same applies to the city’s water supply system. Due to erratic and shortage of water supply, most residences have protruding overhead tanks like overgrown cactus in the desert in order to store as much water as they can whenever it is available. In the affluent parts, most residents opt for having their own boreholes.

The most beautiful irony of this oil city is the daily scene of long queues at the petrol stations, with motorists enduring long waits before they get to fill their tanks. But the most interesting aspect of it all, like dwellers in other Nigerian cities, people are used to it all and take it calmly as a destined daily routine. The four refineries in the
country were perpetually operating below the capacity required to meet domestic consumption. For over a decade now Nigeria, the number one producer in Africa and the sixth largest exporter of oil in the Organization of Petroleum Exporting Countries (OPEC), has been importing refined petroleum for her domestic use. Like electricity and water supply systems, corruption and ineptitude have ensured that despite massive and often over-inflated expenditure, the refineries are always breaking down and operating below capacity.

Moving round the city can be very hectic. Compared to the system in the UK the transport system is less organized with thousands of small buses, (marked and unmarked) taxis, as well as Chinese and Japanese made motorcycles overcrowding the streets. You need to stand just anywhere on the road side and wave down a taxi, bus or a motorcycle as there are no strictly designated bus stops. You can’t stay in your residence or office and phone for a taxi. Such a system is yet to be introduced. You need to be on the road side to flag down one. With the taxis and motorcycles, you need to negotiate the price as there is no system of measuring distance being covered. Though prone to frequent accidents, the motorcycles offer the fastest options of catching up with appointments, especially during the rush hours of the day when traffic congestions are a normal sight in most major Nigerian cities. A rail system is non-existent in Nigerian cities. Though among the few legacies that the British colonial system bequeathed to Nigeria was the rail system, Nigeria has woefully failed to maintain it and it has vanished as fast as the Westminster (the British parliamentary) system which collapsed in 1960, barely six years after the Union Jack was replaced with the green-white-green Nigerian flag. But unlike the Westminster system, which was replaced by a presidential system, the rail system was replaced with a gaping void. For most of my stay in the city, I used the motorcycle for its speed, convenience and I guess a reckless spirit of adventure, though all the time I found myself praying deep within my soul not to end up with bruises or broken limbs.

Port Harcourt is not only known as an abode for oil men but also a beehive for non-governmental organizations (NGO’s) ranging from environmentalists and human
rights, to ethnic militia groups. I spent about five weeks in the city tracking my respondents and visiting neighboring towns and communities for my interviews. For the most part, with the exception of Shell and government officials, Nigerians are quite ready and willing to speak to visiting researchers and journalists without much formality such as advanced booking for appointments. Leaders of the pressure groups and host community members I interviewed were particularly keen to express their views to the visitor.

**The Ogoni Reconciliation Ceremony**

It was a rainy morning. The road from Port Harcourt to Bori, the headquarters of Kana Local Government of Rivers State, was full of second hand cars and motor cycles conveying passengers. The small town was bustling with life. The main and only tarred street was lined up with small shops selling all sorts of stuff from locally roasted fish with plantains to cheap Chinese electronics. The electronic shops in particular would be blaring music from their huge speakers, usually placed in front of the shops.

I hitch hiked with the local BBC correspondent in the Niger Delta for the journey that took us about an hour. The scenery was that of lush green vegetation of a typical mangrove region. When we approached Bori we attempted to drive to the venue of the reconciliation ceremony where a foundation stone for a monument in memory of all the slain Ogonis in their conflict with Shell would be laid. Stern looking police men wielding guns and long whips made of cow skin barked at us, “Move back and park there!” one of them angrily shouted, pointing towards a thick bush where some vehicles were parked by driving through the grasses.

My host attempted to flash his ID card and explain that he is a journalist coming to cover the event. But the policeman was losing his temper and I quickly advised my friend to turn the vehicle. Fear of Nigerian police is the beginning of wisdom. At the age of 13 I got my head broken by a policeman right in front of my father’s residence. Though a court found him guilty, I cannot remember getting any compensation.
Frequently many Nigerians have been shot dead for daring to argue with armed policemen in what would later be classified as “accidental discharge” by the authorities. After some meandering through incoming cars, we drove to a nearby police station and got the permission to park in the premises. To park elsewhere would be risky. Even if the car is not stolen, thieves can force open the car door to steal the car stereo or ransack for other valuables.

Security was tight at the venue because the President Olusegun Obasanjo who ruled Nigeria between 1976-9 and has been back to the State House as President again since 1999, was expected at the occasion. He was the one who appointed a reverend priest from northern Nigeria to reconcile the Ogonis of the Niger Delta. In May 1994 four conservative Ogoni chiefs were murdered by a rival group over a row about how to deal with Shell. Arrests were made and the tribunal that presided over the case found another nine Ogonis, including the writer Ken Saro Wiwa, guilty of the murders. They were sentenced to death and subsequently hanged in November 1995 after the late Nigerian Head of State, General Sani Abacha, approved the sentence. Thereafter, a concerted media campaign to help raise the issue of the Ogoni, particularly in the West was launched against Shell and the Nigerian government. Since then Shell was forced to abandon all operations in Ogoni land because the safety of its workers could no longer be guaranteed.

Eleven years after, Shell with the help of the Nigerian government, wants to restore its operations in Ogoni land and, indeed, the second phase of the reconciliation, being planned as a follow up, was going to focus on re-establishing good ties between Shell and the Ogonis. The crux of the matter is that the government is not only interested in reconciling its feuding citizens but also wants oil operations to be restored. Of course the government needs to adopt any strategy it can to secure oil flow because it derives 95% of its foreign income from the sales of oil. Shell too needs to restore its operations in order to meet up with the growing demand for oil, both for the sustenance of the massive global capitalist system and increased profits for its shareholders. The reconciliation is all about restoring the flow of oil. However, the
Nigerian oil industry has several other stakeholders who though were not physically visible at the reconciliation ceremony in Gokana on 20th May 2006 who have equally strong interest as beneficiaries in Nigeria’s oil industry.

The occasion was well attended with Ogoni chiefs turning up en masse, local, state and federal government officials, as well as members of the foreign and local press. The ceremony started with long speeches and memorial service for the dead and the unveiling of the monument in memory of the dead Ogonis. The occasion was held in an open field on a rainy morning with a huge crowd packed tightly under the few canopies in place, with an inadequate number of white plastic chairs. Some of the people who were not fortunate enough to get a space under the canopy had to stand in the open rain with feet soaked in mud in the swampy unpaved open field. One would have expected such an important historic occasion to be hosted in a proper stadium or a hall but neither of these exist. It was held on a poorly-cleared piece of land with grass sprouting. On that particular Saturday morning it was gloomy, wet and muddy.

I conducted all the interviews with the Ogonis during the reconciliation ceremony, around the vicinity of the reconciliation ceremony, amidst the rowdy crowd. In addition to the drumming of voices, a speaker was also blaring local music from the public address system in the field, entertaining the waiting audience before the occasion kicked off. I would to take my respondents as far as I could from the noisy crowd. On two occasions we had to use a building still under construction nearby in order to escape from the noise. But others, such as the Chiefs, would not leave their white plastic chairs for fear that they would be invaded and I had to do with speaking very loud and thrusting my tape recorder into their faces in order have clear recording. I had no option than to do so because after the occasion everyone would be in a hurry to leave to their respective destinations and I would find it difficult to follow every chief to their community for interviews. To do so would probably take me weeks rather than the few hours I would need to get the interviews at the ceremony.
I did most of my interviews while everyone was waiting for the arrival of the Nigerian President. In Nigeria it has become a tradition that top government officials, especially the President and governors, go 2-3 hours late for every occasion. Indeed that day the president was about three hours behind schedule. I used the waiting period to track down and interview key personalities. Immediately we arrived at the venue I parted ways with my BBC journalist as he was also struggling to get on with his interviews. I decided that following him would be a waste of time as I really needed to use my time effectively by interviewing as many people as I would before the occasion ended. What I simply did was to approach a young Ogoni who looked friendly and was casually walking around speaking to other young men. I switched on a smile and introduced myself as a researcher from the UK I got his attention. I told him of my mission and asked him to introduce me to as many chiefs, politicians and other important Ogonis around as he could.

He obliged and spent the next four hours taking me through the milling crowds, identifying our targets, getting me the right introduction in the Ogoni dialect. All those we approached politely agreed to speak to me with enthusiasm. Occasionally a respondent would ask me, “which media are you writing for?’ I would reiterate that I am an academic researcher and not a journalist and my interview is for a thesis. However, it is not surprising in such a gathering for people to consider anyone clutching a tape recorder and a note book to be a journalist. The Ogonis have learned to use any chance for publicity they can in putting across their grievances against Shell, the multinational oil company operating the joint venture in their land. All my interviews were conducted in English which I found most of my informants could confidently express themselves in.

The Stories As Told

The Man Reconciling the Ogonis: Catching the Argument Midstream

The Federal Government appointed a middle aged reverend father from northern Nigeria to reconcile the Ogonis. After numerous phone calls, I met him at the
He described CSR as one of those recently coined “fanciful concepts that is flying around”, which people tend to embrace without understanding what it entails, “I don’t know the origin of this CSR. If it something that is coupled in Washington, New York or Amsterdam I have got a problem with it” (t3). He argued that social responsibility is something that business organizations owe their host communities. I asked him about the relationship between Shell and the Ogonis host communities he was reconciling and his perception of the role of CSR in this relationship. He stated that to bring CSR in the relationship between Shell and her host communities is to begin on the wrong premise and he likened it to “catching the argument mid stream” (t3). He pointed out that Shell has never been invited by the oil producing communities and was simply part of what he described as the baggage of two colonial stages in Nigeria’s history: first the British colonial government and the second the successive military regimes that rule Nigeria for the most part of her independence.

He argued that the two were not responsible or answerable to the citizens as they illegally acquired power using coercion. Consequently, the decision to issue prospecting licenses to oil companies and the displacement of communities from their homes and farmlands for the companies to commence operations were carried out using the state monopoly of the instrument of violence, without the consent of the host communities, “The first thing to realize is that, ab initio, the process that brought these
corporations was never endorsed by the host communities” (t3). He likened the current quest for CSR to sort out the relationship between oil companies and their host communities to “trying to ask a rape victim to become benevolent towards the agency of her rape” (t3).

He maintained that if the communities had a say in the coming of the oil companies, they would certainly have insisted that the operations of those companies should not disrupt the sources of their livelihoods such as farming, fishing and access to clean water. As someone who has toured the oil producing communities, he spoke of witnessing massive destruction of the environment as a result of the operations of the oil companies, “Having destroyed the environment you cannot come back now and be claiming to clean it up and make it look as if it is a wonderful thing you are doing. What is now being masqueraded as corporate social responsibility is an attempt by multinational corporations to compensate for the sins they have committed. But what they are doing pales into insignificance compared to the quantum of resources they are ploughing out of those communities” (t3). For CSR to be meaningful, he continued, the host communities should know how much Shell is making in the Niger Delta and that should be used as a criteria for measuring a company’s commitment to social responsibility, “If you make £1m profit in digging a well for me and it cost you just £10,000, I will have no obligation to be grateful to you” (t3).

He remarked that Shell is not being sincere in its dealing with its host communities and even if it wants to change, as it is claiming, he believed the company is taking the wrong steps. As a Catholic priest and theologian, he insisted that Shell is not repentant because rather than confessing its sins to its host communities, the company is confessing to the Nigerian government who is not the aggrieved party, “There is a flaw in the thinking that I am the aggrieved party but somebody is accepting the penance on my behalf. It does not work that way!” (t3). He asserted that if CSR is meant merely for cleansing the conscience or as an act charity, the host communities in the Niger Delta informed him that they are not looking for charity but recognition and respect.
He wants new agreements to be worked out with the host communities rather than maintaining those imposed under colonial and military rules. The right step, he argued, would be renegotiating the basis of the relationship instead of Shell using the idea of CSR to offer the communities some help. He maintained that Shell’s CSR initiatives were faulty in assuming what host communities need and coming up with pockets of assistance. He likened it to coming with a tablet and hoping that the communities may be suffering from a sickness which the tablet can cure, and equated that to using aspirin to cure leprosy. He reiterated that host communities need to have a say in whatever a company is getting from their land, and relate as equal partners to the companies rather than recipients of charity or assistance.

I reminded him of the business case that multinational oil companies are in business to make profit and are paying their taxes and other royalties to the Nigerian state and that it should be the responsibility of the host governments to sort things out with their citizens. He responded by stating that in theory it makes sense but in practice such arguments have faulty assumptions of legitimacy as a premise. He pointed out that what the word government means in the US or the UK is not the same as in Nigeria. He argued that when Shell got a license to operate in Nigeria in 1956, it was a British colonial government that was in place, which was representing the interest of her majesty the Queen of England rather than the host communities in Nigeria. He stared at me angrily,

So what government are you talking about? You mean a bunch of white people coming from the United Kingdom, (and) after killing people and taking over our country are now the ones you are going to call government whose contracts I am supposed to be obligated to live with? Or a few soldiers who shoot their way to power just like armed robbers to take over the State? Is that what you call government that can negotiate on my behalf? (t3).

He is of the opinion that for a government to be considered as legitimate it should emerge as a result of consensus from the people of the country and such a government
can only have responsibility delegated to it through bills in the parliament. He thinks it is irresponsible for corporations to stick to the business argument, and concluded that Shell was forcefully driven out of Ogoni land largely due to this mentality of sticking to the business case argument. His core argument is that Shell should accept the fact that no matter how legally binding its agreements were with the governments in the past, its host communities do not recognize those agreements. Therefore, there is need for the company to accept that mistakes have been made in the past and a need to turn a new leaf by getting the consent of its host communities.

Similarly, he queried why Shell was not disclosing the tax and royalties it is paying to the Nigerian government, “The problem with these oil companies is that they survive on simply bribing a lot of Generals…after all why do you think that somebody will go and find $600m with the son of [Nigeria’s former Head of State late Gen Sani] Abacha? Where would that kind of money be coming from? This people [oil companies] know that there is no sincerity in the conversation because they are paying bribes to a lot of people. You are not playing by the rules and when you don’t play by the rules you get the outcome that you deserve” (t3).

He predicted that with the emergence of democratic rule in Nigeria a certain degree of transparency would ultimately prevail and the companies would have no option than to change their ways regarding community relations. He accused the multinational oil companies of breaking rules in Nigeria but complying with such rules in their own countries, “Why will they be obeying the rules in Washington, London and Paris but when it comes to Africa, they will be behaving as if we are the children of a lesser God?…..It tells you the fact that at the heart of this conversation racism is very much alive” (t3). He attributed this behaviour by multinationals to dealing with what he described as illegitimate governments. He equally accused the oil companies and other international organizations such as the World Bank of belittling Africans, “In those organizations a small boy like you, let me talk that way, will graduate from the university and then turn around to come here as a consultant. You cannot earn the kind
of money they are earning” (t3). However, he concluded that he would largely blame Nigerian leaders for the attitude of the multinationals.

The Ogonis

MOSOP President

He represents the Ogoni people under the auspices of the Movement for the Survival of the Ogoni People (MOSOP). I met him in his office in a small storey building in Port Harcourt. A very articulate and outspoken lawyer dressed in a suit, he granted me my first interview in Port Harcourt. He stressed that the relationship between Shell and its host communities in the Niger Delta has not been cordial and blamed the company for the sour relationship. In general, he believed that the company is not treating its host communities with the required human dignity. He attributed this to the company’s believe that it is responsible only to the government who gave it the legal license to operate and not its host communities, “For the people this is just theory” (t14). He explained that in practice the company needs two licenses in order to effectively operate: the legal license from the government and the social license from its host communities. He argued that Shell ignored the social license and as a consequence, “In Ogoni we have withdrawn the social license” (t14). Since 1994 Shell was forced to abandon all its operations in Ogoni land due to security concerns over the hostile and uncooperative attitude of its host communities. He concluded that the company failed in its “responsibility of marrying the two [the need for legal as well as social license to operate]” (t14).

He maintained that sticking to the business case that a company should be responsible only to the state and making profit for its shareholders was naïve, stating that the classical case whereby companies only pay their taxes and the state provide infrastructures and services to its citizens is not universally applicable. He explained that in some countries people may see the distinction between government and business corporations but in Nigeria the reverse is the case. He stated that people in the Niger Delta do not see any difference between Shell and the government because
the government is the major shareholder in all Shell operations, “People don’t want to know the distinction between government and oil companies” (t14) He pointed out that in practice the government was never neutral but always takes sides with Shell when it comes to settling disputes between the company and its host communities, “Because the whole of their [government] economy is dependent on oil companies. Once you make a protest against a company ….the government says, ‘Ah! Why are you doing that? Our economy is threatened!’ They send in soldiers” (t14).

He described Shell CSR projects in the Niger Delta as “appeasements and patronages [akin to] scratching the people where it does not itch them.” (t14). He explained that the company embarks on projects without consulting the host communities who are supposed to be the beneficiaries of such projects. He cited the example of his home town where Shell embarked on renovating an old hospital whereas the people needed drug supplies from the company. According to him because pictures of drugs would not create a lasting impression in the company’s public relations publications and its website, the company insisted on renovating the building since it is something it can continuously display to its global audience.

He concluded that Shell’s CSR is, “Driven more by PR rhetoric that they can show than what the people need. This is why it fails” (t14). He summarized the problem as the inability of the company to consult the people on the type of projects that they need, “They are not even thinking that the people have a voice” (t14). He argued that if the company had spent the amounts it was claiming to spend on community projects, it would not have the need for a PR department because the people of the Niger Delta would be very pleased with it and would speak well on behalf of the company. He cited the case of Statoil which he said is operating successful community relations with its Akassa community as an example for Shell to emulate.

He expects a responsible oil company to, “match their principles with their practices” (t14). He stated that Shell has glossy principles which would impress the reader whereas what is important is “What they do and not what they say ‘we want to do’ ”
He stated that Shell operates double standards in its dealing in advanced countries on the one hand and developing countries on the other. He described this as a form of racism and argued that the company should have universal standards in the way it treats all its host communities across the world, “Many people say the problem is with the country [Nigeria] because we are supposed to hold them responsible. You don’t say that because the policeman does not catch the thief that it is an excuse for someone to steal” (t14). Similarly, he expects a responsible oil company not to engage in creating conflict in its host communities, implying that Shell is doing so. He cited the example of a community called Isoko which has been having a lingering conflict, “The people say it’s Shell fuelling the crisis” (t14).

He argued that Shell is the main beneficiary of conflict in the Niger Delta. He explained that the company has what is called ‘contract demurrage’ whereby it pays huge sums to its contractors as compensation in cases where the contract in host communities cannot be executed due to internal conflicts, “You find that some companies have now gotten for a $2m contract, $20m because they would say it is the communities that are fighting. So why can’t I take $1m and create a situation whereby the communities would be fighting themselves and get $20m for doing nothing out of a $2m contract” (t14). Furthermore, he explained it is Shell contractors, most of whom he described as “agents of Shell officials”, who benefit from pipeline vandalism and oil spills going on in the Niger Delta because they get massive contracts for clearing the spill sites, “It is not the farmers because what the farmers are paid are peanuts. It does not match the market value” (t14).

**Junior Wiwa**

Junior is a young man probably in his 30’s and a son of Ken Saro Wiwa, the Ogoni activist whose hanging in 1994 caused uproar in the West. He runs a chain of family businesses in Port Harcourt ranging from property management and publishing to an internet cafe. His office occupies the upper floor of the building used as commercial internet cafe. It was one of the few modern ones in the city where you will find browsers packed with customers from journalists scrambling to send in their reports to
young men who specialized in internet fraud. I frequented the place with my BBC friend, mainly because it was located close to a neighborhood called Ungwan Hausa where one can readily go to the many kiosks offering local dishes and community news in addition to the several mosques that makes it easy to offer the five daily prayers without having to go back to the hotel room. Though considered as one of the best in the city, their server was very slow and it was not unusual to hear customers hissing over the slow and epileptic internet connection. It takes over an hour to relay a five minute voice report to BBC Bush House in London and it has become a daily nightmare for my friend as calls from his editors keep on coming reminding him that the evening team was running out of patience over the lateness of his reports.

A young man with Rastafarian dreadlocks who converted to Islam in the US before moving to Port Harcourt to work for the Saro Wiwa’s family business introduced me to Junior. In a typical Nigerian style, after keeping me waiting for several hours dozing in his tiny reception, when it was time for me to have the interview with him a local chief from his community came in and I was asked to wait outside again. When the man left, Ken informed me that he cannot grant me the interview because it was getting late and he had to go because he would be traveling to Abuja the next morning for an appointment with President Obasanjo who was offering him the position of a Presidential Adviser. I insisted I must have my interview with him after keeping me waiting for this long. He finally gave in but the interview was conducted in haste on the corridors on his way out of the building.

He described the situation in the Niger Delta as a very complex one, “in that you have a resource in your domain that was supposed to be your source of income and sustenance but it has turned out to be a source of acrimony and woes” (t17). He argued that any responsible company requires a social license to operate in its host communities and he expects it to give back to those communities as much as it is taking. It is not enough to have a license from the government but a company must also sign a Memorandum of Understanding (MoU) with its host communities so as not to be operating in a hostile environment, “And what is happening now is most of
the communities are now angry. They feel impoverished in the midst of great wealth. So any company that takes the approach that the business of business is business - well they are welcome to do that. But they can see out there in the real world that is not a realistic approach. They have to actually look at the social license to operate.” (t17). He argued because of the extractive nature of the petroleum industry, oil companies cause environmental degradation and as such the communities need as much as they can get before the oil gets exhausted. He also expected the companies to work with the three different tiers of government in bringing about development in the host communities.

He labeled Shell operations in the Niger Delta as, “A crime. It amounts to genocide on the people to take their land and resources and leave them with nothing but poisoned environment.” (t17). He cited the case of Oloibiri, the community where Shell struck its first oil well in Nigeria in 1956, as evidence of a community left in ruins after Shell exhausted its oil resources for decades and left behind nothing but destroyed environment for the people, “It is a wilderness. And for you to attempt to quantify how much oil has been taken out of there and what has been done for the people in that community, it’s a farce to say the least….it’s a crime against God to enter people’s home, take their land and resources and leave them with nothing but poisoned environment” (t17).

He accused the company of spending huge amounts on advertising and propaganda trying to convince the world that it was a clean company that was not only trying to make profit but also cares for its host communities. The Niger Delta, he pointed out, is an example of the failure of the company to operate according to its own professed ideals. He demanded that the company should disclose how much it has earned from the region as well as what it gave back to the communities, pointing out that it was only an independent assessment that could bring to light the claims and counter claims being made by both Shell and the host communities. He argued that the Federal Government has failed to keep its responsibility as an independent mediator between Shell and its host communities, but, “I think we are moving to a stage where the oil
companies and the Federal Government are realizing that there is need to be transparent in this sector” (t17). He disclosed as an individual he was more concerned with his businesses and that the struggle that his father pioneered was for the entire Ogoni people to take up and not a family matter.

**The Queen of Ogoni Land**

Apparently a young lady in her thirties she has another lady and a man by her sides. Later on I discovered that the man was her driver and the lady was her maid. She was heavily dressed with piles of long traditional necklaces hanging round her neck. When I switched on the tape recorder and asked her to introduce herself, she replied that it was “something strange to our tradition. Royal majesties do not introduce themselves. But I can tell you that I am the mother of Ogoni land, her majesty the Queen of Ogoni land” (t11). She is the daughter of the paramount ruler of the community where Shell has its Bomu oilfield.

She explained that since the discovery of oil in Ogoni land in 1958 her people have suffered hardships due to the environmental damage to their farm lands and oil spills in the creeks as a result of the operations of Shell. These have adverse effects on the means of livelihood of the people who rely mainly on farming and fishing. In addition, the streams upon which the local communities rely for their drinking water also get polluted by oil spills, “most of the time mortality rate is very high particularly in the dry season when the streams become stagnant ponds. So what is collected for drinking, cooking and other household uses become stagnant water polluted by the oil spill that is all over Ogoni land” (t11). She insisted that Shell has never taken the welfare of the Ogoni people seriously. Her main grouse was the lack of infrastructure such as potable water, and particularly electricity, which would stimulate economic activities by attracting investors so that the rural economy could pick up.

When I asked her about Shell’s CSR projects in Ogoni land she responded,

> But you are here in Ogoni today you can see for yourself. Coming to Ogoni from Port Harcourt you pass through almost all the local
governments of Ogoni. You pass through Eleme, you pass through Tai, you pass through Gokana and go to Kana local government, which is where we are today. If there is any project by Shell, if there is any development in anywhere you don’t need to even ask me, you would have seen the signs of Shell all around as you pass through land (t11).

She argued that apart from paying taxes and royalties to the government Shell owed its host communities some responsibility, which can give the company the required legitimacy and conducive environment to operate in those communities. She concluded that it was the failure to realize that which led to the eviction of Shell out of Ogoni land by the host communities. She expressed the optimism that Shell has learned its lesson and whenever it eventually returns to Ogoni land it would treat its host communities better. But she could not state how much or what percentage of Shell’s income the host communities would expect the company to spend on them as everything would be based on new negotiations. But what is of paramount importance is the care and concern that the company should show towards its host communities. She also pointed out that Shell has not been offering employment to her people and even though they get invitations to attend interviews for scholarships, they never get them,

I remember when I was in the secondary school years ago. Sometimes they will ask us to come for Shell scholarship interview and all that. We were never given. Even when I was the brightest student in my class from my year one to five in secondary school, I never have that. But I have the state scholarship that was based on merit. (t11).

She lamented the conditions in her community, stressing that though Shell discovered its first oil well in that part of the Ogoni land, the condition of the community does not reflect the wealth being produced therein. On the other hand, the presence of Shell’s exposed pipelines and spills dotted the landscape,

For all these years I feel like dropping tears whenever I remember the toils we pass through particularly now. If not because of your busy schedule, I would have invited you to take thirty minutes ride with
me to that community. You will see that we do not have tarred roads or streets through the community. We manage to grade it during the dry season out of contributions from us who are members of the community. And when the rain comes everywhere is muddy, everywhere marshy, cars coming into that community sink in that road, our legs sink in, and our children get drowned in the flood almost all the times. (t11).

**Vice Chairman of an Ogoni Local Government Area**

Dressed in a smart dark suit, a middle aged gentleman with a charming smile, the Vice Chairman of one of the largest Ogoni local government areas in Rivers State agreed to grant me the interview after my contact introduced me to him in the Ogoni dialect. He looks more of the cosmopolitan type than other chiefs and respondents who looked more like the tradition village folks. In a show of bravado, he stated that I can mention his name in the interview; though I perceive that he would rather I did not. Normally, the average Nigerian politician you interview on governance would rather you don’t mention their name in such interviews, especially where such interviews touch on sensitive issues. It is not that they would like to deliberately lie or conceal something; they are just trying to play it safe and avoid getting involved in controversies either with the government, their constituencies or even attempting to remain in the good books of companies such as Shell or simply avoid being branded as radicals or reactionaries.

The difference between interviewing those politicians, I observed, from talking to others such as the ordinary folks, traditional rulers or leaders of ethnic, human or environmental rights groups is that the politicians seem to have an air of craftiness and a set of public relations skills. You can perceive that they try to respond to every question as much as they could but one could also sense the cautiousness and careful choice of words. This is in sharp contrast particularly to the leaders of ethnic, human rights and environmentalist groups who speak passionately and do not hesitate to use any words that come to their mind, in expressing what usually would be strong, or even confrontational positions.
He described the relationship between his constituency (where Shell has about fifty oil wells dating back to 1958) and Shell as not being impressive due to tension between and the company and the Ogonis. He stated that as a government official he has been trying to pacify his people but there was little success because Shell has “been responsible for the environmental hazards and problems we have” (t9). He specifically cited the company’s laying pipelines on the surface (which is cheaper) instead of burying them beneath the soil as responsible for the massive oil spills in Ogoni land rather than deliberate acts of vandalization by saboteurs. He stated that gas flaring by Shell is also causing immense damage to Ogoni people and their environment, arguing that if Shell bury its pipes properly and stop gas flaring, “We would not complain. So they are responsible for most of the problems they are having” (t9).

He stated that Shell does carry out some community projects “but very sparingly” this does not meet with the expectations of his people who need the company to provide them with constant power and water supply rather than renovating schools and town halls. He declared that Shell has never constructed a single road in the entire Ogoni land on its own, “The whole thing here is being done by government although probably in partnership with Shell” (t9). He pointed out that going by the business case, that corporations are only out there to make profit for their shareholders, Shell has a responsibility to contribute directly to its host communities through provision of infrastructure because the Nigerian government which is operating the 60:40 joint venture with Shell is doing something to the communities where the oil is coming from, “If the government is doing something because of the 60% share, don’t you think that Shell should be able to do something that commensurate with their 40 %? They should do something directly for the communities” (t9).

He pointed out that the average Ogoni man does not does not believe that it is solely the responsibility of the government to provide the basic infrastructure required by the communities, “The average person knows and concludes that it is Shell. They don’t even know that Shell pays money to the government. Royalties should be paid to the communities where the oil is coming from. We have the wells in our communities,
right at the centre of our villages. We require such royalties whatever that percentage is. Give it to us directly and we will use it the way we want” (t9). He argued that if Shell decides to carry out projects for the communities directly it would have problems with execution and suggested that instead royalties should be given to the host communities who have their own machineries and administrative systems in place for managing community funds and executing projects.

He admitted that Shell does pay some monies to community leaders but such were meant for compensation as a result of oil spills. He alleged that such payments were done as a system of divide and rule but if Shell were to pay royalty to some communities and declare so openly, members of such communities would not allow their leaders to embezzle or misappropriate such funds. He criticized the Niger Delta Development Commission (NDDC), to which all the oil companies contribute 3% of their annual budgets, for embarking on community development projects without due consultation with the affected communities as well as executing projects that benefit only those he described as “the big men and leaders” rather than the common man. I put it to him that leaders of the local governments in Nigeria are renowned for their corruption and embezzlement of their funds. The NDDC is being run by the oil producing states.

He defended his local government council by pointing out that he has executed over fifty projects and every community in the local government gets its own share from these projects which range from boreholes, market stalls to clinics, “I think it is a little bit unfortunate to say that all local government councils embezzle money sent to them” (t9).

He was averse to the argument by some members of the host communities that since oil in a non-renewable resource and causes environmental degradation, oil companies should abandon oil exploration and look for renewable sources, “They must do business, they must destroy our environment but they should do something to also compensate us” (t9). He added that though Shell was forced to abandon the entire
Ogoni land since 1994 due to insecurity and manifest hostility from the host communities, the oil wells were secured by the communities and he believed that the current effort at reconciliation going on demonstrated that the federal government is taking the plight of the oil producing communities seriously, which can pave the way for Shell to once again resume production in Ogoni land.

The Local Folk
He was one of the ordinary Ogoni folks I interviewed at the reconciliation ceremony. He has the resemblance of the average poor in the society. He disclosed that Shell operates 58 oil wells, which form part of its Omu fields in his home community called Kigbaraji. “And so I can say I am from an oil producing community, the highest oil producing community in this part of the Niger Delta called Ogoni,” he declared beaming with pride.

He informed me that the relationship between his community and Shell has always been bad because Shell only extracts oil and never gives anything back to the community in return. I reminded him of CSR projects Shell says it is running in the oil producing communities in the Niger Delta. He responded vehemently, “That is completely a lie. Today is a clear case of this lie they have told you because even with the President and Commander-in-Chief of the Armed Forces (Olusegun Obasanjo) in this field where we are standing now, there is no electricity, there is no water. If you want to drink water now you can’t see water to drink. If you want to see light now – you can imagine they are using manual microphone, there is no public address system because there is no generating plant” (t8).

He challenged me to look around and show him any sign of electricity or water system around, pointing out that it is good I am here to see for myself that Bori, a major local government headquarters in Ogoni selected to host Nigeria’s President and the reconciliation ceremony, lacks the basic infrastructure that oil producing communities deserve. He pointed out that though Saro Wiwa and the others died in the struggle to improve the lives of the Ogonis, and the government is hosting a ceremony laying
monuments for the slain Ogonis, what they fought for was yet to be achieved. I said to him probably Shell must have some projects, no matter how insignificant, going on within his community that is hosting 58 of its oil wells. He admitted that he actually saw Shell renovating an old health centre built decades ago by the community, “All they have done is to bring it to standard, removing the old zinc and re-roofing to make it useful for us, and that does not commensurate with what they have taken from our land for forty years” (t8).

Since he stated that he was not satisfied with what Shell is offering, I asked him what expectations he has from a responsible oil company. He mentioned provision of scholarships, hospitals, potable water, employment opportunities, agricultural aids, skills acquisition and remediation of areas polluted by oil spills to enable members of the community to continue with their farming activity. He stated that there are over 80 spill sites in his community yet to be remediated. He lamented that these expectation are not being met despite continuous promises from Shell, which he said has been talking with, but not meeting the demands of, the community. He accused Shell of not employing even a single person from his community that, he kept on emphasizing, has 58 active oil wells.

I pointed out to him, using the business case argument, that Shell as a business entity does not specialize in providing social services but is good at generating immense revenue for the government and it is the responsibility of the government to provide the infrastructure and social services his community is demanding from the company. He looked at me like a traitor, “How do you rob Peter to pay Paul? You make use of the resources of a doctor only to go and pay a carpenter. You don’t do that!” (t8). He insisted that rather than being responsible to the government, Shell should pay whatever it gets from oil proceeds directly to the host communities,

Let us say you pay the Governor of this state to pass it over to the host community and the Governor is not from there, what if he carries these things to another community? Who is responsible? So to my mind it is better to go straight to pay the people. (t8).
He defended the advocacy for resource control by oil producing communities. He argued that because somebody simply won an election as a governor in his state should not give him the power over resource allocation. He pointed out that members of oil producing communities in his state find it difficult to have access to their Governor due to protocols and the wide gap between the governors and the governed in Nigeria. He thinks that rather than leaders of host communities going to see the governor or chairman in order to benefit from the oil wealth, the company should come in and deal directly with the community leaders of the host communities who know what their communities need. He argued that because of this gap sometimes the government and the oil companies provide what the communities do not need, “For instance we need pipe born water, and then you come to give us 500 jeep vehicles. What will an old man use a jeep for?”(t8). He pointed out that the politicians in government to whom oil companies pay taxes and royalties only come to the host communities during election time to elicit votes.

When I asked him what percentage his community would expect from Shell if the company were to deal directly with his community, he stated that there is no need for pegging but the company can negotiate with every community on their needs. He believes that Shell should negotiate with its host communities at different levels rather than having a uniform agreement with all the communities. He alluded to the fact that some communities in Ogoni land should be more entitled to the oil wealth than others, arguing that those that suffer directly from the adverse consequences of the activities of Shell as well as those communities that directly produce more oil should be entitled to more revenue than those who are not. However, he pointed out that if the company prefers to deal with the Ogonis as a collective group then it can use the Ogoni Bill of Rights as a working document.

He mentioned that his community suffers from negative impacts of the operations of oil companies ranging from environmental degradation in the form of inhaling the flaring gas and drinking contaminated water to oil workers from outside the
community bringing diseases, especially sexually transmitted ones such as HIV, to the communities. He is of the opinion that if Shell is interested in listening to the Ogonis, the host communities are ready to welcome Shell and work with the company, adding that, “Today is the first day I am seeing you but did I not accept you?” (t8). He advised that Shell can establish dialogue with his community through its traditional rulers rather than elected politicians, who he believe cannot effectively represent the interest of host communities, “How can somebody elected to the Senate, who have luxurious cars at his disposal with a lot of money feel the same way as the poor woman who has never seen a pot of rice for the last one month feel?” (t8).

**The Clergy Man**

Among all the people I interviewed he was the only one who have problems communicating very well in English. He is a preacher in the church. My Ogoni contact had to chip in to explain my questions to him. He was of the view that Shell has not been treating his community the way they expected, “We expect so many things from them in areas of employment, schools, hospitals, markets and environmental caring but they did not meet up with the demands” (t10). He stated that he expected Shell to do as much as the government in providing infrastructure and that his community is not having a good relationship with Shell because the company fails to keep its promise, “In my community we have no any Shell project. We don’t have schools, markets, hospitals and roads. We live in the bush” (t10). He explained that his community has three oil wells that have been flowing since before he was born, adding that as a pastor “If Shell come to me and want to repent I will forgive and tell them to do to us all they are supposed to do” (t10).

**Wife of an Activist**

She described herself as non-activist who has recently moved back to Nigeria from the UK where she was pursuing a higher degree, passionately articulated the grievances of the Ogonis. She described the situation in the Niger Delta as disappointing, “One had expected that since this precious commodity is extracted from these communities, they would have been the ones to smile that by divine providence this commodity was
found on their soil. But paradoxically, the commodity which should have brought them joy is today bringing them sorrow.” (t25). She described the host communities as places of abject poverty where there are no good roads, electricity and potable water, “These are communities where thousands of millions of dollars are generated but people in the communities that lay these golden eggs are allowed to live in penury and want” (t25).

She argued that in other countries oil producing communities are enjoying the good things of life. Similarly, she added that oil companies elsewhere do consult their host communities before embarking on anything but, “Unfortunately, here they are much more concerned about making money, profit maximization. Human lives mean nothing to them,” (t25). She insisted that Shell cannot treat its host communities in its home country the way it is treating those in Nigeria where she stated that the company forced people to vacate their houses in order to make way for its pipelines or prospect for oil without giving adequate compensation. She maintained that though Shell can claim that it pays its taxes and royalties to the government, its destruction of the environment was a different matter, “You mean you have the right to come and desecrate my home simply because you are a tax payer? Whatever tax or dues they pay is to enable them operate in Nigeria as a company, and if by so doing your activities infringe on another person or deprive such person of his right of livelihood, you are to bear responsibility of such action” (t25). She also pointed out that the majority of the people who bear the brunt were women because most of them depend on farming in order to sustain their families.

She expected a responsible oil company to improve the living conditions of the inhabitants of its host communities by extending to them the facilities, such as electricity, and water that its workers enjoy. When I pushed her further and asked how much of its profit Shell should invest back in its host communities, she stated that she won’t subscribe to percentage because the company would not disclose how much it is making in the region but recommend that it should be something to, “Just make the people happy” (t25).
I reiterated that Shell also insisted that it is doing something for its host communities but the communities, like Oliver Twists, were always crying for more. She replied by suggesting that I should travel through the Niger Delta and investigate but she was sure that I will find the company’s claims to be false. She argued that where Shell embarks on road projects, such were always abandoned halfway and the hospitals it built were just empty structures without personnel and drugs, “compare (this) with the billions of dollars they are carting away legally and illegally from this country” (t25). She added that, “I will not be wrong if I say 90% of what they claim to provide is not on the ground” (t25). She described oil companies in the Niger Delta as lacking in human feeling and insensitive towards their host communities, explaining that any time they have misunderstanding with their host communities, they would report back to the government that the communities were hampering their operations. Subsequently, due to the heavy reliance on oil as a source of revenue by the Nigerian state, the government would send in security forces that would, in her words, ‘brutalize the whole community’. Similarly, she mentioned that rather than meeting up with the collective demands of its communities Shell tried to engage in divide and rule tactics by offering money to influential individual in return for safeguarding its facilities or facilitating access,

Most times what they do is to call a few people give them money and tell them if you can provide security for us we will buy an aeroplane for you. They did that in our community. They called our chief because they assumed that he was desperate for money. They called him with about two, three, four people and promised to buy aeroplanes for them if only our chiefs would allow them to start oil exploration in our community (t25).

She concluded by stating that the Ogonis were not interested in permanently halting the activities of Shell but expected the company to invest back into the communities. She believed that the company chose to behave in an irresponsible manner. She cited the example of oil spills where she said Shell would only cover such with sand rather
than carrying out proper clean up, a situation which is endangering the health of its host communities.

**Ogoni Paramount Ruler**

He started by stating that he expects a responsible oil company to relate harmoniously with the inhabitants of its host communities and not only its workforce by providing them with, “basic facilities and infrastructures” (t26). However, he pointed out that in the 35 years of his life he has not seen Shell exhibiting such attributes. He suggested that for the company to be operating in his community for 48 years yet failing to get the confidence of the people was not only unfortunate but also portrayed a failure to do its best. His main grouse was not only the gas flaring, oil spills and environment destruction but, “It become much more disheartening when you notice that the money generated behind your home is used to develop other places while our people live in penury and want. It is because of this cheating there has been a lot of noise in Ogoni land” (t26).

He lamented that it was the decision by Shell to remain irresponsible that was responsible for “the acrimony, mistrust and hate” between the company and host communities. He recommended that the company “should examine themselves and search their conscience whether they are justified by their actions” (t26).

**MOSOP Member**

He was unpretentious, explaining that the purpose of the struggle of the Ogoni people was to, “own and control our resources” (t27). For this purpose, he explained that the Ogonis set up the Movement for the Survival of the Ogoni People (MOSOP) and drafted the Ogoni Bill of Rights which was presented to Shell. I told him that Shell also insisted it was doing a lot for the Ogonis but the communities were not appreciative. He replied, “The word ‘a lot’ is ambiguous. I don’t understand what they claim as having done a lot. Like in my area we don’t have water, no roads and no
electricity. We are suffering, as I came here you can see I have to role up my trousers and pull my shoes (because of mud) in order to get here” (t27).

I added that since the company was also paying its taxes to the government, it would be expected that the communities should look to the government, he replied defiantly, “If I may ask also, is it right for a resource to be found in your environment and someone comes to tap that resource and pay tax to other people but those receiving such taxes wouldn’t care? If yes, then I will make your desecration of my home and destruction of my livelihood in my community difficult for you” (t27). His expressed his anger over the fact that Shell is destroying the Ogoni environment but paying its tax to the Federal Government. I pointed out to him the Federal Government also give 13% of all oil revenue as derivation to oil producing states and thereafter share the remaining 87% to all the three tiers of government in the country, including the states and local government areas in the Niger Delta. In addition the government and the oil companies are still contributing directly to the NDDC. His response was that the oil money had no impact on the grass roots, “those are cosmetic stories to an ordinary Ogoni man who wants to see these amenities in person” (t27). He insisted that if Shell had been compensating the communities deprived of their land and those whose means of livelihood had been destroyed because of the activities of its operations, the people would not be revolting.

**The Angry Man**

He introduced himself as someone, “in a bitter state of life”. He accused the government of fanning the embers of trouble in Ogoni land, “Their target is to make sure there is no peace in Ogoni land. If you put your ears to the ground you will hear rumors of war. Trouble is everywhere in Ogoni” (t28). He stated that even if these companies are paying their taxes and royalties to Abuja, such revenues do not have direct bearing with the people who feel the impact of oil pollution in their environment, “Ever heard of a case of robbing Peter to pay Paul?” (t28).
He added that what really made him angry was the use of oil revenue to develop rich countries and other parts of Nigeria, “It grieves my heart to know that people in other parts of this country have access to good roads, potable water and electricity while the goose that lays the golden egg is strangulated to death and each time our people raise a voice to shout blue murder they are being hoarded to jail and put out of circulation for life. What a paradox of life!” (t28). He expects Shell to deal directly with its host communities and not through an “intermediary” and provide them with employment, health services and physical infrastructures. He stated that the Ogonis only need 5% of the “billions of dollars they are making each day” so that “the people that are dying from pollution would have a cause to cheer at least when they are alive” (t28). He disclosed that host communities in the Niger Delta cannot use zinc to roof their houses because of the gas being flared would destroy such within two months, “Why do we have to spend so much to have a shelter above our heads?”, he queried (t28). When I asked of other side effects his community is suffering from the operations of Shell, he replied, “We inhale some fumes and when you sneeze black substance will come out” (t28).

He maintained that CSR in the Niger Delta was “virtually non-existent except on the pages of newspapers and television” (t28). He stated that Shell has been confusing onlookers with “recycled publicities given to a singular project” (t28). I suggested to him that it may be more useful for the Ogonis to blame or confront their governors and local government chairmen and councilors who are embezzling the huge oil revenue being allocated to the region. He pointed out that corruption is a universal problem afflicting the entire Nigerian system because honest candidates were never allowed to win elections because of pervasive rigging, “So many of those in government that are claiming to represent us are criminals, they are 419ners (fraudsters), they are not true representatives of the people. They are after their stomach and their nuclear family” (t28).

He stated that the Ogonis do not believe in taking up arms and prefer non violent resistance but if there were other groups in the Niger Delta carrying up arms instead of
negotiations, “may be something caused them to do so” (t28). He added that since Shell was forced to leave Ogoni land, the farm lands have been yielding more crops. If Shell is willing to come back to Ogoni land it must be ready to “take care of the poor yields in Ogoni land. They are not our enemies. It is only their charlatan attitude to the plight of Ogoni people that set us on collision cause” (t.28).

The Shortest Interview

He was too angry with Shell such that the mention of the company’s name irritates him. He was an Ogoni chief I met at the venue of the reconciliation ceremony. When my guide introduced me, he agreed to grant me an interview. Our short exchange runs as follows:

*Chief, will you kindly introduce yourself?*

I am Chief P.M. Adom.

*Of which community?*

Of Ikana community

*If I may ask you, how can you describe what your community has been going through over the years?*

From which time?

*Anytime in your memory that you will be able to recollect?*

In terms of what? With the oil companies?

*Yes, like Shell.*

I don’t want to talk about Shell (t29).

He turned away in anger. I moved on with my guide into the crowd in search of others willing to speak to me about Shell.

The Ijaws

Ijaw Youth Council

After a long telephone conversation, my BBC friend turned round and asked me, “Would you like to have an interview with the President of Ijaw Youth Council?” (n7) The Ijaws, who number about eight million, are the largest ethnic group in the Niger
Delta. Dokubo Mujahid Asari, an armed militia leader who is in custody of the Nigerian government on treason charges for threatening to violently halt the operations of oil companies, is the most notable among the Ijaws. His group is fighting to wrestle control of oil resources from the Federal Government to the Niger Delta people. Before his arrest he was used to high profile publicity by frequently driving round Port Harcourt with crowds of supporters brandishing AK 47s in open vehicles and other weapons that the Nigerian police cannot boast of. He attempted, but failed, to get elected into the Rivers State House of Assembly in 1992 and also failed to emerge as Chairman of Asari Toru Local Government Area in 1998.

After declaring the 2003 election that saw the re-election of President Obasanjo as a fraud in newspaper adverts, he fell out with his political boss and financier Governor Peter Odili of the Rivers State and took the image of an independent rebel leader, “Odili was the one that forced the Ijaw Youth Council to accept Asari Dokubo as their president because he wanted to control youths in the Niger Delta as a tool to run election. It was Asari Dokubo group that helped him win the elections in 1999 and the mistake he made was after winning the election he abandoned them [and] they decided to fight back (t19).”

In 2003 he formed the Niger Delta People’s Volunteer Force (NDPVF), threatening to declare an all out war on the Nigerian State and blow up the oil installations in the Niger Delta. Under pressure from oil companies and Western governments, the Nigerian president sent his personal plane to take Dokubo to Abuja the country’s capital for negotiations in September 2004. After failing to convince him to drop his demands over resource control and turn over the weapons possessed by his NDPVF in return for cash rewards, he was arrested in September 2005 on charges of treason, which is punishable by death under Nigerian law (BBC 2005).

In September 2004 Dokubo’s militia clashes with a rival Ijaw gang spilled over into Port Harcourt from the rivers and creeks. After leaving over 500 people dead, the State government invited the Nigerian army to hunt down the group members and collect
their weapons. However, since then despite the arrest of Asari, the Nigerian army is still battling the militia, with heavy toll on both sides. However, most people interviewed believe that these groups were mere bandits set up and funded by politicians during the last two elections to intimidate opponents and rig results. The Nigerian security services classify these groups as cults which began as fraternities from universities. But due to the sophistication of their weapons and boldness acquired over time, they have graduated from political violence to stealing crude oil at the pipelines (known as bunkering) in the porous Niger Delta and using the proceeds to purchase more weapons. A Shell report described the scenario in 2003,

With the return of democracy... these groups became even more prominent as local politicians and parties supplied youth groups with money, weapons and political/legal immunity... in the run up to elections. Once elections were over, these rewards were not forthcoming. Rather than returning weapons, these groups engage themselves in a range of criminal activities. (Peace and Security in the Niger Delta, WAC Global Services, December 2003).

The 40-year-old who converted to Islam in the 1990’s and changed his name from Dokubo Melford Goodhead Junior to Mujahid (from the Arabic word *jihad*, fighter for Islamic cause). Dokubo Asari was a founding member of the Youth Ijaw Council in 1998 and became its first vice president. In 2001 he became the Movement’s President and adopted a new slogan, “Resource Control and Self Determination by Every Means Necessary” (BBC 2005). In the same year the IYC made the “Kiyama Declaration” calling for the control of oil resources in the Niger Delta by the ethnic groups in the region. He came to the attention of the West when he declared Osama Bin Laden, Che Guevara and Fidel Castro and the resistance movements in Chechnya, Iraq and Palestine as his sources of inspiration while threatening to blow up all the oil installations in a country described as “America's reserve fuel tank” (BBC 2006).

**The Interview**

We met the president of the IYC in one of the five star hotels in Port Harcourt. He invited us to his room where we found other three young men, whom he introduced as
his comrades and another lady stretching on the bed. He offered us some alcoholic drinks but we politely explained to him that like his boss Asari, as Muslims we do not take alcohol. However after a search through the stuffed fridge I ended up with a bottle of Coca Cola. He looks very young in his thirties, speaks eloquently even though not very coherently at times and exudes the type of confidence which suggest that he occupies the high moral ground in his struggle with the Nigerian state. He looks more like a posh rebel leader who has given up to the good things of life and looks towards the enjoying the oil wealth he is fighting for. After a little while the young men left the room and we commenced the interview.

He described himself as an activist and NGO practitioner representing, “an ethnic organization for the Ijaw people agitating for their rights in Nigeria and basically for resource control, ownership and management of their territorial resources” (t15). He described the relationship between Shell and the Ijaw community as not very cordial because of the poverty and underdevelopment in the area as well as the environmental degradation caused by the activities of the company. He observed that due to the increasing agitation by host communities the oil companies are moving offshore, which he described as a “deliberate attempt to partition the ocean as they partitioned Africa while extracting their raw materials” (t15). He argued that the decision of the Nigerian Supreme Court which endorsed the Federal Government’s position not to grant 13 per cent derivation to oil producing states for all offshore oil revenue, as an attempt to impoverish the people of the Niger Delta. His main argument was that the government and the oil companies are ‘not ploughing back’ into the Niger Delta as much as they should.

He admitted that some of the host communities benefit ‘skeletally’ from Shell projects but insisted that was not what their communities need from the company. They prefer to have basic infrastructure like water, electricity and schools. He cited the example of a community called Oporoma, located less than 2 kilometers from a Shell flow station, “They don’t have good water and neither do they have electricity. These people (Shell) get electricity from their generator 24 hours and they are enjoying potable
water and the people they are taking (the oil) from do not have these things” (t15). In cases where the company built classrooms or laboratories, it was accused of not providing books, equipment and chemicals as well as inflating the cost of such projects, “European Union built classrooms blocks in the Niger Delta with 1-2m naira but Shell and government build the same classrooms for 50-100 million naira [2006 exchange rate stands at about 250 naira to GB£1 and 120 naira to US$1]. The EU MPP3 project has exposed the level of corruption (going on in Shell and government)” (t15).

I pointed out to him that Shell has a problem with all its over 100 communities making demands on the company to do everything for them, not only providing facilities like classrooms but also to continue providing consumables. He alleged that the contract system in Shell is fraught with corruption, “They are doing this so as to create room for some of the staff in the oil industry to benefit from the contract letting through either their stooges or their sponsors” (t15).

He thought the oil companies were spending on things that do not have any positive impact on community development such as workshops and other enlightenment projects, “Most of their monies are spent on workshops and enlightenment, on accommodating people and then putting all these figures on community projects. The real amount spent on community projects is not enough” (t15). He suggested that the company should allow community-based NGOs to be part of the contract execution.

He accused Shell staff of Nigerian origin for being largely responsible for the company’s attitude towards host communities, “The black people have so bastardized the industry that even for me the white is better. The same Nigerian people will tell the white men that don’t care about this people, don’t do these for them, we know them. So even the white people begin to wonder why is this frivolous report against themselves” (t15). He thought such people are those who send wrong signals to the international community about the people in the Niger Delta, alleging that they are always creating problems and not willing to allow the oil companies to help them.
He insisted that most Shell projects in the communities are abandoned and the few that get completed will be used again and again for propaganda purposes by the company. He also accused Shell of using divide and rule tactics in the Niger Delta and creating conflicts by recruiting youths as guards to police communities and to fight with opposing youth groups. When it escalates, Shell would then invite the police and the military, “If you are really good and your public relations is good why are you bringing military to secure yourself?” (t15).

He was angry that Shell does not give enough contracts to the people of the Niger Delta, especially the ones that run into billions of naira, “How many Niger Delta people are doing the billion naira contract in Shell? Not the one that you will give to one man and knock the other man off, the real contract we are talking about. How many Niger Delta people, the Ijaw people are favoured?” (t15). I asked him whether his organization is concerned with having basic facilities for their people of the Niger Delta or just representing the interest of the elites fighting over contracts and he suggested both to be the case.

He believed that Nigeria petroleum laws and the Land Use Act, which he described as unacceptable, are designed to undermine the people of the Niger Delta. He asserted that as long as these laws were not repealed the oil companies would continue behaving the way they are doing now because the existing laws favored them and influence the way they behave towards their host communities. He argued that if the oil was coming from the northern part of Nigeria, these laws would not have been in existence.

He declared that other parts of Nigeria are living as parasites on the oil from the Niger Delta and argued that the region should be allowed to control its resources and only pay tax to the Federal Government, while every state of the Federation should strive to generate its own revenue rather than waiting to benefit from one part of the country, “We should not be seen as one Nigeria but we are being cheated” (t15). He accused
the Federal Government that passed the law granting 13% derivation to the oil producing states of not making laws that would make it compulsory for the 13% to be spent directly on oil producing communities, “The state governors squander these money as if it were their private property…the 13% is being misused by our leaders” (t15). Specifically he lamented the corruption in the leadership in the Niger Delta, from governors to chairmen, “If you come to Rivers State the money that Governor Odili has collected for the past years, the billions of naira is not commensurate to the development on the ground. So also the local government chairmen. In fact there is no check and balance in the Nigerian State, particularly Rivers”(t15).

He believed that it should be the responsibility of the Federal Government to monitor how the revenues it allocates to states are being spent. He thinks the Federal government agencies responsible for tackling financial crimes such as the Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices and other related Offences (ICPC) are being misused by the President in carrying out selective justice. This was in reference to the impeachment and trial of Diepreye Alamieyeseigha the former oil-rich Bayelsa State Governor, who was arrested in Heathrow in September 2005 on charges of laundering £1.8m. He jumped a London High Court bail in November 2005 and curiously beat the UK security system when he flew back from Heathrow to Nigeria through Ghana. This happened when his passport was supposed to be in the custody of the British police. He was also supposed to be under surveillance of the British police and was not supposed to go near any air or sea port (BBC 2005). However, after some pressure by the EFCC on the Bayelsa state legislators, the jump-bail governor was impeached. This has enabled the Federal Government, which claimed to be fighting corruption at a time when it was negotiating with its western creditors on debt cancellation to put him on trial for corruption charges. What the impeachment did was to strip him of immunity from prosecution. However, the Ijaws in the Niger Delta were angry over the impeachment and prosecution of their kinsman, accusing the Obasanjo government of selective justice.
However, the President of IJYM suggested that the oil companies should not carry the blame alone for the underdevelopment of the Niger Delta but the different tiers of government in Nigeria should also share the blame. Nevertheless because the oil companies are the ones directly extracting oil from these communities, they become primary targets. He concluded that the only solution to the hostile relations between Shell and its host communities lie in pursuing an “aggressive positive development plan” (t15). He expects Shell to go into dialogue with host communities in resolving conflicts without inviting the police and the military. They should also employ members of host communities both at management level and at the lower rungs so that the communities can act as security agents to the oil companies by protecting their facilities.

In addition, oil companies should declare their earnings as well as the amount they pay to the government in taxes and royalties. They should also be paying taxes to all the states where they are operating, not just places where they have their administrative headquarters. There were complaints that Shell does not pay taxes to Bayelsa state where it has lots of oil wells, simply because it does not have an administrative headquarters there. Rather, all its taxes are being paid to Rivers State because its head office is located in Port Harcourt. Indeed previously Shell has its head office in Lagos and was paying its taxes to the state, though it was not getting a drop of oil from Lagos. However the incessant complaints by the people of the Niger Delta forced the company to relocate its headquarters to Port Harcourt.

He pointed out that Shell’s CSR and environmental ideas and programme are very good in theory but poorly implemented on the ground. This is closely related to the call to amend the petroleum law and the Land Use Act as well as remove the immunity clause shielding elected officials in Nigeria, so that they can be prosecuted for corruption and embezzling public funds, which largely come from the oil proceeds. He informed me that 10-15 (major) oil spills occur per year in the Niger Delta, adding that the remediation programs of the oil companies are not good and do not meet up with international standards. In some cases after digging pits and burying the oil, it
would resurface again later on. In such cases re-vegetation will not occur, including areas where the oil companies uproot economic trees for their operations.

Likewise, he argued that the compensation system by oil companies in the Niger Delta is archaic and remains at kobo/shillings figures even after naira—the Nigerian currency—suffered devaluation of over 250% over the decades. Currently, compensation is being paid for the actual number of crops damaged during a spill and not on the value of the damaged land itself or the economic loss that would occur as a result. He believed that it is a deliberate attempt aimed at undermining the people of the Niger Delta.

Overall, he suggested that the only way to resolve the hostile relationship between Shell and its host communities in the Niger Delta is to give the host communities control over the oil wealth in the region, while the oil companies should become employees of the host communities,

Anything outside this there would be problems. Look at the youths, the way they are kidnapping white people. We have discussed with the Federal Government but they feel that they can bring in the army. Fine, if they bring in the army there is no cause for alarm. Already in Ijaw land every young man is like a soldier. They don’t need special training because of the annoyance. They are not enjoying the good things of life and they feel that the best thing now is confrontation. If you are lucky you stay alive and enjoy, if not, so be it! (t15).

He urged the oil companies owned by “white people” to put pressure on the Nigerian state to change its laws relating to the oil industry by using their international influence at the level of the EU and the UN, “They have access to the United Nations; they have access to the European Union. Let us stop this problem once and for all. Let them see the Niger Delta people as a special people…we have lost confidence in the Nigerian state. We need an external body where Nigerian government would stand as an accused and the UN would preside” (t15). He cited historical figures in the Niger Delta who resisted British colonial incursion as an inspiration, “This was the struggle
of our forefathers, “The King Jajas’ and King Kokos’. They stop this people [the British] during the palm oil era.” (t15).

He reiterated that the Niger Delta is not trying to secede from the Nigerian federation but likened the situation to that in Darfur. I reminded him of his earlier argument that the governors and local government chairmen in the region were also corrupt and indeed embezzling the huge amounts being allocated to the region. The same class of people would be ruling the Niger Delta and even if the Federal Government were to give them control over the oil revenues, that does not mean an end to poverty and underdevelopment in the Niger Delta. He simply admitted that the system is corrupt “from top to down” but blamed the Federal Government for not monitoring how the funds were spent. But this is being ignorant of the fact that in the Nigerian federal system the Federal government has few constitutional rights over how state and local governments spend their revenue. But he still believed kidnapping ‘white men’ and disrupting oil production in the Niger Delta would force the developed countries to respond, even if the Nigerian government refuses to do so.

A Visit to a Flow Station
I spent an entire day visiting Umuachem community in Rivers State and its major flow station in the company of the Umuachem CDC Chairman and Secretary. The road from Port Harcourt to the community was recently tarred. We also visited Etche town and another massive construction site where a missionary body from the US was constructing a university campus. Around the flow station I counted four oil well heads within the vicinity of the flow station, known as Christmas trees due to their shapes. Each one was located on a paved field about half the size of a football pitch, surrounded by a thick green bush. As I came close to the Christmas tress I could hear the hissing sound of the oil flowing through the pipes, which I was informed has been going on uninterruptedly for over half a century. I was informed that the vast land around the area which was supposed to be farm lands had been taken over by the Shell for its operations. The flow station was a well fenced massive connection of pipelines
carrying oil from different wells into a giant pipe relaying the oil to the terminal for export.

On the side of the flow station was a huge ball of inferno burning perpetually with thick smoke curling into the sky. It was the associated gas being burned off to separate the gas from the oil. Curiously, although the place was simmering with scorching heat and smoke, a group of vultures were paramambulating round the fire as if there was something inside the wide trench from where the gas was being pumped into the huge ball of flame. I tried getting close to the trench so as to climb and see what the vultures were after but the heat wave drove me back. For the first timer it was quite an amazing and scary sight.

We were admitted into the adjacent office in the flow station through a narrow gate, where the CDC chairman went to have a chat with the oil workers inside who were dressed in orange uniforms and yellow helmets. I spent about thirty minutes there, eliciting information and sparking off a debate about Shell’s relations with the surrounding communities. The six workers there were equally divided, with one side accusing the company of exploiting the communities and offering little or nothing in return while the other side was insisting that it was the responsibility of the government and not that the company to offer services and infrastructure to the surrounding communities. One of the workers offered to grant me an interview on tape but insisted that we must sit inside the car so that he would not be seen. A young man in his early thirties from the community, he had been working at the station for thirteen years as a security man, technician and cleaner.

He maintained that the community was not happy with Shell because the company was neither providing the facilities they need nor providing employment to its youths. He disclosed that the flow station receives more than hundred thousand barrels a day from about fifty wells and the gas flaring has been going on since 1958. He pointed out that there were two villages close to the flow station but none of them have water or electricity, which were available at the flow station.
CDC Chairman Umuachem Community

The Community Development Committee (CDC) is a community-based body established in oil producing communities and is supposed to be the link between the host communities and the companies operating there on the one hand, and between the communities and the government on the other. The chairman - who spoke to me while we sat in the open under the shade of a huge African tree in front of a local school in an attempt to cool our bodies from the humid weather - cannot tell how many barrels the company is getting from his community daily but guessed that there were about 30 oil wells in the community. He described Shell as the primary enemy of the Etche community since the company struck oil there in 1958. This is not only because of lack of development but also because of environmental degradation and pollution as well as inviting the police to burn down their houses and kill their people, as happened in 1990,

But they claim in their websites and televisions in the high places that they develop these areas. May be when they snap pictures in capital cities like Abuja and other areas, they claim it is the pictures coming out of the communities where they operate. I want to assure you that they have not done anything. There is no completed project since 1958 in this community from SPDC (t18).

He stated that after the Umuachem conflict with Shell in 1990, the company embarked on a road, a secondary school, a women’s development center, market expansion, a post office and electricity projects but none has been completed. He accused the company of embarking on such projects for propaganda purposes in order to deceive the outside world that it was doing something for the community but never had the intention of completing those projects. Specifically, his community expected the company to offer them water and electricity.

As a community that has been producing oil since 1958 we expect a responsible oil company to provide water and electricity. Agip is better because all the areas where they are operating cannot complain that
they don’t have water to drink. It is only where Shell is operating that you hear killing and burning of houses like what they did in Ogoni land. They did it here first (in Umuachem) in 1990 before they moved to Ogoni land and that is the same story every where they operate (t18).

I pointed out to him that at least the company is generating revenue for the Nigerian state and it was supposedly the primary responsibility of the government to provide such facilities but he insisted that there was no way the community would know how much the company was paying into the federation account under the military rule and it was only in the future, after democracy get entrenched, that the citizens would know what transpires between Shell and the government. He stated that after being brutalized under military rule, his community learned not to question the government on anything. But he argued that no matter how much the company is paying to the government, it still owed its host communities the responsibility to provide basic things like water and it was the lack of such that had been infuriating the communities. He pointed out that the gas flaring had been destroying crops not only through heat emission but also when the gas mixed with rain water it destroyed the soil. He described a spill site, “like the experience in Hiroshima, if you go there, no plant can grow, the sand there is dusty and it has been like that over the months, nothing can grow in that environment and compensation is not paid, and clean up is not done” (t18).

He argued that the Land Use Act enacted by the Obasanjo regime in the 1970’s, which vested the Federal Government with the ownership of all the land in the country, as dehumanizing because it makes his community feel they have no right over where God had created them. He was looking towards the era when such laws would be repealed so that his community could take possession of the resources at the sub soil and be the employers of oil companies on their land as is the case in other capitalist countries. His community was not content with the 13 per cent derivation it was getting from the Federal Government but argued it should be raised to 50 per cent as was the case in the 1960’s, when the different regions in Nigeria were getting 50 per
cent derivation. This is more so because the land used for oil production got fenced and cannot be used for other economic activities.

He lamented that Shell had not been employing people from his community, alleging that less than 2 per cent of Shell workers were from the host communities and all those lucky to get employed were junior staff, “Those people who are there in the oil companies are people from the South and North whose cocoa and groundnut have dried up. So the local population is rendered unemployed and because they are unemployed, they beat those who are employed; they don’t have option than to fight with those that are employed. They meet them in their offices. When they feel they are not listening to them, then they wait for them in the field. But if they are employed they won’t wait for anybody. They will just do the job” (t18). Although I earlier on met him submitting scholarship forms at Shell headquarters, he insisted that the company was not offering any scholarship to his community as the beneficiaries always turn out to be the children and relatives of Shell staff outside the host communities. However, later on he admitted that his community do benefit by about 2 percent of total Shell scholarships.

**Umuachem CDC Secretary**

He is the CDC Secretary of Umuachem community. I traveled along with him and the CDC Chairman in the latter’s car from Port Harcourt to the community. He stated that because Shell consistently denied having any responsibility for the invasion of his community in 1990 by the Nigerian police that led to destruction of lives and property, the Commission of Inquiry that looked into the matter urged the government to pay 10 million naira compensation to the community but such was not paid out, “People are suffering. If you come to the village now you will see houses torched during the raid by the armed mobile police force”, he declared (t32). Although his community was not happy with Shell and had made its case known to the state and local government as well the national assembly, the relationship had not turned violent since the raid.
He lamented that the community was still bereft of social facilities; specifically it had no hospital, no secondary school and was not getting employment from Shell despite having qualified indigenes. He narrated that previously the company did employ some youths as part of a surveillance team to keep an eye on its installations but that has been stopped,

What we are appealing is that Shell should use the standard they use in overseas where they operate. They should bring it down here. All we ask is social amenities, youth empowerment, help the cooperative organization by giving soft loans. We know not all of us can work in an oil company but some of our youth that are qualified should be given jobs in the company. This lower cadre security, drivers, cleaners, messengers and the surveillance should be employed from the community (t32).

Interview with Shell Spokespersons
Before commencing my research I phoned the Shell Stanlow Manufacturing Complex in Cheshire in the UK to inform them of my plan to conduct research on the company’s relations with its stakeholders. The lady at the other end responded with a note of finality, “I am afraid Shell has a policy of not speaking to journalists or engaging in any academic research.” I tried to convince her that it is merely a ‘harmless’ academic exercise but she insisted that it was no use trying as this was the company’s policy. From what I have gathered about the company’s public relations strategy, I was not surprised at the lady’s response. I was equally not discouraged because I was optimistic that in Nigeria I would find willing Shell officials who can speak to me at lease on the condition of anonymity. On arriving in Nigeria, though I faced some obstacles initially, my optimism turned out to be positive. I know Nigerians are not as conservative as people in the UK in religiously sticking to all the rules. From my previous experience as a journalist I was sure that even if it was Shell policy not to allow any academic research into its activities, I could still get some Nigerian staff who would speak to me.
The Shell Head office, which was relocated to Port Harcourt from Lagos, is a sprawling estate in the city well fortified with barbed wires, like an American military base at the heart of Baghdad, obviously to keep away potential intruders. I was allowed access through what was designated as the “Contractors’/Visitors’ Gate”. The other gate, I was informed, was strictly for official visitors on appointment. The two police men at the main gate, wielding long guns, directed me to a reception, after enquiring the purpose of my visit. In the reception I found a crowd milling around in a little room lined up with few occupied chairs. Among the visitors I found there were local chiefs who stood out distinct by their mode of dressing, with old style English hats and walking sticks. I was not allowed to get into the main reception, which was barricaded with a revolving metal controlled gate. I was told to go to the notice board, where I would find information relating to conducting research on the company. On the board, it was stated that academics interested in conducting any research on Shell have to fulfill three conditions: submit an online research proposal of six pages, bring an official letter form the Nigeria Department of Petroleum Resources (DPR) and wait for three weeks for feedback. My instinct told me if I were to do that I would be walking into a brick wall. I promptly decided to embark on my back up plan to use other contacts to facilitate my entry into the company.

On my arrival in Port Harcourt, the President of the Movement for The Survival of the Ogoni People (MOSSOB), after granting me an interview, suggested that I visit the Centre for Social and Corporate Responsibility (CSCR), which is headed by a priest from Ireland. Eventually the chairman and program manager at the CSCR, on listening to my mission, promised to “make Shell open their doors” (n5) to me. After some phone calls to Shell, the CSCR manager informed me that a Shell spokesperson from their Public Relations Department would be made available by the company to grant me an interview. I requested to interview more than one but was told all the managers who can talk to me were not available. I had to devise another strategy to get more Shell spokespersons on tape.
The Phone Interview with the First Shell Spokesperson

With some contacts through another local reporter, I made a call to another Shell spokesperson well known to the press as an expert on Shell CSR-community relations. He agreed to grant me an interview that same evening but only by phone from London. He informed me he was attending a meeting in Shell office in London and would not be able to see me in Nigeria but could spare a couple of hours on telephone interview for me. That really took me by surprise because I did not carry a pin microphone for telephone interviews. In the end I got a poor quality two hour interview recorded loud enough for me to recapture some of the conversation. But I ensured that I took down as many notes as I could and wrote my report that same night.

Although I cannot see his face, I could perceive he had been used to granting such interviews as a passionate defender of Shell position. He sounded well convinced that Shell had been doing the right thing. His strategy had been not to focus directly on my questions but to give what he called, “a comprehensive version within context” (n6). I had to continuously keep on reminding him I needed specific answers to some specific issues. He seemed well versed in Shell community relations issues and was ready to defend Shell’s position on any accusation being made by its communities.

Shell’s Relations with Host Communities

He described the relationship between Shell and its host communities as not being cordial. He identified two factors responsible for this as the negative impacts of Shell operations on host communities and the limited funds to execute CSR projects. He described the communities as expecting Shell “to do everything for them” (t1). He pointed out that the communities are making unreasonable demands on the company because they are oblivious of the fact that the company is in business in order to generate dividends for its shareholders and cannot expend much of its resources on host communities.
He stated that as part of its social responsibility program, Shell has been offering scholarships to members of host communities both at secondary and tertiary levels. He said the company was also undertaking several other projects including providing power generating sets, schools and hospitals to host communities. However, he admitted that the projects did little to please or meet up with the demands of the host communities. He gave two reasons for the failure of Shell’s Corporate Social Responsibility community projects to record tangible success despite the huge amounts the company claim to be spending on such projects.

First, he attributes the failure of the three tiers of government (federal, state and local) to develop the Niger Delta as constituting a problem because “whatever Shell is putting in is no more than a trickle in the ocean of huge demand for infrastructure in the Niger Delta” (t1). He is of the opinion that what Shell is willing to spend on such projects would not be able to satisfy the communities because of the company’s limited budget and the fact that “Shell’s oil wells, flow stations and pipeline system traversed hundreds of communities” (t1).

Second, he lamented that the communities “are not willing to sustain the projects by themselves. Shell can only build schools, hospitals or provide power generators but the day-to-day running cost is supposed to be shouldered by the communities. But the communities expect Shell to continue bearing the cost of running the projects” (t1). However, when I asked him to mention specific projects Shell has executed, he said they are many but he cannot remember all of them and referred me to Shell Human Development Reports. However, he cited Bonny as a town where, according to him, the company is generating electricity for the community but consumers are paying electricity bill beyond minimum free consumption level.

I stated that I was informed by members of host communities that there were extremely few such projects in the entire Niger Delta and asked for more examples of places where Shell is providing electricity. When I insisted on more examples, the tone of the conversation changed. He stated that Shell cannot provide electricity to
most of its host communities because of its inability to provide the necessary infrastructure for transmission and distribution, which cost more than the generating sets. Since the governments did not provide such infrastructure for distributing electricity, it is not possible for Shell to step in with its generating sets. Hence, the company’s effort is restricted to complementing what the governments are already doing.

I pointed out to him that some of the local communities neighboring Shell facilities such as flow stations and the company’s staff quarters live in perpetual darkness and lack schools, potable water etc while a stone’s throw away they can see such facilities abound. They expected the company as a responsible and caring neighbour extracting oil from their ancestral land to extend such facilities to them. He said Shell does not want to connect surrounding communities to its generating sets in its flow stations, “Due to the priority given to the safety and guarantee of its operations.” (t1).

On the complaint that Shell does not offer employment at a senior staff level to members of its host communities, the Shell spokesperson reiterated that, “Shell’s recruitment policy is based purely on merit rather than other considerations” (t1). He pointed out to me that he came from an oil producing community but he was recruited to join the organization after competing with other candidates, “It is the policy of Shell to advertise all positions for all qualified Nigerians, and only the best candidates at the aptitude test and interview will be selected” (t1). Even at the junior staff level he remarked that it is not possible to meet up with the employment demands by host communities because, “every community wants its members employed by Shell and it is not feasible to do so because Shell operates in hundreds of communities” (t1). Nonetheless, Shell declared that it employs over 5000 workers directly, among whom 95% are Nigerians and about 66% are from the Niger Delta. In addition it also sources another 20,000 from recruitment agencies (Shell Report 2004).
The Sour Spot

He stated that the other primary factor that hampers good relations between Shell and its host communities is the issue of oil spills. Members of host communities believe Shell is an irresponsible company due to the massive damages its operations cause to their environment. The Shell spokesperson stated that the company records an average of 300 spills per annum. However, he alleged that ‘most’ of the spills are caused by deliberate pipeline vandalization by saboteurs from host communities who turn around to claim for compensation from the company for the damages caused as a result of the spills. However, I pointed out to him that the compensation paid by oil companies only covers actual damaged crops rather than damage to farm lands as a source of income. Even the amount paid for actual crop damaged remains ridiculously low, below one naira which is equivalent to £0.004 (2006 exchange rate stands at about 250 naira to £1). I put it to him that one would reasonably not expect communities to destroy their environment by deliberately vandalizing pipelines because the amount for compensation is nothing to write home about. He accepted that the compensation rate is ‘insignificant’ but blamed it on the relevant Nigerian laws. He disclosed that Shell on its own increased the amount by 500%, which he still agreed is far below the amount paid in other countries. But he believed that despite the meager compensation, some members of host communities have turned it into a form of business for making easy money.

Critics of Shell accused the company of lack of asset integrity. The company was supposed to regularly inspect its facilities and replace aging pipes but this was not being done and some pipelines have been there for over forty years. The communities argue that these are the type of pipes that keep on bursting and causing massive spills all over the Niger Delta. The communities also argue that rather than burying its pipelines, Shell leaves them on the surface in an effort to cut down cost and that the spills from these exposed pipelines, whether due to rust or vandalization cause massive damage. Similarly, the exposure of pipes actually encourages vandals and makes it far easier to blow up the pipelines than if they were properly buried under the ground.
The spokesperson told me he would rather not go into why the company laid its pipelines on the surface. He argued that even if the pipelines were properly buried, vandalization by the host communities could still be carried out at well heads and flow stations. He cited the case of Ogoni land, where he said pipeline vandalization is still being reported even though the company has been driven out of the area for over a decade. He explained that though Shell has switched off its valves at the flow stations, because the company was not allowed to turn off oil flow from well heads, pipeline vandalization is still causing massive spills in Ogoni land. He blamed the Ogoni communities for refusing to allow Shell engineers the necessary access in order to properly shut down all the wells.

However, according to Nigeria’s petroleum law, a company can only pay compensation for oil spills caused by equipment failure on its part. If it is an act of sabotage, the company is not liable and that effectively leaves third parties without protection. For instance a community would not be entitled to compensation if a spill is considered as an act of sabotage irrespective of whether the act was carried out by members of that community, rival communities or outsiders. In this case the company is not liable to pay any compensation and the community has to bear the unpleasant consequences of others’ action. Hence the accusation by host communities that Shell always attributes spills to sabotage in order to avoid paying compensation. The Shell spokesperson insisted that it is the Nigerian petroleum law and not the oil companies that should be the target of anger under such circumstances.

Nevertheless, one of the main recurring reasons I keep coming across in my interviews on why host communities accuse Shell of behaving in an irresponsible manner is the allegation that the company does not carry out full remediation even where it accepts direct responsibility for the spill. Representatives of environmental and human rights groups argue that Shell only carries out partial remediation of a fraction of the area that is affected by the spills. The spokesperson admitted that there were cases where the remediation programs were either not done well or only covered a part of the area.
that was supposed to be covered. He blamed this on Shell contractors, some of whom he said were members of the affected communities. However, as we will see in the next section, this explanation was refuted by the host communities.

Similarly, most members of host communities I interviewed accused Shell of bad faith in either out rightly refusing to sign any memorandum of understanding with its host communities or, where it signed one, refusing to keep its word. In the company’s AGM in London in 2006, the shareholders, on the advice of Shell management, rejected a proposal by a pressure groups that the company should henceforth sign a MoU with host communities before commencing any project. The Shell spokesperson could not out rightly offer any explanation as to why the company hesitates to sign MoUs with its host communities beyond speculating that the company, “May be working on a universal standard on having MoUs with all its host communities across the world” (t1).

An Encounter with the Second Shell Spokesperson
After making several calls over three days, my second respondent, a middle career young officer from Shell, gave me an appointment but insisted that he would not grant me the interview in his office. He informed that there would be too much distraction in his office, particularly from his boss who needs him all the time, and that he cannot guarantee a smooth interview if I insist on having the interview in the office. He suggested that we meet in a restaurant after office hours in the vicinity of Shell headquarters for the interview. On getting to the venue I had to wait for a couple of hours and make calls in between in order to ascertain that he was still going to turn up. He did turn up eventually and explained that the pressure of work and demands by his boss had delayed him. A gentleman in his thirties, he consented to my request to have the interview on tape but like his other colleague, he insisted that though he was there officially to speak to me on behalf of the company, he would not like me to mention his name. I spent about a couple of hours talking to him. Like his other colleague I had spoken to, he keeps on insisting that he would rather tell me his own version of Shell relations with her host communities rather than strictly respond to my questions. I
patiently listened to him but in between made him respond to specific questions, especially on some contentious issues consistently raised by my other respondents. He seemed ready to defend his company’s position, though not as fervently as his colleague.

He began by stressing that Shell believe in the business case for social responsibility and pointed out that the company is operating in the Niger Delta where “there is physical cohabitation of poverty and affluence” (t2). Although he could not describe the relationship between Shell and its host communities as cordial, he stated that Shell has a policy of “commitment to sustainable development,” emphasizing that, “we need to protect the environment, we need to respect people and we need to have integrity and honesty in all our dealings” (t2). These needs, he continued, compelled the company to get involved in social responsibility initiatives. He assert that Shell is the “first oil company to initiate [a] community development programme” in 1988 (t2). Previously, he maintained that the company engaged with what he described as community assistance, which according to him was the prevailing development paradigm employed by donor agencies at that time. From 1988 to 2003 he claimed that Shell spent $60m on such projects.

In justifying the change in approach, he described Shell’s earlier strategy as, “devoid of partnership” (t2) with the communities, government and donor agencies. In spite of the company’s involvement with CSR community projects, he still emphasized Shell’s belief that “the government has the sole responsibility of providing infrastructure” (t2). But because the company is physically close to the communities, the communities began to rely on the company for development projects. He attributed the failure by host communities to demand for such from the government to the long military rule in the country. The increasing agitation and demands for developmental projects on the company by host communities, “culminate into some forms of business implications for us” (t2). He disclosed that in 2003 Shell decided that there, “would be no cash payments to facilitate entry for business operations …because it is not a good business practice and inconsistent with our business principles and ethics” (t2).
With the introduced changes, he explained, Shell also decided to co-sponsor projects with other development agencies such as United States Agency for International Development (USAID) and United Nations Development Program (UNDP) in areas of agriculture and health care aimed at poverty reduction rather than execute its community development programs alone. He stated that between 2004 and 2009 Shell plans to spend $32m in such joint projects. With this amount, the Shell spokesperson declared that, “It would make Shell one of the biggest social investors in Africa reaching to an estimated population of 23 million” (t2).

I reiterated to him that despite the amount he claimed Shell is spending, respondents from Shell’s host communities I interviewed told me it is all but lies and propaganda as there was little physical evidence of those Shell projects in the communities, “Yes! That’s a familiar statement!” he replied (t2). He stated that his company runs projects such as micro credit, business development, and provision of scholarships, educational infrastructure, womens’ programs and agricultural extension. He said that the least success is in the area of water supply projects. However, he sought to insulate his company for any failure of its projects. He argued that since the company is now working in partnership with the communities in executing the projects, any failure is as a “consequence of imperfect partnership or understanding between the company and the communities.” (t2). He explained that since 1998 Shell insisted that for any project it will carry out the communities have to organize themselves into committees and be given funds in several allocations to execute the designated projects. Whenever the company feels the funds are not properly utilized, it would not give the next allocation and this led to many abandoned projects between 1998 and 2003. “But what I want to tell you is that we have had issues on sustainability. What we did five years ago you might not see it on ground today,” he added (t2).

When I put it to him that the communities thinks that Shell is arrogant and does not really consult them to find out their needs but comes up with its own projects, such as providing football kits to a poor community that lacks basic things like clean water
and electricity, he responded by pointing out that Shell has 900 communities and therefore has to determine what it can offer.

**Human Rights Issues**

In addition to the provision of basic infrastructure, another reason why Shell has troubled relations with its host communities has to do with issues of human rights abuse. I visited Umuechem, a typical Shell host community in Rivers state that paid a dear price for confronting the company. Members of the community carried out protest marches on Shell facilities on 30 and 31, October 1990 demanding for compensation for the pollution of their sources of water supply and damage to farmlands by oil spills. They demanded financial compensation as well as provision of potable water and electricity. In response, Shell requested police protection of its facilities from the demonstrators. The government sent in the mobile police, a special unit of the police known for its ruthlessness in putting down internal rebellion. Within the next two days 80 people from the community were shot dead by the police, including the traditional head of the community and 495 houses were destroyed. The community accused Shell of directly sponsoring the mobile police who carried out the raids. They accused Shell of being a troublesome neighbour who resorts to inviting the police whenever the company has disputes with her host communities.

The Shell spokesperson did not deny the incident. He argued that it is the responsibility of the security forces to maintain law and order, “They don’t need to be invited by Shell. Me and you, as we are speaking now if we start throwing blows at each other, the police would be interested. They don’t need to be invited” (t2). He also pointed out that it happened in the past under military rule and “our present policy is to maintain cordial relationship with host communities” (t2).

When I asked him if Shell actually did provide helicopters to convey the police who carried out those particular raids on the community, he pointed out that it is part of Shell’s corporate responsibility to support Nigerian security forces in fighting crime and restoring law and order, “It is a pity that you have not heard instances whereby
these helicopters have been used to fight crime in urban centers….I cannot clarify if we do give weapons to security forces but if we do it is not for the purpose of fighting communities but crime” (t2). He explained that Shell has signed lots of MOUs with host communities, “Last year only we signed 57 MoUs to facilitate business operations” (t2). But he stated that the long term aim of Shell is to have communities capable of doing business with the company rather than waiting for the company to offer philanthropic handouts.

**Turning Over a New Leaf?**
I asked him of Shell’s old pipelines busting and causing spills as well as the meager compensation being paid. He responded, “I can’t comment on that!” (t2). When I reminded him that he mentioned something to me about old pipelines, he said it is possible that some of the assets have integrity problems and the regulators have also been expressing concern over the issue. He stated that the company is increasing investments to replace old pipelines and is also taking another look at its compensation practice. He consented that it may be that the host communities have some legitimate grievances but added that his company is also trying to improve on its conduct. On the question of remediation, he stated that he has not much knowledge on the matter and would prefer not to comment.

When I put it to him that the host communities think that Shell’s CSR program is more of a propaganda than a genuine effort to give back something to its communities, he expressed the view that people take the concept of CSR too far “from voluntary responsibility to that of obligation” (t2). He blamed this on the failure of the government to provide what the communities need. Ultimately, the communities shift their expectations for such to the oil company.

**Responsibility nigh Impossible**
A tall young man with dreadlocks who recently converted to Islam in the US. One of the characters I encountered with ideas that radically differ from those of others. He introduced himself as a Nigerian who went to the States for high school and university
education and has lived in Los Angeles, California, New York and Washington DC where he worked with congress men and women before moving back to Port Harcourt to work as financial officer for the Saro Wiwa family business. He is not an Ogoni and in fact is not from the Niger Delta.

He argued that the term responsibility can only exist in theory but not in practice, explaining that the activities of multinationals, whether Coca Cola, McDonalds or Shell, cannot be responsible by their nature because they always exhaust resources and damage the environment of their host communities. In the case of Coca cola and McDonalds, he explained that they not only exhaust the water table in their host communities but they also dump the waste products their operations generate in such communities. He cited the example of waste management companies in the US who were supposed to contribute towards cleaning the environment but always end up dumping such waste, especially toxic ones, in poor black and Hispanic communities. While they pride themselves as responsible waste managers, they leave the members of such communities with diseases ranging from cancer to respiratory problems.

In the case of Shell, he pointed out that the company not only made huge profits from the riches of the Niger Delta but its operations, “have virtually destroyed the means of livelihood of people in that region” (t24). Yet Shell is still making claims of being a responsible corporation. Even where the host communities of such corporations demand for a stop to their operations, he explained that the state which was basically there to promote the interest of capital and would use its security forces or legal coercion in support of such corporations, “To actually answer your question on whether or not they can achieve corporate responsibility in a capitalist state, well, I have not seen it in my life time.” (t24). He concluded that no matter the funds such corporations put into community projects, it cannot compensate for the health hazards and destruction of the means of livelihood of the members of such communities. But he maintained that corporations that give back something to their host communities and fulfil their MOUs are always better than the ones that do not.
He derided Shell slogans about environmental sustainability, stating that oil companies use such concepts just to deceive the people. He stated that one day the oil in the Niger Delta would be depleted since practically it is not possible to sustain extractive, exhaustible resources. He suggested that oil companies should abandon oil exploration and invest in renewable sources of energy such as tapping solar energy. He argued that no amount of money being made can justify the extraction of oil because it leads to other problems such as global warming, which has adverse effects on the entire planet and its inhabitants. In the case of Nigeria, which he described as a neo-colonial state as coined by Kwameh Nkrumah (Ghana’s first Pan Africanist President), he argued that the host communities of Shell were not only lacking in basic infrastructure but the country itself was simply not really independent but an appendage of the global capitalist system represented by corporations such as Shell. He stated that due to the environmental degradation being wrought by Shell operations, the people in the Niger Delta can no longer farm or fish as they used to do before.

He also described corporations such as Shell as racist because the victims of their operations are always non-whites, particularly black people in underdeveloped countries,

You know how generally Africans are being looked upon. Yes, they are regarded as sub-humans. For them Africans shouldn’t be treated the same way they treat their people. In America for example, you will never see gas plant where the remnants or waste is exposed to be harmful to man. But here in the Niger Delta you find oil pipe lines and many other bye products that are injurious to health. As you are working by you are breathing toxic emissions and oil spills are damaging one crop or the other. Because of want and lack, people in these communities still eat the crops and even the fish killed by the oil spillage (t24).
Alternative Views from the Centre for Social and Corporate Responsibility (CSCR)

The CSCR is one of the most active NGOs working to improve the relationship between Shell and its host communities in the Niger Delta. Its main office is located at the heart of Port Harcourt. It is a modest two story building and I noticed about 10 staff working there. The Centre headed by an Irish missionary priest, was established in 1994 by a Shell shareholder group in the UK known as the Ecumenical Council for Corporate Responsibility (ECCR), who, despite the fact their investment in Shell was yielding good dividends, were worried over the appalling conditions in oil producing communities in Nigeria. It formed the CSCR in order to engage the company with issues relating to community relations, the environment, human rights, community development and corporate social responsibility in the Niger Delta.

Views of the CSCR Chairman

The chairman gave me an appointment after office hours. A jovial middle aged man, he was also writing a dissertation on CSR in the Niger Delta based on an action research he was doing in collaboration with Shell on community development. In the 2-hours interview we had over dinner he started by giving me the history of the CSCR. In 1995 the CSCR conducted an audit of Shell’s community development projects in the Niger Delta and found that for the most part they were non existent and the few that existed were either non-functional or were inappropriate. The company responded to the criticism by establishing a development department headed by a renowned expert in order to bring about change in the way it approached community development. The first thing the company did was to change its strategy from community assistance, which was basically a handout, to partnership with the communities. Under the new approach the company expects the communities to contribute and take ownership of such projects. However, the new approach failed to yield any positive outcomes, for what was described as “lack of enabling environment” (t4). After the failure the expert eventually resigned.
In 2001 the shareholder group from the UK visited the Niger Delta to inspect Shell community projects there. Previously in 1997 the ECCR presented a resolution at Shell’s annual general meeting in London urging Shell directors to ensure that the company operates with the same standard in Nigeria as it operates in other advanced countries such as the UK. Eventually, their request for a global standard was rejected by a majority of the shareholders at the behest of the company’s management. The company insisted that it “Has one standard for the UK and for Europe and another standard for sub-Sahara Africa” (t4). Similarly, in May 2006, the shareholder group sponsored a resolution calling on Shell not to commence any project, anywhere in the world, in the future unless it had an Environmental Impact Assessment (EIA) to international standards and a MoU mutually agreed upon between the company and the affected communities. Shell advised the shareholders to vote against the resolution and the shareholders did reject the resolution.

It was the CSCR that brought to the attention of the shareholders Shell’s failure to get the consent of its host communities before commencing a major project. The company was embarking on a multi-billion dollar integrated oil and gas gathering project in Bayelsa state. The CSCR argued that the EIA on the project as well as the Global Memorandum of Understanding (GMoU) presented by Shell were flawed. There was no proper consultation with the affected communities. A pipeline for the product was supposed to pass through Ogboloma community in Bayelsa state but the traditional ruler of the community was not even consulted by the company. The CSCR pointed this fact to the shareholders in London, arguing that it was also in the interest of shareholders to look into the matter because the community could, at anytime, decide to switch off the flow line if they get angry with Shell. But the company argued that it is not good for business to delay its project till it reaches agreements with different host communities and would rather start work and worry later about MoUs and EIAs. Shell, he believed, was only interested in promoting its business objectives, always in haste to do business and ready to clear any obstacle on its way. Similarly, its shareholders were ready to hearken to the advice of the company’s management, no
matter what is at stake as long as it continues bringing them huge return on their investments.

The company, he argued, prefer to sit within the confines of its offices in Port Harcourt and draw a budget on what it would be willing to spend on community projects rather than working out a MoU with the active participation of the affected communities. He described the lack of MoUs between Shell and her host communities as an in-built source of conflict in the Niger Delta, created by oil companies, and evidence of the absence of social responsibility on the part of Shell. He berated the efforts of the shareholder delegations and government officials from the West who visit Nigeria to discuss the mounting conflict, but many of them refusing to go down to the Niger Delta out of security concerns. They prefer inviting the stakeholders to Abuja, but at the same time voting against resolutions calling for changes that would improve the company’s community relations and overall security in the region. He argued that Shell need the social license to operate in its host communities and owe its host communities some responsibility and it is the only way that the company can have, “true, very responsible and wholistic relationship and I think part of their problem is that they run away from those responsibilities” (t4). He maintained that the rising militancy against Shell in the Niger Delta is a direct backlash to its irresponsible attitude towards host communities. He expects Shell to,

Have the human face and concern for the well being of the communities and they have lost this due to the fact that they are blinded by their billions of dollar profits. The company has got to find their own heart, they are living system, they are made up of human beings themselves, they’ve got to come back and touch other people’s lives, they can’t live in isolation from the communities and the societies in which they work (t4).

He believed that most shareholders were only concerned with the company’s turnover and had no conscience when it comes to the company’s conduct that negatively affect host communities. He described it as a huge mistake. They only act against the company’s management when their interest is being threatened, as when they sacked
Sir Philip the former Shell MD, when they discovered that he over inflated the company’s reserves, raising false hope in them. He reiterated that the company’s plan to buy speed boats for combating the militants in the Niger Delta as a wrong strategy and argued that, “There must be more intelligent way of dealing with the unrest in the Niger Delta rather than spending money on 60 speed boats and all the security personnel that have to go with them” (t4).

He cited the rampant cases of oil spills and lack of proper clean up in the Niger Delta as evidence of Shell operating below international standards compared to how it operates in advanced countries. He said the Ministry of Environment informed the CSCR that about 300 spills occur every year and about two-thirds go un-cleaned. The CSCR monitored a massive spill at Ogbodo which occurred as a result of a leak from Shell’s flow line. Shell paid a contractor to clean up only a part of the original spill site the oil flowed into the creeks and other areas. Although the contractor gave Shell the cost for a comprehensive clean up, the company only gave him, “part payment and he told Shell in my presence that he cleaned up according to the amount of money that was given to him and he said the rest he left behind” (t4). The CSCR invited a Shell senior corporate adviser from London to inspect the site, along with a team from the CSCR. He promised to have the area cleaned up and carry out a post impact assessment with the CSCR but the promise was not kept. Instead the company embarked on what it called remediation, an attempt to clean up the spill by turning and exposing the soil to the sun so that microbes can eat up the carbon deposits but it did not work,

How do I put it without getting myself into a problem?- we are not happy about how they manage the whole issue of giving out contracts for the remediation which they claimed to have done and we understand they haven’t done those contracts. Also the whole issue of compensating the families and communities who are impacted by the spill, till today, that hasn’t been done and the whole thing has ended up in courts….if it happened in London, in Liverpool or in Manchester, it will not be tolerated (t4).
He put the blame for such on the ministries of petroleum resources and that of environment, as well as the Nigerian judiciary, which he described as “very, very weak and very often corrupt.” He thinks this is the reason why Shell can get away with such. On the issue of gas flaring, he maintained that Shell is working on a plan to gather all gas being flared for commercial purposes and would stop flaring in 2008, not because of the pollution and health hazard it has been posing to communities for decades, but because the company realized that the international market for gas is set to become more important than that of oil in the future. Hence the company is embarking on it for profit motives and not because it is bad for the people and environment.

On the other hand, he insisted that the Federal Government and its institutions such as the NNPC, DPR and Ministry of Environment, have to take responsibility for their inability to ensure that the oil companies in Nigeria comply with the relevant rules and standards. He equally pointed out that the three tiers of government have been a shocking disappointment considering the way they mismanage the oil revenue which could have been used to develop the Niger Delta and other parts of the country. The monthly publication of revenues allocated to all the different tiers of the government by the Ministry of Finance, as part of reforms to bring accountability to the Nigerian system, did not in anyway bring the desired accountability as corruption is still the order of the day in all the three tiers of government. Nevertheless, he pointed out that it is only through monitoring and participating in the making of budgets that the people of the Niger Delta can ensure that the oil revenue would be used in addressing the problems of the region. He noted that Shell’s version of its community relations as contained in its publications and website on the one hand, and the reality on the ground on the other, as describing two different worlds,

One on the website will show you a very positive reality. The one on the ground is quite a negative experience for the most part and as I say, I think that very much has to do with the fact that Shell are involved in huge operations, they are too busy to be concerned with the human
beings they are meeting with in their communities. They are a juggernaut that is moving at speed that has to increase from two million barrels to four million barrels, to eight million barrels...They are on a mission and certainly unless they take into consideration the fact that there are human beings in communities in those areas where they hope to make all these huge explorations, then they are going to spoil it for themselves and for everybody else (t4).

**Project Coordinator CSCR**

I met the CSCR Project Coordinator when I went to interview his Chairman. A very helpful and friendly character, when I informed him that I ran into a brick wall in Shell headquarters, he volunteered to make Shell grant me an interview, “I have been doing it for foreigners why wouldn’t I do it for you!” (n2) He started off by stating that Shell’s claims to CSR does not reflect what is on the ground because its host communities are very impoverished and the company’s community projects in the Niger Delta were no more than dots of abandoned projects. He cited the case of Oloibiri where Shell struck its first oil well in Nigeria in 1956 but the community has no potable water, electricity, tarred road or any form of infrastructure. It was only five years ago that the company started a water project there but the project was yet to kick off. Similarly, it started an electrification project for the community eight years ago but that too was abandoned. He pointed out that Shell’s claims to spending $30m for the development of the Niger Delta was more deception than sincere effort as there was no tangible evidence on the ground to show for it. He characterized Shell as a corporation that chose to spend its funds on creating conflicts through a divide and rule strategy within its host communities,

But Shell over the years has not been transparent. Shell like to deal with few persons and blindfolding and using those few by staging them against one another. When these few turn around to protect Shell’s interest in the community, the majority who has not seen anything from Shell will now fight against them. So, Shell is breathing conflict in the community. Why recognize few persons and not the whole community as a group or as a people? Why are you dealing with only the chief? It is questionable (t5).
He expected the company as a corporate body to deal the community in a professional bureaucratic manner by going through the formal structures on the ground: the traditional chiefs and the Community Development Chairmen (CDC). But in the communities he worked, which cut across Rivers, Delta and Bayelsa States, Shell has deliberately not been very professional in its dealing with those communities. He accused the company of giving a false impression to the outside world on its relations with its host communities,

I think they are giving a different picture to people who don’t know the Niger-Delta, people who are not ready to go out to the field, to the communities to see what Shell is doing. But we, we know what they are doing and we try to monitor them. And for that reason they are not happy (t5).

He pointed out that Shell’s response to oil spills demonstrates lack of interest in the well being of its host communities. He cited the example of an oil spill that took place in Okon in 2001 but up to 2006 the company was yet to clean up the affected area. The CSCR succeeded in exacting a promise from a former Managing Director of SPDC and a one-time external adviser of the company’s Nigeria Desk in London that the area would be cleaned off but the promise was yet to be fulfilled. He cited another massive spill in a place called Biseni three years ago but no action was taken by the company to clean up the affected areas, “I believe if this happen to them in the north [Western countries], the company would not waste time on the cleaning up exercise” (t5).

He also argued that Shell has been improperly laying its pipelines on the surface throughout the Niger Delta, less than three feet from roads, which make it more prone to accidents, a safety risk, which he believed the company could not take in its areas of operations in the West. He cited Ogoni land, Bisim, Umuachem and Bata as a few examples of where Shell pipelines posed safety risks to communities and made such pipelines easy targets for vandalization. He added that although the company was supposed to carry out maintenance work on such pipelines every five years and
replace such every fifteen years, this is not being carried out because some pipes which have been laid since 1963 and 1965 were yet to be replaced. He admitted that the company is embarking on replacing old pipelines due to public outcry but thought that at the pace at which such work is going on, it may take over a decade to replace all the old pipelines. He believed that the company is dragging its feet because of the cost involved. He attributed the frequent oil spills in the Niger Delta to such weak and old pipelines and accused the DPR of inability to force the company to comply with the standards over the maintenance and replacement of pipelines. On the issue of gas flaring, he pointed out that among the oil companies operating in the Niger Delta it was only Shell that was failing in meeting the deadline for ending gas flaring in the Niger Delta,

SPDC say they have bigger concession areas but if that argument is correct, they also have bigger votes, bigger money. They’ve made bigger productions and bigger sales. So if they have bigger areas, they have bigger job to do and that is why they can pump in that money by recycling this gas and reduce the gas flare in Niger-Delta but that has not happened (t5).

He concluded that the refusal by Shell to end gas flaring by 2008 means that the Niger Delta would continue suffering from the effects of gas flaring such as acid rains, rusting zincs, deforestation, diminishing agricultural yield and breathing problems, which all occur as a result of gas flaring. He expressed the view that any company making claims to CSR should provide infrastructure for its host communities and cannot afford to be concerned only with the business case,

If we are talking about sustainable environment, if you take from an environment what the people have, what in return are you placing for that environment to be sustainable, so that they can still fall back to that environment, which is too critical to the survival of the people? Here we are, you are devastating the environment and you are telling the people that because you are paying royalties to the government, you cannot do what you are expected to do to contribute to the well being of this environment, I think it’s criminal! (t5).
He believed that Shell should work with the Nigerian government in ensuring that the royalties they pay go to alleviating the problems caused to communities as a result of their operations, so that the company can clean its conscience. His main concern had to do with environmental sustainability, in that Shell’s CSR focus should be on ameliorating the adverse effects that its operations are causing to the environment and the people. In the end the company should aim at ensuring that after the oil is exhausted, the host communities should be left with an environment that can still sustain their economic activities. He warned that if Shell continues destroying the environment, the host communities would eventually fight back, which would then negatively affect both Shell and the Federal Government in the form of dwindling revenues from the oil. He described the current youth militancy against oil companies in the Niger Delta as a failure of the companies to have a meaningful CSR strategy.

He blamed the Federal Government for not monitoring the oil companies, pointing out that the Department of Petroleum Resources (DPR), the agency responsible for ensuring that the oil companies comply with the relevant regulations, is too weak to operate effectively due to lack of wherewithal and the enabling operational environment required. The DPR is placed under NNPC, the government corporation which is operating the 60-40 joint venture with Shell in the Niger Delta,

DPR is given only one room in a very big building of NNPC where they have probably over two thousand rooms and you give them only three. They don’t even have cars to go out. Like the case of Batown oil spill, we discovered that the DPR woman went under Shell sponsorship and Shell is the operator of the pipe that got burst. So how do you want that person to effectively give an independent finding of the joint investigation? (t5).

Similarly, he argued that the Federal Ministry of Environment, shouldered with the responsibility of ensuring that oil companies comply with environmentally sustainable policies, is very weak and unable to call Shell to order for the havoc its operations are wrecking in the Niger Delta. He cited the case of Gbarayin oil and gas gathering project where the communities affected protested in 2004 over the poor Environment
Impact Assessment (EIA) of the project carried out by a Shell contractor. Rather than asking Shell to go back and do a proper assessment, the Ministry of Environment, ignoring the protest from the Bayelsa state government, gave Shell the necessary approval to commence the project on the excuse that it would not like to disrupt the company’s time table for the project. When in 2006 the CSCR took the matter to Shell’s shareholders in London, a Shell manager from Nigeria exhibited the approval by the Ministry of Environment in defence of the company. However, both the Ministry and Shell refused to inform the affected communities of the approval. He alleged that the EIA document was plagiarized from another other documents because Gbarayi is a fresh water area but the EIA was citing the presence of salt water fish and mangrove areas that were not supposed to be covered by the project, “That shows that somebody was lifting this report from another existing document to the Gbarayi EIA” (t5).

Although the provisional approval granted by the Ministry of Environment requested Shell to carry out another IAE on dredging the area Shell ignored it and was shipping its facilities there. The CSCR put the issue on the agenda of Shell’s shareholders annual general meeting in London in May 2006 but it was placed as the last item on the list. The meeting commenced at 10:00am but the issue was only tabled at 4:00pm, when most of the shareholders had left after discussing all the important issues and it failed to get the backing of a majority of shareholders, “But why must Shell refuse to improve if people on the ground are saying that their activities are impacting negatively on the communities and on the environment? Why must the resolution be turned down? That shows that they are not ready to improve” (t5).

Similarly, he cited the case of Ogboloma community where Shell had gone ahead to mark some houses for demolition in order to enable the company have a right of way to lay its pipelines for a gas project, without making adequate arrangements to relocate the community. The Ministry of Environment that was supposed to ensure that that EIA was carried out, including relocation of communities before the commencement of the program was not effectively playing its role. Even in instances where Shell
published EIA such as the one on Umuachem, he argued that the process of publishing the documents was faulty. The company published many copies of the EIA and made them available for criticisms in Port Harcourt, by placing copies at the Ministry of Environment, the State Secretariat and the Local Government Headquarters, but without making copies available to the affected community. Also, rather than giving 30 days for public criticisms of such documents as stipulated by the rule, the company, he claimed, gave less than 10 days for criticism knowing well that the community could not have enough time to make a well-informed criticism of the document.

He expects a responsible oil company to have what he called “the social license to operate”. In addition to the formal approval granted to the company at the federal, state and local council levels, he argued that the company needed to have the cooperation of its host communities who should be seen as partners instead of coming as a stranger or an invader just because it secured license at the federal level, which is very remote from the host communities. He thought the problem with Shell was that it lacked proper community relations citing the example of Ogboloma community where the company had its flow station since 1972-73, but lacked any memorandum of understanding with the community as to what the company should offer the community over this period. Then recently the community decided to close down the flow station. The CSSR took up the matter with Shell’s General Manager and the company prepared an MOU, but without involving the Ogboloma people in the discussion. The GM did not visit the community, he only sent his Community Liaison Officer (CLO) who had no decision-making powers. Moreover, because of the poor rapport and lack of social license, the CLO, too in trying to protect himself from attacks by the hostile community, ended up consulting few people rather than approaching the entire community in a collective manner.

He expressed the view that Shell is sending a false impression of good relations with its host communities to the outside world and he was convinced that a visit to the company’s host communities in the Niger Delta would reveal contrary facts to the CSR picture painted by Shell on its website. He insisted that the company is not
comfortable with the activities of NGO’s such as the CSCR who are monitoring its performance in the Niger Delta. He argued that the rejection by Shell’s shareholders, in May 2006, of the resolution on improving its business practices in Ireland, Russia and the Niger Delta was clear evidence that the company was not ready to mend its old ways. He disclosed that next year his organization would resubmit the resolution through its partner, the ECCR, in order to compel the company to improve on its conduct and attitude towards its host communities, “What is presently going on is not acceptable. It is very far from the best practice, which Shell tells the whole world it is doing. If they are doing it, why must they be against improving their standards?” (t5).

He stated that his NGO does not know or support the people behind the militancy and kidnapping of oil workers in the Niger Delta but attributed the emergence of such groups to the failure of the government and Shell to treat the host communities in a responsible manner. He pointed out that Shell Community Liaison Officers (CLOs) and Community Development Officers (CDOs) have been focusing on bribing trouble makers in host communities rather than addressing the collective needs of the communities. Eventually rather than silencing the trouble makers, they continue to increase in number, making more demands for money from the company. He concluded that the management of Shell was aware of this fact but does not care a hoot as long as the company’s operations were being facilitated. The host communities have also realized that the only way to get recognition and exact some funds from the company was by causing trouble and such has become a popular strategy in the Niger Delta.

Similarly, he stated that local government chairmen and councilors in the Niger Delta prefer to stay in cities such as Port Harcourt, Yenagoa, Warri, Benin and Asaba and hardly visit their constituencies except during election times, which come once every three to four years. He pointed out that each local government in the Niger Delta collect nothing less than 50 million naira monthly from Abuja as statutory allocation but embezzle such funds rather than use it to provide basic infrastructure to their communities, “In fact, the Governor have his own percentage out of that money, the
PDP (People Democratic Party ruling party) whoever is the party chairman has his own percentage from that money and then the chairman with his councilors divide this money and that is the end of it” (t5).

He also argued that the Niger Delta Development Commission (NDDC) faced similar problems, because it is allegedly being controlled by the Federal House of Representatives in Abuja, citing cases of uncompleted projects such as the water project in Oliobiri started by OMPADEC, the precursor of NDDC. He insisted that it was the protest by the people of Umuachem in 1990 which attracted the attention of the international community after over sixty people were killed in Etche by the police, an incident that forced the then military regime of General Ibrahim Babangida to introduce the 3% derivation for oil producing areas as well as OMPADEC in 1992. In the same Umuachem a cottage hospital was constructed in 1992 but as at 2006 it was yet to take off due to lack of equipment and personnel, “because Umuachem has no legislator, has no councilor, has no chairman of a council, has no governor and NNDC projects are approved in Abuja” (t5).

**CSCR Oil Company Project Monitor**

His job involves monitoring oil company community projects, environmental impact assessment compliance, and implementation of memorandum of understanding as well as resolving conflicts between oil companies and communities as well as between communities. He stated that he published a book titled, *From Conflict to Collaboration: Building Peace in Oil Producing Communities in Nigeria* and another project *Steps to Violence Prevention*. He stated that the relationship between Shell and its host communities has been characterized by worsening conflict that is graduating from one level to the next other and at the moment is at its lowest ebb. It began with “quarreling, demonstration and after the killing of Ken Saro Wiwa, we got into this kidnapping and then we have this whole thing about ethic militia now. In April 2006 alone, there were two kidnapping incidents involving close to ten expatriate workers” (t6).
He attributed the conflict to the absence of social responsibility on the part of oil companies and the complex and ineffective governance structures in Nigeria, citing the land tenure system as an example where you have family ownership, individual ownership, communal ownership and the Land Use Act, which invested all ownership of the land in the nation state. When an oil company needs to pay compensation, it has deal with all the various parties. He cited a study by Prof Timothy Filler of Arizona University, which demonstrated that the $5-6000 compensation paid by ExxonMobil for displacing peasants who live along its Chad-Cameroun pipeline route got dissipated within six months. In the case of the Niger Delta the law that outlines the details of compensation was deficient because the oil company only pays for spills that occur as a result of equipment failure but not that from sabotage. He pointed out that because oil spills disperse far and wide through water and land, the spills spread into other communities that have nothing to do with the original source but cannot claim compensation from anybody. Sometimes the original spills may be as a result of speeding cars crashing into pipelines by someone outside the community.

He cited examples of places like Alaska where they have an environmental stability fund that would be used to compensate the victims in such cases. Similarly it is the Federal Government in the United States that collects the compensation from the company and passes it to the victims in order to guarantee that it is appropriately administered but in Nigeria it is the oil company involved that handles the compensation. Similarly when it comes to siting community projects, the oil companies face a great dilemma because the communities would be fighting one another over the siting of such a limited number of projects and there are different categories of communities ranging from flow station communities, well-head communities, and manifold communities to access communities.

He argued that the economic power and lobbying capacity of the multinational oil corporations on the global stage, which make them stronger than the weak Nigerian state, enables the companies to circumvent the law. Similarly, the inefficiency of the DPR, which relies on oil company reports rather than being adequately funded to carry
out its independent investigation, is an additional reason why oil companies do not strictly comply with standards in Nigeria. But he pointed out that this argument cannot be pushed too far because Shell treats its host communities in Russia and Ireland similar to the way it treats its host communities in the Niger Delta. In addition, he argued the “poverty of nations” that rely excessively on oil revenues account for the corruption and underdevelopment of oil producing communities, because if such governments were relaying on public tax system, more efficient system of development and accountability would have emerged.

However, he believed that the expectations of host communities that oil companies should be responsible for providing them with infrastructure was misplaced because that should be the responsibility of the government and “oil companies are not alternative governments” (t6). He would rather oil companies spend their funds complying with global environmental standards and maintaining their asset integrity than divert such resources to community projects. Since oil companies pay taxes as corporate citizens and comply with standards, to expect them to provide infrastructure to communities would be going beyond “theoretical limits of corporate responsibility” (t6). He concluded that corporate social responsibility by corporations should be strictly voluntary and not as a result of pressure from host communities.

He agreed that every organization needs the social license to operate but oil companies engaging in providing infrastructure should be an exception rather than the rule, because it is assumed that wherever an oil company is operating the government that gave it license should be able to provide the needs of the host community. When I asked him how he would react to a situation whereby oil companies have electricity and water at their flow stations and staff quarters while their surrounding host communities languish in darkness and drink water from polluted streams, he replied, “Now it’s unfair for oil companies to have electricity in their stations and the communities don’t have. Then let’s look at it primarily, is it their responsibility to provide electricity?” (t6). He sympathized with host communities for looking to oil companies but he thought this is mainly because the federal, state and local
governments remain unaccountable and the people cannot do anything about it. That is why they vent their anger on oil companies that they can physically behold. He warned that if oil companies engage in excessive provision of amenities to host communities, they would not be able to meet up with sustainability in terms of protecting the environment, complying with standards and proper remediation after spills.

He debunked the argument raised by another respondent that Stat Oil of Norway does provide lots of facilities to its host communities in the Niger Delta and has far better relations with its host communities than Shell. He argued that the company is not maintaining the same standard it has in its operations in Norway in operations elsewhere. He attributed this to the fact that in Norway the company is guided by the philosophy of public service whereas elsewhere it is being guided by commercial interest. This was why its host communities in Ireland had to report the company to the Norwegian parliament when it failed to meet up with some standards. He maintained that the company is not providing to its host communities in Nigeria and Ireland everything it is providing to those in its home country.

He expects a responsible oil company to comply with international environmental standards, respect local laws, provide employment, support capacity building and manpower development within host communities, ensure asset integrity, pay adequate compensation and carry out proper clean up after spills. He admitted that it is difficult to state what his expectation would be in terms of community relations but he believed that oil companies should play a more proactive political role through putting pressure on the government to do something for the host communities,

The oil companies can no longer pretend that well we are business, we are apolitical. They can leverage their influence to say look government this community needs water, light etc. They can lever their influence to say look there is too much corruption. It might not be public; it might be private or one-on-one with those in authority because at the end of the day, they respect them. I am not going to say oil companies should provide light, should provide water, provide schools. No. But if they do it, fine (t6).
He stated that there is a gap between Shell’s policy declarations and implementation, especially in relation to cleaning up spill sites but attributed this to what he called ‘the human element.’ He pointed out that it is true Shell does import light arms and ammunition but this is basically because the government failed to provide such for the maintenance of security in the region. For fear that government officials would embezzle any funds offered by the company for purchasing the required arms and ammunition, the company does the importation by itself. He argued that corruption is a two-way affair and the system in Nigeria should take some of the blame, “So yes there’s corruption. Do you blame Shell? Do you blame the oil companies? I say yes and no. Yes because we don’t know what they have done to penalize those they found out. No because they are operating in an environment where bribery has been accepted as a way of life” (t6). He also believed most of the staff in Shell who encourage malpractice are Nigerians and the company cannot operate in isolation of its environment,

As an individual, call a policeman to protect you, apart from paying the official fee, you have to bribe. So imagine an oil company they believe is rich. The company does not pay the police men or soldiers alone; they pay their bosses in the office to release them. But unfortunately the oil companies have opened themselves up for this criticism and for all these harsh treatment because they were not pro-active in responding (t6).

He argued that if Shell has taken Saro Wiwa and his group as making genuine demands, rather then seeing them as disgruntled elements who would eventually run out of steam, the relationship between Shell and its host communities would not have deteriorated to the to the level it has today. He agreed with host communities that Shell never implemented the MoUs it signs with host communities because oil companies don’t sign such with the intention of implementing. They know that MoUs are vague and lack mechanisms for implementation, host communities lack the capacity to fulfill their own part, and they are not legally binding. However, they need to do so in order to have access to the host communities and move on with business. He suggested that MoUs should be integrated into the production sharing contract
being signed between the government and oil companies, right from the initial stage, which is legally enforceable.

**Head of Environment, CSCR, Port Harcourt**

I met him at the Centre for Social and Corporate Responsibility in Port Harcourt. A bulky elderly gentleman, he described himself as an engineer by profession. I interviewed him while he was driving back from the Port Harcourt airport, where we drove to drop his other colleague, the CSCR Oil Company Project Monitor. The latter was flying to Abuja. When I met him at the CSCRR and requested an interview, he informed me that he had to hurry to catch a flight to Abuja and suggested that I can join them in the black jeep so that we can have the interview on the way to the airport. It was on our way back to the CSCR office that it occurred to me that I could use the opportunity to have an interview with the Head of Environment Department of the CSCR. One-way drive to the airport took us over an hour. So I had ample time to have my interviews both ways.

He described Shell as irresponsible for three reasons. First the company does not want to undertake Environmental Impact Assessment (EIA) before embarking on a project. Secondly, the company causes conflicts and lastly its operations result in negative health and social impacts in the Niger Delta. He stated that the company does not consult its host communities, “To cut a long story short, they have not been doing all they are supposed to in the EIA process” (t33). He stated that the presence of Shell in the Niger Delta was supposed to be a blessing for the region but it has now turned into a curse because there is nothing to show that the communities have benefited from the presence of the company. He cited the example of oil spills and concluded that the company carries out post-spill impact assessments in such a way that in the end it would deny the affected communities any form of compensation, “Every year you have about 300 spills occurring in the communities, only 50% might receive attention, less than 25% of that receive remediation attention. The company has not lived up to expectation in terms of environmental sustainability. The communities are being gradually destroyed by spills and have now resorted to violence” (t33). He stated that
sometimes the company do engage remediation projects but this was basically done to benefit Shell contractors who are usually agents of Shell staff.

On the issue of gas flaring, he blamed the Federal Government for imposing such little fine on companies that flare gas that Shell find it more profitable to pay the little fine than to embark on a costly project to end flaring. He stated that gas flaring and acid rain have been contributing factors to illnesses such as cancer, tumour, still births and high mortality rates in the region. He stated that the International Standard Organization ISO 1400 series for environment management systems was supposed to be implemented by Shell but because it is voluntary, like CSR, Shell only adopt it in principle but not in practice. He insisted that all the three tiers of government in Nigeria have not been responsible to the populace because, “Government sees itself as an independent entity from the people” (t33).

**Other Observer Voices**

**The Journalist who has seen it all in the Niger Delta**

He is a reporter with the BBC covering the Niger Delta. He was one of the journalists who went to the creeks to receive one of the oil foreign workers kidnapped by a militant group called Movement for the Emancipation of the Niger Delta (MEND). He has good links with most of the groups who keep in touch with him through e-mails as well as phone calls. The groups in the Niger Delta seem to realize the importance of getting across their message to the international media and are very keen to keep in touch with and speak to journalists and visiting researchers. His reporting has largely been focused on the oil industry.

He spent most of his days shuttling between the Government House in Port Harcourt and roving round the city interviewing members of militant groups, human rights and environmentalist activists. His employer expects him to present balanced news stories, which entails speaking to all sides. Covering the Niger Delta has become paramount for foreign, especially Western, news media due to rising indigenous militant activities
against oil companies, which include kidnapping of foreign oil workers and blowing up oil pipelines.

Before I left the UK for my research I got in touch with him to enable me to get quick contact with the main players in the oil industry in the Niger Delta. This was crucial for me because I had just about four weeks to spend in Nigeria and indeed it did prove helpful. A day after I arrived at Port Harcourt, he informed me he has set up an appointment for an interview with the President of the Movement for the Survival of the Ogoni People (MOSOP). I went with him and got the first interview for my research and the interviewee suggested a list of leaders of other groups in the Niger Delta I could contact and gave me their contact numbers. Subsequently most of the people I interviewed would make suggestions on further key players in the industry whom I could get in touch with.

After my first week I decided to be largely on my own because I realized the schedule of my host was tight and also did not want to unduly rely on him to carry out my research. But we remained in touch daily through telephone contact so that I could know if there is an opportunity to meet someone worthy of interviewing. It also proved very useful. One night he gave me a call informing me that the next morning the Ogoni reconciliation gathering was to be held in Bori and invited me to join him. It turned out to be a unique ceremony with all the who-is-who in Ogoni land attending. I used the opportunity to speak to many prominent Ogoni leaders and activists on the relationship between their communities and Shell. Without such gathering, it probably would have taken me a longer period and lots of travel to interview such an array of people.

A day before I left the Niger Delta, I informed my BBC contact I would like to have an interview with him, realizing that he has been speaking to so many people in the region and has been filing breaking news. He obliged and granted me an interview, reflecting not only on what he has been reporting on but also his personal opinion and interpretation of the nature of relationship between Shell and its host communities. He
disclosed that he has visited the five core States in the Niger Delta; Edo, Bayelsa, Delta, Rivers, Cross Rivers and Akwa Ibom. He stated that the relationship between Shell and its host communities,

Is far from cordial because what I have seen and heard is that these oil companies have been operating here for a very long time and there is nothing to show that really these communities are hosting oil companies that are making so much from what they are getting from these communities (t16).

He ascribed the sour relationship to what he described as the greed and selfishness on the part of oil companies who are only interested in maximizing their profits and are careless about the welfare of their host communities. He argue that the claim to CSR by oil companies is just window dressing and there is very little evidence of community projects being carried by these companies, “I am being categorical here because I have been to most parts of the Niger Delta, I have gone around, traveled by boat, by road and would not say I have seen things that these oil companies are claiming to have done for these communities” (t11). He believed that the neglect of the oil producing communities is as a result of conspiracy between the Nigerian government and the oil companies,

I hate to sound like this because I don’t want you to think I am beginning to sound like a Niger Delta person. But I am just being objective here because by my profession, being a journalist, I am supposed to be an impartial judge, I am supposed to observe and report exactly what I see. So I am telling you exactly what I saw and what I feel based on investigations I carried out (t16).

He explained that Shell feels it is not its responsibility to provide the basic infrastructure being demanded by its host communities and that it is the Nigerian government that should undertake such responsibilities. However, he pointed out that Shell should have been carrying out such projects because it would cost it little considering the fact that the company is operating a 60:40 joint venture with the Federal Government. Under the joint venture agreement whatever amount Shell spent
on its host communities, it is the Nigerian government that would ultimately bear the 60% of the cost. He argued that the failure of the government to provide infrastructure is not peculiar to the Niger Delta alone but throughout the country. However, in the case of Shell, it is in the Niger Delta that it is extracting its oil and the company would carry more blame in the eyes of its host communities than the government for the lack of infrastructure. He suggested that if Shell wants to continue operating in the region, it should worry less over how much it spends since at the end of the day it is the Federal Government that would bear the larger part of the cost as well as the fact that any expenditure on host communities is calculated as part of the production cost and does not affect Shell’s profits.

He predicted that the activities of militant groups against the oil companies would continue to increase because of the awareness by the host communities that the oil resources are getting exhausted and when the oil finishes, the companies would pack and leave them with the degraded environment. Hence they are determined to get as much as they can by whatever means before the oil runs dry, “I have been opportune to meet some of these militants face to face and from what they told me they are really determined, from what they say, they don’t care whether they die or live” (t16).

He thinks that if Shell takes CSR seriously by providing some of the basic necessities to its host communities, such as schools and clean water, the militants would be less popular and the government would have the high moral ground to respond with an iron hand to any group that tried to disrupt the activities of the oil companies. On the other hand, he pointed out that, “The youth of the Niger Delta, I must tell you, are very, very lazy. They feel that because they have oil they can just lie down and be fed, which should not be the case no matter what you have” (t16). He pointed out that school enrolment is very low in the Niger Delta because although the people complained that there are no schools even where the schools are available the attendance is still poor. He believed that they can only overcome their problems by becoming educated professionals rather than rebels carrying guns.
He also stated that there were cases where the youths in the host communities disrupt projects being sponsored by oil companies because the workers or contractors were not from their communities. Where the contractor agrees to hire workers from the particular host community, some individuals would insist that they would be the ones to supply the workers and they end up collecting huge amounts from the contractor but in turn would pay just a fraction to the workers. Ultimately, the workers would refuse to do the specified job because of the meager pay. In the end some of the projects would be abandoned because neither the contractor nor Shell would be willing to make up for the loss. So the entire community would miss the project and in the final analysis the oil company would be accused of not completing the project, which partly explains the prevalence of abandoned projects.

He pointed out that the community leaders would insist on being the contractors for any project that Shell wants to do in their communities and the company seems incapable of withholding payment till the contracts are executed to standard. He blamed this on corruption within Shell, “They [Shell] try as much as possible to avoid the press because they are not sincere. I believe if they were sincere they will even try to take the press to wherever they are carrying out their projects for the press to see.” (t16). He informed me that Shell has a policy of not talking to the press and whatever their staff say to journalists has to be anonymous, “Right now there is a policy that they won’t talk to the press. Whatever they tell you, they would inform you that it is not to be printed or broadcast. They are just telling you. If you tell me as an individual of what use will that be to me? It would be meaningful to me if I am allowed to tell the whole world this is what Shell is doing for its host communities and this is how much frustration it is facing. But Shell will tell you “I am doing this’. You say, ‘Show me,’ the company will say, ‘I don’t want to show you’”. (t16). He suggested that the company is adopting this attitude because either it is not being sincere or may not actually be carrying out what it claims to be doing.

He explained that this is in contrast to the attitude by members of host communities who are ever ready to talk to the press and take them on tours to see the environmental
degradation caused by the activities of oil companies. Whenever there is a spill or fire outbreak due to broken pipelines the communities would rush to invite the press while Shell would try to see that the press does not get to visit such sites.

He believed that Shell should be providing facilities such as water, electricity and where the communities prefer cash, the company should give it. He thought that it would be in the interest of Shell to let the world know what it is doing to its host communities and that ultimately an open door policy would help Shell redeem its image, if the company really cares about what the world think about it. I pointed out to him that Shell complained that it has over one hundred communities and that they do not have the huge resources to provide facilities to such a large number of communities,

Why should they complain that they have over 100 communities? Don’t they have over 100 wells? There are too many oil wells that Shell is taking from. It has not been operating in Ogoni for years but has it not been existing? How many communities are there in Ogoni? But I am sure the number of wells in Ogoni land supersedes the number of communities in that land. So why is Shell complaining? And when you look at how much you are taking from each well in a day, this people are not saying give us these things per day and they are saying probably give us per year and you are complaining. You don’t have to pretend, you are cheating people and they should not talk now? They say communities are too many, nonsense! (t16).

He is of the opinion that if Shell shares some of its services such as electricity, it would help in ensuring that the communities do not destroy the company’s facilities because it would be in their interest to see the company continues operating smoothly. Similarly any disruption would affect the communities directly. They would have a stake in ensuring that the company’s operations were not disrupted. He lamented that Shell staff quarters near host communities would be having all the infrastructure, such as electricity, clean water and schools, but in the host communities these things would be lacking,
So why would you expect to live in peace when your host community, every time it wakes up or every time night falls, is in darkness and you are there all lit up and enjoying yourself. They won’t let you have peace (t16).

He suggested that Shell can use the massive amount of gas it is flaring daily in the Niger Delta to provide electricity for its host communities and that would make the communities happy. He believed that at the moment Shell is spending money on crisis management with its host communities rather than searching for a lasting solution by providing its host communities with the bare necessities of life. Likewise he thinks Shell is contributing to the heavy military presence in the Niger Delta,

Instead of carrying military wielding guns here and there, why don’t you just take care of those communities? For months now Shell has not been operating [due to the clash between the military and youth militants] in certain parts of the Niger Delta. It has not been operating in Ogoni for years. Also recently, from February [2006], it has not been operating in western Niger Delta because of attacks by militants (t16).

He repeatedly accused the company of greed, neglect of its host communities and endangering the lives of its staff because the militants have now resorted to kidnapping oil workers, especially expatriates. This, he explained was a graduation from previous activities, which involved only attacking oil facilities. He expressed fear that in the future it could potentially take other unknown tragic dimensions. He thinks that if the company had started on a positive relationship with its host communities, it could have avoided the current crisis and would have been ‘one happy family’ with its host communities.

**Executive Director of IHRHL**

The Institute of Human Rights and Humanitarian Law (IHRHL) is a non-governmental organization involved in community-based human rights education, research, public interest advocacy, documentation and corporate transformation and activities in the Niger Delta. The Executive Director stated that whenever the region is mentioned, the images of the degraded environment and communities abused by oil
companies, as well as structural violence of the Nigerian state, come to mind. He attributed this to the ‘substandard’ way of dealing with the host communities by oil companies as well as the heavy handedness of the government in ‘sending troops instead of negotiations’ to deal with protesters in the Niger Delta. He concluded that everywhere you go in the Niger Delta, ‘You will see poverty in the midst of plenty, degraded eco-system and an environment without a future’ (t9).

He lamented that in the region, all the tiers of government have not been responsive to the suffering of the people. He cited the case of government officials in Rivers State who prefer to live in Port Harcourt and only visit their constituencies once in a blue moon in tinted vehicles. His organization monitored the 1999 and 2003 elections in Nigeria and concluded that, “Here in the Niger Delta, the people have never elected anybody” (t19). He described the 2003 elections scene as one of political thugs roaming around with AK-47 guns, forcefully rigging election in favor of criminals who claim to be politicians,

In fact majority of legislators from Rivers State and the Niger Delta are cult members. They were cult members in the universities…They can kill because during the last election people were killed. We are witnesses. It is not somebody telling me. We saw these things happen. Some of us had guns pointed on our heads. The people attempted to come in mass to vote for the right people but they were driven away by the violence (t19).

He explained that it would be ridiculous to expect such politicians, who have walked into political offices through violence, to be responsible to the host communities. He pointed out that such government officials also claim compensation from oil companies on behalf of communities but never pass such sums onto the victims, “What we have is a government that does not care about the people, the government that is not transparent, is not accountable to anybody. They feel that nobody put them there and so they can do whatever they like” (t19).
“There is huge corruption racket inside Shell,” he alleged stating that some people within the company do sponsor pipeline vandalization and they make sure the spill was massive so that the company would give large contracts for clearing the spill, so that those within the company and particularly those charged with giving out such contracts, would make financial gains out of it. Similarly, he stated that the company creates conflict within communities through its community officers who would pitch youth groups against one another, “Over a month ago we were sitting on a round table with the Shell new Managing Director and I was telling him this and he said he was not going to disagree with me” (t19). He lamented that some of the spills were never cleared, such as that of the Eneme area in Aba, which occurred in 1969, and up to this period one can dig the crude in the soil. He argued that before the recent escalation of violence in the Niger Delta, there were no cases of sabotage against Shell pipelines as people in the villages were very careful.

When our parents take us to the farm you see big Shell oil pipeline criss-crossing there. You hear the sound of oil moving. It is either moving from one flow station to the other or to the manifold then to the refinery. As children if you are tempted (to touch them) your parents would not allow you to do so. (t19)

He lamented that people in the Niger Delta can no longer use zinc to roof their houses because the flaring gas in the region destroys zinc very rapidly. They have to use asbestos, but because traditionally they collect rain water from the roofs of their houses for drinking, some of them end up having cancer from the asbestos. He stated that some people in the communities used to swim in waters polluted by oil spills while others scoop such water and drink it, believing that it would cure ailments such as stomach pain.

He also pointed out that while the host communities do not benefit from the infrastructure, such as electricity that the company provides for its staff, the oil workers who live in affluence contribute to social ills such as the spread of HIV and child pregnancy due to their financial prowess in an area where people live in abject poverty. He argued that it was the failure of government and the oil companies to treat the host communities responsibly that lead such communities to adopt desperate
tactics, including kidnapping foreign oil workers. He stated that the militants know that if they kidnap a Nigerian legislator or any government official the Federal Government would not be bothered. On the other hand kidnapping foreign oil workers, especially Americans and Britons, would not only put the Nigerian government under pressure and embarrassment but would also give the host communities international publicity,

If they come and hold one legislature (President) Obasanjo would not turn an eye lid, if they hold a governor he would say to hell with you. But when they hold an American and a Briton, Tony Blair would call in, George Bush would call in! The dangerous thing about it is that it is becoming a habit and there is no way it will stop (t19).

He stated that when Shell invited him to make a presentation on human rights issues for their senior management team in September 2005, most of the participants were baffled, saying that they did not know what it had to do with the business case. As far as they were concerned the company has consistently trained them to think in terms of the business case and they wondered why at this stage the issue of human rights was coming up. He concluded that most of them were not aware of issues of corporate responsibility towards the host communities they interact with.

He repeated the allegation that Shell was responsible for the proliferation of small arms in the region; explaining that the company imports such arms and train youths from the host communities on how to use the arms under the guise of using them as patrol teams to man the company’s installations. However, eventually when rival youth groups feel threatened they also look for weapons and the region has been experiencing an influx of weapons and marauding youth gangs. He also stated that Shell brings in ex-military men and mercenaries from the West under different titles.

He cited Stat Oil as the only responsible oil company in the Niger Delta. Despite the fact that its operations were offshore and have no direct contact with host communities, the company has set up a trust fund for a neighbouring community
called Akassa, comprising 19 fishing villages. The community was very happy with the conduct of the company. He stated that a responsible oil company is one that takes the principles of human dignity seriously, irrespective of where it is operating. He argued that this is necessary because the principles of human rights, international humanitarian law and the principle of freedom are all universal. He stated that a responsible oil company must also stand firm against corruption and human rights abuse, notwithstanding under which system it is operating. In addition, it should contribute directly to the development of host communities as well as practice the principle of transparency by regularly publishing how much it makes and how much taxes and royalties it is paying to the state. He pointed out that there was a strong need for all oil companies operating in the Niger Delta to be part of the Extractive Industry Initiative (EII) by removing the secrecy shrouding oil business, in order to tackle the issues of tax evasion, which he accused some companies of, including Shell.

It is very difficult because there is so much secrecy and you may be aware that because of the extractive initiative in Nigeria, they called in auditors, Scottish, British teams of auditors that came into Nigeria to audit NNPC account. I don’t know if you have seen the finding. The findings are terrible; that a lot of money is missing. I saw it in today’s paper (t19).

He charged that Shell has been responsible not only for environmental destruction but also for the destruction of fishing and farming, which is the source of sustenance to the local population. He concluded that the extractive industries play by the rules in the developed countries but subvert such in developing countries by exploiting the institutional weaknesses of such countries. He classified as abuse of human rights the relocation of people by mining corporations in Ghana and Nigeria without giving them appropriate compensation. He argued that such issues have to do with human rights, “That is human right as well, which is also economic and social right. Like I said it’s happening in Texas, it is happening in North Sea Oil, it is happening in Netherlands. We have gone round. Why not here? Is it because it is Africa?” (t19).
He maintained that social responsibility should be seen as right-based and not just a gift because members of the communities as human beings deserve a share of whatever the company is making, before the oil runs dry and they leave behind a mutilated environment. He suggested that the on-going massive crude oil theft, called bunkering, going on in the Niger Delta was being carried out through the connivance of the oil companies and some top government officials in Nigeria, “Shell is involved in bunkering, Agip is involved in bunkering” (t19). They do this by bribing different categories of people, including members of security agencies in the region and drilling experts - “the middle level captors” - from the oil industry with the technical knowledge of carrying out the operations. He believed that the layers of government security agencies in the region should make stealing crude oil in the creeks as difficult “as dealing with the rock of Gibraltar” but because of the corruption “with naked money flying around” and connivance of different actors, it is going on smoothly.

He cited the Nigerian President confirming the existence of bunkering when he boasted that he had reduced the daily bunkering from over a million barrels a day to about 600,000 barrels. He pointed out that Shell make the Federal Government pay for whatever the company claim to spend on CSR under the 60:40 joint venture. He also stated that the DPR, due to inefficiency, does not know how much oil Shell is drilling in Nigeria and he alleged that the company has been short charging the Nigerian state by including dubious expenses and not allowing a transparent process on monitoring how much oil it takes out from the region. He concluded that the weak Nigerian state is being exploited by Shell and the company is dishonest and fraudulent in its disclosure of its operations in Nigeria.

So the crux of the matter [is] you don’t know how much oil we make at the end of the day, you don’t know how much oil you sell. Shell runs all the expenses….the DPR tells you that they don’t even have equipment to handle the work they are supposed to do (t19).

He narrated how in his presence a DPR spokesperson told President Obasanjo the department does not have the necessary equipment to carry out its task and has to
plead with oil companies to use their helicopters and other operational equipments in order to carry out any inspections. His main regret was how the struggle initiated by NGO’s such as his in the Niger Delta was currently being hijacked by those he described as violent young men. He attributed this to the failure of government and oil companies to take the non-violent agitations seriously but it is now forced to take armed militants as representatives of the interest of the people of the Niger Delta.

In this chapter I have presented the voices of the people from the oil producing areas. In the next chapter, I will present the data from the non-oil producing parts from my interviews in Lagos and Abuja. In Lagos my respondents were mainly from Nigeria's senior and junior oil union workers while in Abuja my interviews covered the views of some of the key federal legislators concerned with the Niger Delta issue.
Chapter Six

A Visit to the Heart and Soul of Nigeria

In this chapter I will reconstruct for the reader my impression of Nigeria’s two most important cities based on my experience and observation. Importantly, I will present the data I have collected from interviews I conducted in the two cities. These were the only two cities where I conducted interviews outside the oil producing parts of Nigeria. I referred to Lagos as Nigeria’s heart because it is the jugular vein of Nigeria’s economy while I interpreted Abuja as the country’s soul because of its centrality, significance to its national unity and identity as a nation.

Lagos: Nigeria’s Commercial Capital and Former Federal Capital

The port city of Lagos is Nigeria’s commercial capital and former federal capital before the latter was moved to Abuja in December 1991. It is the artery of Nigeria’s economy. Over 90 per cent of Nigeria’s import and export pass through its ports. It was one of the rowdiest cities in Africa with population estimate ranging from 5-15 million. Nigeria’s census data is one of the worst in the world and cities like Lagos makes it harder to keep the figures accurate as people flock daily in and out of the city in search of opportunities. I flew in from Port Harcourt, which took me about an hour compared to the 12 hours it would have taken by road. This is in addition to the likelihood of road accidents and armed robberies, which are a daily occurrence on the road. Although located separately, both the National Union of Petroleum and Gas Workers (NUPENG) and the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) curiously have their head offices in Lagos, rather than in the Niger Delta where the oil workers are concentrated.

NUPENG is the labour union representing the interests of all junior staff in Nigeria’s petroleum and gas industry. The organization has a membership of about 30,000. On the other hand, PENGSSAN, which was also set up in 1978, has 20,100 members with four administrative branches (Lagos, Warri, Port Harcourt and Abuja) and 98 branches across Nigeria. In 2002 the two organizations signed a memorandum of
understanding, establishing an umbrella body called NUPENGASSAN with the aim of working together to harmonize their positions on matters of interest to the two bodies in the oil and gas industry (Pengassan 2006).

I made a phone call to the NUPENG President while in Port Harcourt and he gladly gave an appointment for an interview in Lagos. On the morning of the interview I did the usual haggling with several taxi drivers over prices for a drop. In Nigeria most of the taxis are very old second hand imported cars, nick named “tetanus” (due to their rusty appearance) and do not use meters. The amount one pays depends on how good you are at bargaining. I boarded an old taxi from Ikoyi, a rich suburb to another part of the city called Yaba (Jibowu) where NUPENG has its head office. I struck a conversation with the taxi driver who tried to explain to me his plan on avoiding traffic congestion which was a daily nightmare in Lagos. I had lived in Lagos before for over a year but was not very conversant with many of its different parts. The average young Nigerian graduate will tell you that it is a city of their dream, which may equally turn out to be a nightmare, with stories of opportunities and quick riches. Although currently with the relocation of the federal capital, Abuja is fiercely competing with Lagos as Nigeria’s centre of attraction for armies of graduates and unemployed youths in search of white collar jobs.

As we drove across the long bridge (called the Third Mainland Bridge), I had a clear view of the marshy city surrounded with water, with its contrast of riches and poverty. On one side one could see Victoria Island (VI) on the shores of the Atlantic Ocean, with its glittering splendour of high rise buildings housing banks, offices of multinational companies, government lodges and residences for the rich. This is in contrast to the other parts, especially those with tattered rusty zincs that would likely be mistaken for the black neighbourhood of Johannesburg during the apartheid era. I could see logs floating in the great dirty mass of water below the bridge drifting slowly, as if by conspiracy, towards the poor neighbourhood. It was a picture of dirt and squalor compared to VI that one can easily mistake for London or Riyadh. Lagos is an excellent example of unbridled capitalism, in a densely populated developing
country that could be compared to the rowdy and congested cities like Dhaka or Bombay.

Interview with NUPENG National President

The building housing NUPENG National Secretariat was moderate and after the usual 10 minutes wait at the reception, I was taken to the office of its President, who also introduced me to the Secretary General of the organization, with whom I also had an interview after I was through with the President. My interview with the national president lasted for about 45 minutes amidst interruptions from telephone calls.

He started by informing me that among workers in the oil and gas industry, the views on the nature of relationship between oil companies and managers on the one hand and that of oil companies and workers on the other differ. The two categories have different views but he accused those in management positions of making claims that cannot be substantiated with facts. He classified the companies into three categories: multinationals, indigenous and oil servicing companies.

He further broke down the multinationals into three categories; British, American and what he described as the Asian tigers. He explained that the American oil companies operating in the Niger Delta are renowned for their “hire and fire” (t12). They do comply with American laws in their operations in Nigeria but when it comes to paying wages they would apply Nigerian laws, which is more favourable to them. Although they do actually offer good wages to their Nigerian workers they do so “without human face in the Nigerian context” (t12), in the sense that in resolving any issues with workers they would stick to the technicalities of the law, rather than being flexible in finding fair solutions.

He described the British companies, particularly Shell, as having very ‘mature’ relations with workers and ‘good’ policies that are ‘labour friendly’. However, he pointed out that Shell too derived most of its policies from its country of origin which are sometimes difficult to adapt to the Nigerian situation, “For example the major
problem we are having in the industry now is the use of contract workers” (t12). Although employing contract workers may be a common labour practice in the advanced countries, it has severe and adverse consequences for such workers in Nigeria. This is largely due to the fact that the recruitment agencies in Nigeria are not being properly monitored by the appropriate agencies and the laws relating to minimum wage are not being enforced. Consequently such workers get exploited by being grossly underpaid and sometimes go for months without being paid for work done.

The local conditions in Nigeria makes contract labour a means of collecting huge amounts from the companies by recruitment agencies that were haphazardly formed as fronts for oil company managers to make huge profits from the process. The fact that unemployment and underemployment is a constant problem in a country with no social security system for its citizens also combine to make the huge armies of unemployed youth take whatever is offered, even though at the end of the day if the recruitment agencies refused to keep up to their mean obligations, such workers can only suffer in silence. The labour standard and the prevailing economic and social environment that makes contract labour acceptable in developed countries are hardly obtainable in Nigeria. The idea of contract staff, which all the oil companies in Nigeria are adopting, is leaving the majority of the workers impoverished. The companies can always claim and produce records that the pay much for labour to the recruitment agencies but the contract workers end up collecting a tiny fraction of the pay. He stated that,

Shell is doing very badly when it comes to contract workers and has refused to have condition of service in place for its casual workers. They claim that the workers are not their workers but I can assure you that in most cases Shell recruited this people and they assign them to a vendor and they claim that they are staff of these companies, which is not acceptable…I am sure in Europe and America they cannot do that (t12).
He argued that even where Shell outsource its workers from a vendor it usually gives it to agencies that do not have the required technical and financial competence to run such jobs. He identified the issue of contract labour as the main outstanding problem his union is having with Shell. He described the disparity in wages between the contract and permanent staff as unacceptable,

It is painful because we believe that these workers are fellow Nigerians. They deserve a living wage. The disparity is so much and honestly, like I keep telling them, our wives and their wives go to the same market and their children and our children go to the same school and this is a real problem because the contract workers are more in number. The package for the contract staff cannot pay for their accommodation and transport and they have a saying, ‘your take home pay cannot take you home’ (t12).

However, in response to the agitation by the union, Shell established what it called direct hire staff, which get a better package than the casual staff, but this increases the company’s staff categories from two to three. However, the contract staff are more in number than the permanent and direct hire staff put together. Conversely, when it comes to permanent (pensionable) staff, he is of the view that the company treats all its workers fairly. There is no discrimination as to whether one is a junior or senior staff. The single staff structure ensures that all welfare packages are being paid to everybody. In the past Shell used to operate the double staff structure whereby junior staff has their canteens, toilets and other facilities separate from those of the senior staff. Other forms of discrimination in the past, relating to the use of the company’s aircraft and medical facilities, were practised but now it has the single staff structure, which ensures equal access to facilities for all. He thinks that the single staff structure has fostered smooth relationships and improves productivity for the company. On recruitment, he stated that the Shell policy is strictly based on merit,

Like I told somebody just last week – because I work for Shell – the recruitment system is quite transparent. If you are good you can get a job in Shell. If you are good while working in Shell the sky is your limit. Criteria for promotion and placement are quite transparent (t12).
His union has little to negotiate with Shell over the working condition of the pensionable staff because the company has effective internal mechanisms for salary adjustments and the warm relationship with the staff ensures that all issues can be tackled in-house, without his union having to interfere. He contrasted what obtained in Shell to the situation in government and one-man owned oil companies where he said other factors determine who gets recruited or promoted. His union believes that Shell is paying its permanent staff well compared to what is obtained elsewhere in the industry, “But when it comes to comparing with other countries, I think we are not doing very well. When I say Shell [permanent] staffs are happy, I am not saying there is no problem. There are issues but because of mature industrial relations atmosphere these issues are mutually addressed” (t12).

He expects oil companies to take their workers as their greatest assets and keep them motivated. He tried using Mc Gregor’s theory X and Y to substantiate his argument on the importance of motivation [theory X argues that workers are inherently lazy, likely to avoid work and need to be closely supervised while theory Y assumes that workers enjoy their work and are willing to take responsibility without being supervised]. When it comes to dealing with its host communities he thought that the problem does not only lie with oil companies but the failure of government to provide basic infrastructure for its citizens meant that “the perception of host communities is measured by societal failure.” He also accused the oil companies of exaggerating what they are doing in terms of CSR, “especially when it comes to workers’ welfare” (t12).

**NUPENG National Secretary**

He explained that his organization has about 16,000-20,000 workers. For the workers who are on full time employment the union use collective bargaining to reach agreements with the particular company on issues affecting the workers. Negotiations are carried out at individual company level rather than on collective industry level and not at the national industrial relations council. He stated that each of the multinationals
prefers to negotiate separately with its workers rather than doing it collectively with other players in the industry. He declared that as far as the conditions of service for full time workers are concerned, the companies "have not been doing badly" (t13). However, on the issue of contract workers, his union was not satisfied with the companies because the latter prefer to appoint agencies to provide labour. These agencies pay "peanuts" to such workers. His union always tries to negotiate on behalf of such workers but little was achieved because they were unable to get guarantees of job security for such workers. The agencies can fire a worker at short notice, even after working for the company for as long as five years, by simply stating that their services were no longer required.

He explained that Shell, where the President of NUPENG comes from, has about 2000 such casual workers most of whom are graduates doing skilled jobs for the company. But the company consistently refused to negotiate with the union over the fate of such workers, “The contract staff in Shell are suffering. They are paid a pittance wage in comparison with what is obtainable with permanent staff". (t13). The union has been requesting the help of the NLC and the Ministry of Labour in resolving the issue of casual workers but very little was achieved over the years. For the pensionable staff, they are entitled not only to pension and gratuity, but the companies also offer them another form of contributory saving scheme as well as the last "hand shake," a voluntary sum paid to staff leaving work as a gesture of goodwill. For Shell, in particular, the company also allowed its staff to use its facilities such as aircrafts, boats, clubs and guest houses but, "If you are going for holidays I don't know of that!" (t13). He described such as part of what the workers consider as the company's social responsibility gestures. But he pointed out that the casual staff are not entitled to use such facilities at all. He expects a responsible oil company to ensure industrial relations stability not only by taking good care of its permanent staff but also by allowing its casual workers to get unionized so that they can engage in collective bargaining and through ensuring that all the agencies that provide it with workers agree to adhere to such principles.
Similarly, the oil company involved should bear the responsibility of ensuring that the agencies pay the casual staff a reasonable wage and do so as when due. He suggested that the casual staff should be paid at least half the wage being paid to their counterparts who are on the permanent list. He admitted that some of the jobs available are seasonal by nature and he expects the companies to have casual staff but emphasized that such staff should be paid well so that they can make some savings before their contracts expire. Similarly, he believed that oil companies should be directly involved in promoting economic empowerment through projects such as construction of fishing ponds in order to ensure that members of host communities are being compensated for the economic loss being wrought by activities of oil companies, such as oil spills. He criticized giving out cash compensation to few people and advocated for projects that would benefit the greatest number of people within such communities. He argued that companies should extend facilities such as electricity and water supply from their stations to host communities as well as assist in grading roads and building schools, “Then they will see you as somebody who is interested in the welfare of the community and they will protect your business” (t13). He maintained that it was the ruthless exploitation of the resources of the host communities and the refusal to employ members of those communities that was responsible for igniting the on-going uprising against oil corporations in the Niger Delta.

**National Deputy Secretary General PENGASSAN**

He was very philosophical in approach, insisting that the relationship between labour and capital cannot be cordial because the companies would always try to exploit labour in order to maximize profit while the workers would always feel exploited and advocate for better wages and conditions of service. Inevitably the relationship would be marred with conflict that industrial relations is supposed to contend with. Specifically, he stated that the relationship between his union and Shell had not been a good one, pointing out that in 2005 alone the company laid off 500 of its permanent staff of Nigerian origin, which he described as “just a ploy to remove Nigerians from the organization and bring in their brothers to fill in these positions” (t30). He insisted
that Shell has always been exploiting weak Nigerian laws in order to bring in expatriate workers rather than employing Nigerians who are qualified for such positions. He also explained that although a casual worker is defined as someone who works for a period between one and six months, Shell employ workers who serve for as long as six years but still classify them as casual staff, “We think that if you hold somebody for more than a year you should [make] permanent his employment” (t30).

He argued there was nothing the oil companies are offering to their workers voluntarily at the moment because those things that the companies consented to offering their workers come in only after bitter struggles and he pointed out that the workers actually deserve such things. He rationalized that Shell was offering its staff the use of its aircrafts, boats and guest houses only as a form of motivation, “May be they say you want to travel okay come and book our flight. May be the flight must have gone empty. So, what are they talking about the things they are doing for their expatriates which cannot be quantified?” (t30). He insisted that the Nigerian staff are collecting a pittance compared to what the company is paying its expatriate workers, notwithstanding the fact that the expatriate workers do enjoy some social safety nets in their home countries, which Nigeria is not offering her citizens,

In Nigeria the employee is totally responsible for his own upkeep. In fact you are a municipal of your own. You have to produce your own water, generate your own light and other things, so the multi national are not doing anything at all (t30).

He insisted that after converting the wage into dollars, the Nigerian workers are actually earning very little compared to both what the company get out of their labour and what it pays to its expatriate workers. He added that this is in spite of the fact that in Nigeria the production cost per barrel is just about $4, compared to about $12 in Europe and America. He described Shell as “a kind of infinite entity” whose presence can only be tangibly seen through its workers. He pointed out that it is the company’s workers who get kidnapped and bear the brunt of all the hostile acts by the communities. He described workers as the company’s stakeholders and suggested they
should be paid same wages that the company is paying its staff globally. He also believed that the company should do something for their host communities. He expects a responsible oil company to improve the lot of its staff and host communities.

The Comrades
He was one of the several senior union officials I met at PENGASSAN headquarters. He dismissed the argument that Shell offers its staff free facilities, such as use of aircrafts and guest houses, pointing out that the company is charging the Nigerian state for all such services as part of its production expenditure, “They charge you even for the air you breathe in your office. They charge you for it and charge it back to the government” (t31). He alleged that rather than making the government pay sixty per cent of total expenditure, Shell is making it pay 100% and still making extra cash through tax concessions and duping the government through the ‘unaccountable system’ through which it is running the joint venture. He pointed out that the company bring in a lot of expatriate workers under the guise of having a philosophy of a global work force but refuses to ‘globalize’ its salary scale by underpaying Nigerians, “Let there be a common denomination of payment to everybody in the industry. What we have right now is you see a graduate of five years who is an expatriate and he earns a salary more than a hundred times than a Nigerian who is even a manager who graduated even before he was born!” (t31). The other comrade sitting with us maintained that in reality Shell is not operating the 60:40 joint ventures with the Federal Government. The company inflates the cost of the drilling equipment and other services it uses in its operations and the Nigerian government has no way of ascertaining the actual production cost incurred. In the end the government is being made to pay 100 % of the total cost.

Department of Petroleum Resources (DPR) Man
The Department of Petroleum Resources (DPR) man explained that his department was responsible for enacting as well as implementing the relevant laws guiding the operations of Nigeria’s petroleum industry. The role of the department is to monitor and regulate the operations of the oil companies operating in the country. Similarly, it
is also saddled with the responsibility of settling disputes between oil companies and their host communities. However, where an agreeable resolution could not be reached, the parties retain the right to go to court. Other functions carried out by the department include granting oil prospecting and exploration licenses, overseeing the lifting of crude oil and gas being exported, as well as monitoring the quality of refined petroleum products being sold within the country.

He explained that the host communities were really angry because of the damage the activities of the oil companies are doing to their environment, especially that which negatively affects their farming activities and source of drinking water. Similarly, they were also angry at the Nigerian government for not doing enough to protect them from the negative impacts of the operations of the oil companies. He stated that the oil companies and the host communities are always at logger heads over issues with each defending their interest and the government that was supposed to settle such issues always preferred pacifying all parties rather than enforcing sanctions on the erring ones. He said the government is adopting this attitude in order to protect its business interest with the multinationals. He disclosed that the kind of issues the DPR has been handling between oil companies and their host communities largely had to do with those of environmental degradation.

He argued that CSR is supposed to be voluntary but if a company makes such commitment then it is duty bound to keep it. Although he agreed that it is the sole responsibility of the government to provide infrastructure for the host communities he also urged companies to invest something into their host communities so as to “make the environment good for business” (t20). He believed oil companies can contribute towards offering social services that would improve the social conditions in the host communities, such as offering scholarships to indigenes. All my attempts to make him give examples of particular cases the cases DPR has been handling in relation to disputes with host communities over environmental issues failed. Similarly, he avoided responding to some of my questions either because he was afraid of doing so
or because simply he is not conversant with what is going on in the department, or so I must assume.

**Abuja: The Glittering Capital City Built from Oil Wealth**

Abuja, located at the centre of Nigeria, is probably one of the best capital cities in the world but definitely the newest. Though obviously richer, London and Riyadh would look old and antiquated in comparison. The 16-year old city was built from scratch with oil wealth. In 1976 the Federal Military Government promulgated Decree No 2 which paved the way for clearing a vast virgin territory at the centre of Nigeria in order to build a new federal capital. The decision was informed by the fact that Lagos, Nigeria’s former capital, was not only over-congested but was also serving as a state capital as well as federal capital. In addition, it was Nigeria’s principal sea port and centre of industrial and commercial activities. A sort of an island on the shores of the Atlantic, Lagos had been stretched to its limits and could no longer expand to absorb the influx of government, business and population entrants. Multinational construction companies were awarded huge contracts to build Abuja. Indeed some were actually paid in crude oil.

Though still under construction, in 1991 the Federal Government under General Ibrahim Babangida finally moved the seat of government to Abuja. Since then the city has been expanding at a very fast rate. It has become a centre of attraction not only for Nigerians all over the country but for the entire African content. Abuja is usually the preferred venue for meetings and hosting conferences by regional and international organizations. The city has hosted Commonwealth Heads of Government meeting, African Union, EOWAS meetings, etc to mention just a few. Other African leaders marvel at its beauty and the craze of oil wealth that it displays. Nigerians see Abuja as a symbol of national unity, indeed its soul. To many, the city looks too good to believe, almost like a Walt Disney simulated cartoon unfolding sequences of quick transformation of thick bush, with rocky terrain being converted into a fairy-tale like sprawling city. Its beauty of glittering sky scrapers, overhead bridges and newly tarred wide roads with undulating landscape was utterly breathtaking. Everything in the city
glitters anew. With more oil money being pumped in, the city is expanding rapidly such that with every passing week vast parts of the African savannah were being transformed into the image of a modern capitalist city, with all the associated glitter and glamour. Nigerians have always complained that three A’s (Abuja, Ajaokuta-a giant still industry that never took off- and the Army, which has been ruling the country) have devoured all the country’s oil wealth and a visit to Abuja would attest to that. However, this is just one version of Abuja’s story. The other side of the city, which most Nigerians experience, bears opposite metaphors. The inner city known as FCC, comprising of Garki, Wuse, Asokoro and the Central Business District, was designed to accommodate about 400,000 people at its phase of development in 2005 but it has a population of over a million, while the entire Federal capital Territory (FCT) has over 7.5 million dwellers. Shanty towns and ghettos spring all over its fringes, circling the city like ants round a cube of sugar. Only the very rich and top government officials live within the inner ring. The majority of the population lives in the so-called satellite towns, devoid of basic infrastructure such as water, electricity and sanitation. Every morning the traffic flows in one direction, with miles-long queues of vehicles conveying civil servants, workers, the unemployed and even professional beggars into the city. By the close of the day the traffic makes a u-turn towards the satellite towns, conveying tired and exhausted passengers, who still dream of getting rich and one day living within the inner city. Though the city was planned with the help of Japanese architects in order to avoid the problems afflicting Lagos, the duality of Abuja would make the architects of apartheid (who pioneered the cities in South Africa, with their surrounding poor shanty black townships) seethe with envy. The discrepancy between riches and poverty, glitter and stench, akin to apartheid, was an appalling example of an emerging post colonial state guided by the philosophy of crude capitalism.

It was in this city that I met some federal legislators from the Senate and House of Representatives who granted me interviews. The National Assembly, as the abode of the federal legislators is called, was located next to the Presidential Villa, refereed to
as Aso Rock. It is a massive complex housing the two federal chambers with legislators from Nigeria’s 36 states representing over 250 languages and nationalities that constitute the Nigerian state as created by the British from five pre-colonial empires. Every legislator has their own chambers with a retinue of staff who usually come from their constituency. The National Assembly is always milling with crowds of favour-seekers, local politicians who have come to see their political masters, idle curious wonderers, and the unemployed who are looking for notes from their honourable reps or distinguished senators (as we fondly address them in Nigeria) to attach to their applications to prospective employers.

After leaving my car in its massive car park, I walked to the main entrance of the complex. I found a queue of people trying to gain access, with not-so polite security guards asking for identification and purpose of visit. Based on my experience in Nigeria, I always take my press and Ministry of Foreign Affairs identity cards. I quickly flashed one of my identity cards and was asked to proceed without further interrogation, but not before having the metal and explosive detector scanning my body. As I went in, I found large groups of people hanging around the main corridors chatting, as if it were some floor of a stock market. As no maps exist in this modern city and its offices, I had to ask for directions to the section where I would find the members of the Niger Delta Committee. After booking for appointments, I succeeded in interviewing the Chairman of the Senate Committee on the Niger Delta, the Deputy Chairman of the House (of Reps) Committee on the Niger Delta and the Secretary of House Committee on the Niger Delta. They were all very open and very willing to respond to all questions. All the legislators looked very much like the crafty Nigerian politicians, exuding the skills of professional players necessary for survival in the complex national politicking arena.

The committee on the Niger Delta is shouldered with the responsibility of keeping an eye on the activities of the Niger Delta Development Commission (NDDC), an agency set up by the Federal Government in order to redress the suffering and environmental degradation in the Niger Delta. The oil producing states are nine in number. The
revenues that come from the oil derived from these states constitute about 90% of all Nigeria’s foreign exchange. The NDDC is funded by contributions from the Federal Government, which pays an equivalent of 15% of the total monthly allocation from the Federation account being given to the 9 states in the Niger Delta. Other contributors included all oil companies operating onshore and offshore, who give 3% of their total annual budget) and 50 % of all funds from the Ecological Fund due to the NDDC member states (Nyong and Oladipo: 2003). Several bodies were set up in the past by successive government to develop the Niger delta but little was achieved. The predecessors to NDDC include the Niger Delta Development Board (NDDB) in 1961, Niger Delta River Basin Authority (NDRBA) of 1976, the Presidential Task Force on the Niger Delta (PTFND), set up in 1981 and perhaps the most well known, OMPADEC, in 1992. The NDDC is different from the previous bodies in that it plans to come up with a comprehensive development master plan for the region. However, the problems in Nigeria have never been with the construction of such plans as much as with their actual implementation.

**Chairman, Senate Committee on the Niger Delta**

He stated that Shell had been having cordial relationships with its host communities in his home state: Delta State. He stated that the company had been operating in the state for a long period and had been providing some social amenities to its host communities as well as scholarships. However, for being the leading oil company in the state, much was still expected of it by the communities. I informed him that other communities I visited in the Niger Delta complained about Shell doing very little, he responded, “Well, I do not see any conflict in that. If you renovate or build a primary school today, tomorrow you may produce more. There is nothing wrong; it depends on the requirement of the people of that area. We don’t have much of such a conflict of interest” (t23). When I pointed out to him that Shell workers live in secluded enclaves, with all facilities such as electricity and potable water, while their surrounding host communities live in darkness and drink water from the streams, he replied,
That is not fair, that is rubbish! How do you see a scenario where a community is staying in darkness and you prowl through the community to where the Shell people are living and see that they have light there? They won’t know peace. They are supposed to also make sure that people in that community are happy. They should interact with them and even be part of the community. I think it is a duty they should take to ensure that those communities are made to enjoy some of those social amenities which their workers do enjoy (t23).

He expects a responsible oil company to strive to live in peace and harmony with its host communities in addition to paying its taxes and royalties to the state. Similarly, he expects the company to train Nigerians over time so that in the near future they can take over the oil industry in the “country because there is a limit to which you continue to use foreigners for the exploration of oil in the Niger Delta” (t23).

**Deputy Chairman House Committee on Niger Delta**

He argued that the Niger Delta has been on the receiving end, largely because of the failures of past administrations, particularly the military, “If you go to some of the areas in the place, you will marvel at the level of decay in the environment” (t21). He stated that oil companies should not bear the blame for the degradation and suffering in the region, “For Shell and other oil companies, I quite agree, to be very honest here that they have been doing their best. They cannot be or play the role of our government. They are business organizations. The situation in the Niger Delta is government’s failure and not the oil companies. And government’s failure is as a result of enormous corruption in the system” (t21). He defended the oil companies by stating that as corporate citizens they not only pay their taxes and royalties but that they also contribute 3 % of their annual budget to the NDDC, in addition to other developmental projects they fund directly. He suggested that blaming oil companies was simply akin to chasing shadows and attributed the problem to rulers, who mismanage public funds,

Most of them steal this money and put in frivolous and extravagant projects that don’t really impact on the people. These are the real problems much than one can blame the oil companies…. And when
this money is embezzled, he now blames the oil companies. The citizens, because they are ignorant, see companies as being the cause of their problem; they are not (t21).

He stated that within the last 4 years the 9 states in the Niger Delta region have collected over $4 billion, but have very little to show for the funds, “There are some states you go like my state, Abia, which is also part of the Niger Delta zone; you will be surprised at the extent of decay” (t21). He pointed out that if the government had been investing the oil revenue in the region, the crisis being experienced could have been averted. He concluded that based on the data made available to his committee, the NDDC is doing very well within the limits of the resources available to it, but it needs time to right all the wrongs in the Niger Delta. I pointed out to him that Shell itself admitted that about 300 spills occur annually, it has problems of asset integrity, and not all the spills are properly cleaned up. Equally Shell was not willing to share its facilities with its host communities, which really make the communities angry and frustrated. He responded,

My dear brother, there are so many things you see in Nigeria. There are situations where people intentionally blow up pipes so that there will be spills in order to come back and ask for compensation. There is a limit to what the organizations or companies can do if these pipes are blown up by human beings (t21).

He argued that if the leakages were a result of equipment failure, Shell could have managed such easily. He blamed individuals and criminal gangs in the region for deliberately blowing up pipelines in order to give the company a bad name and turn round to seek for compensation, a situation he described as overwhelming the company. He suggested that rather than communities expecting Shell to provide them with electricity from its facilities, they should demand that the government provide them with electricity that can effectively match what Shell has, especially for the fact that the government gets a larger share from the oil revenue than Shell.
He stated that he is against companies engaging in CSR projects but he thinks that if a company tars a road to its flow station and the community ends up using it that is CSR. He argued that the 3% contribution to the NDDC is another huge CSR gesture by the oil companies. He maintained that there is a limit to what companies can contribute to communities through CSR and indeed they should only do so as long as it does not harm their business interest, adding that, “If they close shop, what will Nigeria do?” (t21)

However, he suggested that a responsible oil company should assist the government in providing infrastructure wherever it can, as well as ensuring that they curtailed damages being done to the environment by their operations. But they should only do so as long as it allows their business to thrive. Similarly, he expects oil companies to put pressure on the government to live up to its responsibilities towards its citizens. He argued that though in the past the oil companies may have done business with military regimes without caring about the welfare of their host communities, now things have changed with the advent of democracy. He stated that if the state and local governments were currently doing as much as the federal government and oil companies are doing, the Niger Delta would have been a far better place than what it is now.

He reiterated that even if Shell is corrupt, that would be the rule rather than the exception and precisely what one would expect, because Nigeria has a corrupt environment. Hence every investor that operates in the country is likely to be afflicted with a dose of such an ailment. He described Shell as part of the Nigerian system and by extension a player in the game of corruption, but he would rather not blame the company and instead blamed the successive governments in Nigeria responsible for perpetuating such a system, “You don’t blame Shell; you blame us because we make the policy, and then enter into agreement with them. If they short change us, it is because of our own corruption and inefficiency. But all said and done, I will also say they have equally contributed positively to the economy” (t21).
He pointed out that if the Nigerian government had lived up to its responsibility, by now the NNPC would have been competing effectively on its home front with companies like Shell, which was not the case at the moment. He believed that it was the careless attitude of the Nigerian government that made companies like Shell take the country for granted.

**Secretary House Committee on the Niger Delta**

He explained that his committee had been touring the Niger Delta in an effort to monitor how the funds allocated to NDDC are being expended. In the past the committee had to summon the oil companies over the non payment of their 3%, but thereafter the companies complied. However, he stated that the Federal Government is not keeping up with its pledge to contribute its 15% share, as stipulated in the Commission’s Act, and the government still owes the commission a lot of money. He maintained that environmental degradation and the failure of Shell to keep to its pledge, as agreed in MoUs with host communities, were largely responsible for the sour relationship between the company and its host communities.

He stated that recently the Nigerian Senate ordered Shell to pay $1billion as compensation to some oil producing communities in the Niger Delta but the company refused and the matter was taken to court, “The court directed them (Shell) to do so. Till now they have not done anything. That should show you the kind of organization Shell is. You should know what an organization that doesn’t take the ruling of the court seriously can be” (t22).

He thinks that Shell’s CSR projects were not only inadequate but also did not take into cognizance the needs of the host communities. He believed that the company embarked on projects that were not of any priority to its host communities, and that was why the agitation continues to increase. He likens Shell CSR gestures to offering a gift of a suit to a man whose children are starving, rather than of offering him food, and attributed this to non-consultation with host communities before embarking on community projects. He expects a responsible oil company to consult with its host
communities before embarking on anything that would affect them, as well as ensuring that it manages any environmental degradation that results from its extractive activities effectively.

Federal Government Security Chief

The Federal Government Security Chief is a senior Director in the Federal establishment. He was the head of a security panel comprising all the heads of the security agencies in Nigeria, as well as chief executives of multinational oil companies operating in the country and the Governors of the oil producing states. The panel was set up by the Federal Government in early 2000, following the rising violence in the Niger Delta characterized by kidnapping of oil workers, blowing up of pipelines and attacks against Nigerian security forces deployed in the region, by militant groups. The panel was saddled with the responsibility for coming up with a lasting solution to the crisis in the Niger Delta. The task took him over the entire Niger Delta and his panel also met with other stakeholders in the region such as traditional rulers and representatives of ethnic-based militias. The summary of their findings was submitted to the Federal Government.

I met him in his office in Abuja, within the presidential enclave called Aso Rock. It was one of the newly built glittering offices, reflecting the country’s oil wealth, built by Julius Berger - a German multinational construction company that built most of Abuja, from the presidential palace and national assembly complex to the ultra-modern numerous over-head bridges and network of tarred roads in the city. He described Abuja as evidence of, “money well spent.” A medium sized smartly-dressed, dark-complexioned gentleman in his late 50’s, he looked every inch the professional civil servant. He was ready to respond to earnestly to all my questions, after reminding me that he is still an employee of the Federal Government and would not like me to mention his name. I assured him that ethical considerations would not allow me to disclose the identity of my respondents. He was not ready to give me the findings of his panel because, according to him, they related to contents of a still
classified document. However, he assured me that in responding to my questions he would give me his own honest assessment of the situation based on his understanding. He maintained that an oil company should ideally only pay its taxes to the state and it should be the responsibility of the government to take care of its citizens, but stated that oil companies in Nigeria, including Shell, had to engage in philanthropic activities in their host communities due to the, “neglect by those constitutionally charged with such responsibility.” (t34). He stated that, “From what I saw and learnt when I visited the area, Shell has been operating responsibly in the Niger Delta because it is doing what is normally expected of it and has even gone further” (t34). He laid the blame particularly on the local, and then state, governments for the appalling conditions in the host communities. He insisted that the Federal Government is only supposed to offer assistance in emergency cases, by way of supplementing the primary role of the local and state governments. He stated that the host communities are attacking Shell because the company is seen as an easy target and they are not facing any consequences for doing so.

He pointed out that the relationship between Shell and its host communities is not cordial because, “The communities see Shell either as part of the Federal Government or as an agent, which in reality is not the case. However, the communities are aware, correctly, that if pressure is put on Shell, it will affect both the federal and state governments.” (t34). He identified six problems which he emphasized, “have combined together to create a rather messy situation” (t34). These include the following:

1) Nigeria, as political entity, is constitutionally supposed to be a federal state, but in practice is operating a unitary system.

2) The mangrove, swampy terrain of the Niger Delta, which inhibits physical infrastructural development;

3) Environmental degradation as a result of the operations of the oil companies, which has negatively affected fishing, the main occupation of the peasants in the region;
4) The politicization of resource allocation at the national level, which contributed to inadequate funds being allocated to oil producing states;
5) The host communities who are misdirecting their anger at Shell and the Federal Government, instead of holding their local and state governments accountable for their predicament; and,
6) The agitation for resource control which led many youths to taking up arms and thriving criminal activities, such as oil bunkering and hostage taking, which has now grown into a lucrative industry of its own.

He made some suggestions including making the states more autonomous and reducing the concentration of power at the Federal level. He also insisted that Nigeria should embark on aggressive tax collection, instead of relaying solely on oil revenues as is the case at the moment, so that more resources should be allocated to the oil producing areas. In addition, he recommended that the government should allocate more resources to security agencies to enable them, “clear out the criminal element of the Niger Delta problem.” (t34). He reiterated that the oil revenue that the country is relying on is,

Too small to cater for the problems of a huge country with a population of 140 million. Consequently, there are many areas crying for attention which government does not have the resources to attend to. While it may be true that a lot of money has been stolen over the years, the total is not that significant to make a marked difference on the economy as a whole. (t34).

Although he maintained that the entire country, with the exception of Lagos and Abuja (as previous and current federal capitals respectively), remains underdeveloped, he recommended that the current revenue derivation formula, which gives the oil producing states 13%, should be reviewed to 20 or 25% but should be closely monitored. However, he described the call for resource control by the militants in the Niger Delta as an unbalanced argument, stating that although in countries like the US and Canada individuals do own oil wells, in “economies which are more like that of
Nigeria such as Saudi Arabia, Libya, Algeria and even China it is the central
governments that own all oil resources. I think Nigeria has to find a middle way
between the two examples cited above.” (t34). He concluded that Nigeria is “a young
nation comprising many diverse ethnic groups with divergent interests and points of
view” and recommended, “Consultation, patience, maturity, a sense of fairness and
justice” in addressing its problems (t34).

Conclusion
In this chapter, I have presented the different views of my respondents who cover the
different categories of Shell’s stakeholders outside the oil producing areas. I tried to
do this without too much analysis in order to give the reader the chance have a clear
idea of the different versions of the stories they are presenting. This usefulness of this
approach will become manifest to the reader as we move to the sections on data
analysis and its discussion. In the next chapter, I will explain my theoretical
framework - theories of representation -, which I used in analyzing the data I
presented.
Chapter Seven

Theories of Representation

Introduction

In the two previous chapters, we have seen how my respondents claim to represent others. The real fact is that while they claim to represent others, they are also actually giving themselves a voice. In order to understand better the nature and implications of my respondents' representations, we need to turn to the theories of representation. In this chapter I will examine definitions of three theories of representation in detail, drawing largely on Law’s (1996) framework. Thereafter, I will generate some examples on how each of the three theories works with my data in order to give the reader a taste of what it looks like in action and to demonstrate how it can be applied to the rest of the data. Ultimately, this chapter will prepare the reader for the next chapter where I will use the theories fully in analyzing my data.

I will use the theories of representation in a similar manner that Law (1996) uses them in “Organizing accountabilities: ontology and the mode of accounting”. This approach allows me to analyze the philosophical viewpoints of my respondents as they present their views on different issues. The three theories will enable me to follow the ways in which my respondents take philosophical positions as they describe issues of interest to them. This has the added advantage of allowing me to retain most of my data (which give voice to the different categories of my respondents) without losing its specificity.

Using Law’s (1996) model, the three postures of representation my respondents adopt are those of empiricists, pragmatists (instrumentalists) and poststructuralists. At times they see themselves and others as simply describing reality – they are empiricists. Sometimes they see themselves and others as describing issues in some practical ways that do some good work. Here they see themselves as rendering pragmatic accounts in which reality itself is less important and the important thing is what ‘works’. Still at other times, they see themselves and others describing the world in ways which
actively create actors (knowing subjects) and that with which they act (known objects), taking a poststructuralist mode of representation in which, through the act of representation, the subjects are separated from the objects they work with.

Following Law’s (1996) line of argument, I would postulate that the subject operates with the attributes of foresight and discretion with a particular form of an agency while the objects are constituted in other forms, such as those of documents or paperwork such as memorandum of understanding, Ogoni Bills of Rights, etc as well as the bureaucratic due process being adopted by Shell. I will demonstrate that the empiricist and pragmatic approaches end up concealing the contested nature of representation through treating, “any failure … as a technical matter, thereby preserving the assumption that there is, behind that failure, a reliable entity that can be reliably known” (Law 1996:284).

It will also become clear that each of the different approaches to representation get exhausted through use and hence the best way to organize is to drift between heterogeneous regimes. Throughout the data, none of my respondents seem fixed in their ‘philosophical’ positions. They wander across the three possibilities, although some more than others and some more in certain ways than in others. Hence in this chapter, I will explain what representation is, how it works and use the three strands – empiricist, pragmatist and poststructuralist – in evaluating, interpreting and critiquing the data presented in the last two chapters. It is worth noting that Law defined the three in general ‘lay’ philosophical usage rather than the academic ‘schools’ of empiricism, pragmatism and poststructuralism. This is particularly important in terms of ‘pragmatism’, since Law’s understanding is not identical to the American philosophical usage.

**Representation and how it Works**

Literally, a representation can be, “any structure (pattern, picture, model) whether abstract or concrete, of which the features purport to symbolize or correspond in some sense with those of another structure” (MacKay 1969:161). A representation is
supposed to portray or reflect on what it presents. However, here representation can also go beyond describing what is already there, “It is about making the knower and making what is known. By creating the distinction between the knower and that which is known. And then concealing the connection” (Law, 1996:283). Law argued that representation does not only focus on epistemological questions. It is not only concerned with the world out there that we can know or describe. Rather, representation seeks to raise ontological questions. It probes into what is in the world by describing the nature of being; how objects are being and being created in the world.

At times representation operates through the prism of empirical philosophy. It uses empirical data in examining philosophical issues. At others it seeks to offer fresh ways of comprehending issues. My respondents came up with many and varied ways of describing what underpins their relationship with the other numerous stakeholders in Nigeria’s petroleum industry. They provide a multitude of voices speaking on the same subject, but each with its different version, using different prisms. Each brings their ideas and interpretations on the nature of the relationships. All of them have one thing in common though: they have different ideas on what responsibility entails and a vision of what a responsible oil company should be like; what it must do and what it must not do. How it should behave.

However, in most cases, they differ fundamentally in their visions and expectations, and understandably so, because they inhabit different worlds. Indeed it appears that instead of speaking to one another, they are speaking past each other. The conversation can be likened to that of the tower of Babel. They have different representations of the situation which does not operate on the same frequency. Each stakeholder conceives of their roles, rights, responsibilities and power of agency in different ways. Representation allows us to see how each of the numerous actors – Shell, representatives of shareholders, host communities, employees, the three tiers of government in Nigeria, human rights activists, environmentalists, ethnic leaders, legislators, Nigerians from other walks of life, etc – seek to represent the situation in
different ways, using one another as characters – subjects and objects - in their accounts.

**Defining the Three Theories**

*Empiricism*

The first philosophical position in our approach to representation is empiricism. What empiricism does is to portray a picture of the reality by referring to things out there (referents) and reporting on them. It points to reality and explains or reports on it in manner that will reflect its actual state. In other words, empiricist stories can be evaluated through correspondence theory. Law (1996) used optics to illustrate this. If what a representation reveals or depicts corresponds to what it reports on, “without intervening, without distortion, or opacity” (1996:286), then it works well. If it works well then it has to be transparent and should not distort. It is only good if it allows the viewer to see what it represents without obstruction.

An empirical claim simply says, 'this is the truth'. It does not need one to speak for it. It is impossible to ignore or argue with, just like one cannot argue with a mute. Its strength lies in the fact that it does not have to prove itself through the slippery, linguistic channels of persuasion, which trade in rhetoric rather than reality. In its thundering silence, empiricism is simply an indisputable and non-negotiable statement of the truth that does not need to defend itself and open up the possibility of accusations of spin. However, it requires rhetoric of the highest order to satisfy the irresistible urge to describe the truth of empiricism.

A classical example is that of the richly rhetorical formulation of empiricism described in Boswell's account of Samuel Johnson's argument with Bishop Berkley, with particular reference to his refutation of the latter's position. Berkley engaged in such 'ingenious sophistry to prove the non-existence of matter, and that every thing in the universe is merely ideal’. Boswell explains, 'that though we are satisfied his doctrine is not true, it is impossible to refute it.' He then describes Johnson's response succinctly: 'I never shall forget the alacrity with which Johnson answered, striking his foot with
mighty force against a large stone, till he rebounded from it - "I refute it thus" (Boswell, 1998:333). Johnson's phrase has been repeatedly used whenever relativism - or any sort of ism at all for that matter - raises its head. Empiricism is so true that it portrays itself as if it is not even an ism!

**Poststructuralism**

The second approach is poststructuralism and it is based on three points. First it postulates that representations and their referents are created together. Secondly, the two are treated as subjects and objects that are not only necessarily generated together but also separated. Third, the process that leads to the generation of the subject and object-referent is deleted. In this instance too, representation works well if it is practical,

But it is practical in more radical way than is found among the instrumentalists. For the issue is not only: does it serve? It also has to do with the deletion that serves to distinguish subject from referent-object. The question is: can the deletion be sustained? And how is this done? And what would happen if it were undeleted (Law, 1996:286).

A poststructural claim seeks to reveal that what appears to be an indisputable empirical claim - a just 'is' - is in reality only so due to some, no matter how implicit, prior work of definition. This definition creates the 'is' from an infinite possibility and defines its boundaries in a particular place. A statement such as 'This is England' thus comes to seem to be an assertion rather than description. One can simply demonstrate this using Magritte's pipe, in which multiple solid meanings can be ascribed to a statement. By exposing its 'just is' claim, we can reveal that it is, as at best, a simplification of manifold reality, which becomes a 'just so', in the most pejorative of senses.

Poststructural claims are made by theorists who seek to unseat the seeming simplicity and naturalness of empirical claims to truth. They demonstrate to their audience that 'the truth' is a created effect and nothing more. At best, the truth or reality, prior to its
representation is a multiple one. It seeks to prove that there are many truths or realities, but generally, one of them is being privileged over the others.

Let us consider an example from the pages of University of Leicester Career Service, which describes the evolution of the University in the following words: 'University College became the University of Leicester in 1957 when it was granted its Royal Charter'. The ‘University College’ was an empirical reality but that reality was not a University until a new thing called 'the University of Leicester' appears through a representational device called a 'Royal Charter'. It was the royal charter that transforms into a university. The process of the creation was usually concealed. It only gets unmasked when there a reason to do so appears.

It remains an empirical reality as long as it keeps observing the rules laid down by the royal charter. But if problem arise, such as if it breaks those rules, the royal charter can or in this case the letter of patent can be revoked and re-invoked demonstrating that that seemingly tangible reality is actually a creation through a process that can be made and un-made as circumstances warrants. Poststructuralist claims do reveal the making and unmaking of empirical things. A poststructural account would seek to show that what representation 'does' is establish 'the truth' of a particular 'thing' - or at least a version of what passes for 'the truth' of that thing.

*Pragmatism*

The third theory is pragmatism or instrumentalism. It argues that representation is an outcome of interaction between the viewer and the viewed and this can be represented in multiple ways. It is not concerned with portraying a picture that corresponds with reality or reflecting the truth or falsehood of what it represents but focus on what ends it serve. It focuses on the basis and purpose of interaction, “Why do we want to interact with the world? What do we want to know about it? And how does it interact with our concerns?” (Law, 2006:286). Here representation is viewed as a tool. It has more to do with what works and it works well if it is practical.
A pragmatist representational claim does not care in the slightest about 'the truth' of that which is represented or constructed in the act of representation. However, it does care about what representation does. It is completely agnostic about matters of truth at the representational level. If one were forced to distinguish 'pragmatism' from 'empiricism', on balance one would have to say that pragmatic representations are not true. However, it remains technically more accurate to suggest that pragmatism simply care less about the truth of its representations.

Nevertheless, pragmatism’s lack of interest in the truth of its representations does not mean that it does not care about the truth at all. It just moves the care along. What pragmatism cares about is the impact of representation on action. A 'good' representation may be a fiction, but a fiction that have impact or makes good things happen and the consequences of such are seen as real or true or otherwise they would be of no interest at all. An example would be Weber's 'ideal type' of bureaucracy. We know, and Weber knew, that there is no such (real) thing. But it is potentially a useful device for mapping, measuring and understanding the real things in which we do have an interest - organizations of various sorts.

**Comparing and Contrasting the Three Theories**

In extreme and idealized forms we can say that for empiricism things that appear in our representations just exist regardless of how we represent them. Indeed, they would still exist even if we do not represent them. A statement like 'Leicester is a beautiful city', in the moment of its utterance, its articulation, is a straight claim concerning the truth of the represented object, regardless of whatever else might be said or thought a moment later or have been said or thought a moment before. In the bizarre game of language, the claim of empiricism is thus that there is no need for representational claims.

On the other hand, for poststructuralism the things that we represent only exist because we represent them. They would not exist if we did not bother to represent them. A statement like 'University College became the University of Leicester in 1957
when it was granted its Royal Charter', in the moment of its utterance, its articulation, is a straight claim; it was the granting of the 'Royal Charter' - and the granting of the Royal Charter alone - which brought the University - as a then truly existing thing - into being, regardless of whatever else might be said or thought a moment later or have been said or thought a moment before. It is simply how language works. For example, the Privy Council (2007) expresses this in poststructuralist terms when it stated that the purpose of Royal Charters was to, “create public or private corporations (including towns and cities), and to define their privileges and purpose.” This is also similar to Wikipedia’s definition, which states that, 'A Royal Charter changes a body from a collection of individuals into a single legal entity’ (2007). A poststructural claim is that representational claims are necessary because without claims there would either be nothing (literally no thing), either because of a complete absence of matter or because the matter that did exist was to be organized and defined into a set of separate things.

However, pragmatism offers two possibilities. First, the things that we represent might, perchance, happen to exist in exactly the way we have represented them, or secondly they might not (which is probably more likely). But neither does matter because the essence of representation was seen not to mirror truth (empiricism) or to make truth (poststructuralism) but only to serve an instrument or for a purpose. Let us take an example from the list of terms from Paper Mill (a self-catering cottage in Lincolnshire) which states, 'If any payment relating to the holiday is not paid by the appropriate date we can treat your holiday as cancelled by you and charge you cancellation charges which can be as high as the total cost of the holiday'. This statement, in the moment of its utterance, its articulation, is a straight claim to a lack of real correspondence between two things that are nevertheless going to be treated as the same, for the sake of (the cottage’s) convenience, regardless of whatever else might be said or thought a moment later or have been said or thought a moment before.
The cottage can and does distinguish between cancellation and non-payment within the real (empirical) world but it does not do so in the world of practice (pragmatism), which is the world that matters to it. Non-payment is distinguished from cancellation, with the consequences of the latter applying to the former as if it were the latter. The 'treat' or 'as if' functions here like 'once upon a time'. But that does not make the story that follows any less effective than a real story - if you do not pay, you are legally liable for cancellation fees. It is just that it - and only it - only the 'we know they are not really the same' correspondence between non-payment and cancellation - remains a story and nothing else.

The story remains a fiction but has consequences which are real and it is these real consequences that are of real interest to the pragmatist. A pragmatic claim in this respect is almost certainly false and fictive but it is required in order to serve a purpose. The case of SPDC (Shell Petroleum Development Company) and SNEPCo (Shell Nigeria Exploration and Production Company) is another good example. All Shell documents refer to the two simply as Shell, while they can be distinctly separated. Shell annual reports points to this pragmatic representation. In its introduction, the 2006 Shell Nigeria Annual Report outlines four Shell companies: “Shell Petroleum Development Company of Nigeria Limited (SPDC), Shell Nigeria Exploration and Production Company (SNEPCo), Shell Nigeria Oil Products Limited (SNOP) and Shell Nigeria Gas Limited (SNG),” but immediately adds that, “The above companies are referred to collectively as Shell in this report” (page 4). Another example is money - represented by pieces of notes and coins - which no one believes is anything other than a fiction. But because of the representational values ascribed to them they work as tools that give us access to real things. Today, if for any reason the government decided to declare the pound sterling invalid, that will strip it of its representational value and all those in possession of the notes and coins would automatically be holding worthless pieces that cannot grant access to material exchange.
However, a pragmatic claim can become a poststructural claim and finally result in an empirical claim, particularly if the domain of judgment changes as in the above example: you do not pay for all of your holiday and you are treated as if you have cancelled your holiday and charged cancellation fees. Since you have been informed that this would happen in a contract, in legal terms you presumably have acted in such a way that the result of your actions is that your holiday has been cancelled. And the debt that results from the cancellation charges is certainly a real, empirical one that can be legally enforced. Nevertheless, that real, empirical debt can itself be revealed by a poststructural claim as having been created by various representations embodied in contract law.

**Slipping Between Different Regimes**

However, at times a respondent can make different representations within a claim. Let us cite the example of the Queen of Ogoni land who made an idealist empirical representational claim informed by pragmatic considerations. When I asked her to introduce herself, she replies, “It is something strange to our tradition. Royal majesties do not introduce themselves. But I can tell you that I am the mother of Ogoni land, her majesty the Queen of Ogoni land” (t11). However, to fulfil the purpose of the interview she has to take a poststructuralist twist. A moment ago she was not supposed to introduce herself. Then for obvious reason (for the interview to proceed) she did. At that moment she was doing what a Queen was not supposed to do. For those brief seconds, she had to abdicate and become just an ordinary person. Then immediately she introduced herself, she switched back to speaking once again as the Queen of Ogoni land. A real Queen does not introduce herself. But for pragmatic reasons she has to jump from being a Queen to an ordinary person in order to introduce herself. Immediately she finishes the sentence, “I am the mother of Ogoni land, her majesty the Queen of Ogoni land,” she jumps back to being the Queen. What is significant here is that it is so sudden that the process is barely noticeable; it is a move that was properly concealed. The deletion of, or the need to conceal the process is very important, because its invisibility as action is what allows its results to be sustained.
In subsequent sections of the data analysis, I will demonstrate that the three strands of representation – empiricism, pragmatism and poststructuralism - are reflected in the claims by my respondents. In other words, it addresses three issues, “Is it true? Does it work? Can the necessary deletion between subject and object be sustained?” (Law, 1996: 287). In the next section, I will attempt to develop some arguments using my data on how the three theories can generate some useful interpretation.

The Boundaries of Empiricism

In the data presented in previous chapters, at least five issues emerged. First, real relationships exist between Shell and its numerous stakeholders. Second, the relationship differs depending on the stakeholder. With some of the stakeholders, such as host communities, it is not working well, while with others, such as the Nigerian government, it remains largely cordial. Third, stakeholders believe that some real problems exist. Fourth, almost all my respondents believe that improvement in the relationship is possible. Fifth, by examining the sources of the problems, it is possible to find ways of improving the relationship.

The issue of Shell CSR projects, which is at the heart of the issues identified by host communities, is worth considering here. My respondents, mostly those from Shell’s host communities, complained about the existence and quality of Shell CSR projects in the host communities. Some flatly denied that Shell is carrying out any projects in their communities while others complained that what is being put in place is too little. Still others maintained that what the company is offering as CSR projects is irrelevant to the needs of the communities.

There appear to be huge gaps between what the company is doing and what the communities are expecting. Therefore the question is how these gaps can be narrowed. Suggestions were made by my respondents from the host communities on how to improve things. They clearly stated what they expect from Shell. However, not all of them agreed on some of the issues relating to the nature, type and value of projects they expect Shell to embark upon in their communities.
Nevertheless, they made clear their expectations. The task then is to find ways of increasing the level of correspondence between what exists and what is expected. The point is that of finding accurate or acceptable solutions. This is the major question of the empiricist theory of representation. However, this is closely tied to pragmatic considerations. For example, can Shell afford to meet all the demands its host communities are making?

Shell clearly admits that problems do exist. However, it also has some justifications as to why its CSR projects cannot fulfil the expectations of its host communities. In general the first Shell spokesperson attempted to provide reasons for the failure. First, he attributes the failure of the three tiers of government (federal, state and local) to develop the Niger Delta as constituting a problem because “whatever Shell is putting in is no more than a trickle in the ocean of huge demand for infrastructure in the Niger Delta” (t1). He explained that what Shell is willing to spend on such projects would not be able to satisfy the communities because of the company’s limited budget and the fact that “Shell’s oil wells, flow stations and pipeline system traversed hundreds of communities” (t1).

Secondly, the host communities “are not willing to sustain the projects by themselves. Shell can only build schools, hospitals or provide power generators but the day-to-day running cost is supposed to be shouldered by the communities. But the communities expect Shell to continue bearing the cost of running the projects” (t1). At other times specific operational reasons were given, such as the argument that the company does not want to connect surrounding communities to its generating sets in its flow stations, “Due to the priority given to the safety and guarantee of its operations” (t1). Still the failure to offer employment to members of host communities is attributed to due process and bureaucracy, “It is the policy of Shell to advertise all positions for all qualified Nigerians, and only the best candidates at the aptitude test and interview will be selected” (t1). The fact that, “every community wants its members employed
by Shell and it is not feasible to do so because Shell operates in hundreds of communities” (t1).

On the issue of the inability to clear spill sites, Shell laid the blame for the failure at the feet of Nigeria’s Petroleum Law, which stipulates that a company can only pay compensation for oil spills caused by the failure of its equipment and not those that occur as a result of sabotage. In cases where remediation programmes were poorly carried out, Shell blamed this on its contractors, some of whom it pointed out were members of the affected communities. Shell is not denying that there is a dismal failure in its CSR projects, “What we did five years ago you might not see it on ground today,” (t2). Yet it does not see itself as (solely) at fault for this. It offered a vague explanation that since the company is working in partnership with the communities in executing the CSR projects any failure is as a “consequence of imperfect partnership or understanding between the company and the communities.” (t2).

Similarly bureaucratic reasons are offered as a defence for the allegation that the company aided the Nigeria security forces who unleashed terror on the Umuechem community. Shell argued that it gave helicopters and other logistics to security forces but only did so for the general purpose of maintaining law and order. Therefore, if such ended up being used in suppressing members of host communities, it is an unintended consequence (Jones, Parker and ten Bos, 2005:26-40).

In this case, what is the company supposed to do? Ideally, what it should offer should correspond to what the host communities are requesting. However, this may not be realistic. This may not be feasible for several reasons, prominent among which are its limited budget and the fact that the communities are too many. Therefore, a gap will always exist between the expectations of the host communities and what Shell will be able to deliver or what can be realistically achieved. We have to remember that the gap between the two was the cause of the problem of the frosty relationship in the first
place. This is where pragmatism comes in. This necessarily points towards the second theory of representation.

**Focusing on Pragmatism**

The issue was that of identifying the expectations of the host communities. However, the expectations vary greatly. Some host communities are requesting cash from the company, some infrastructure, some employment, some total control of oil resources, some saying ‘give us contracts’, some ‘do it yourself’, some ‘let it be anything’, yet others ‘it must be this rather than that.’ The task then is to summarize this multitude of different voices and demands and develop a summary that reflects all of these.

This takes us to the idea of organizing and sieving the interests of the different communities and presenting it as a package. It would require harmonizing the different and sometimes conflicting positions. Various ways of making representations have been identified in the data. The communities are represented through their Community Development Committee (CDC), with a chairman and a secretary and have their interest articulated and represented through Memorandum of Understanding (MoU), which it signs with Shell. The traditional rulers also negotiate with Shell on behalf of their communities, as do organizations representing ethnic groups such as the MOSOP and IYC.

The fundamental issue is that of narrowing down the focus on demands and expectations of the host communities. However, the essence is to have a representative voice for the host communities but having a representative voice is very difficult as many claim to be speaking on behalf of the community. The list includes state and local governments, the CDC, traditional rulers and ethnic based organizations.

Therefore, the issue is not simply an empiricist one of generating ideas on the expectations of host communities and showing the gap between what is expected and what is achievable, “Instead, and in addition, simplicity is achieved in an active process of blocking, summarizing, simplifying, and deleting” (290-1). In the case of
Shell CSR projects, this is being carried out and represented by MoUs. Shell spokesperson used the optical metaphors in accounts of their proposed Global Memorandum of Understanding (GMoU) of transparency and looking at issues as a whole. Bringing everything under a common visibility will create a sense of ordering in which the different issues can be brought under a unifying gaze. The metaphor optical is quite appropriate here. The idea of the MOU or GMoU is all about seeing things as a whole. Negotiations leading to the signing of MoU or GMoU will focus on all the demands and expectations of the host communities and in the end, through a process of blocking, summarizing and deleting, acceptable agreements are reached between the company and its host communities.

But as the Shell spokesperson explained, signing an MoU with each of its over hundred communities is still not good enough in providing a focal point that will be very visible for the company to operate on, “Last year only we signed 57 MoUs…”(t2). Hence, it makes more sense again to narrow down the gaze and find a way of converting all the hundreds of MoUs into a one grand GMoU with all the host communities in the Niger Delta. This again is achieved through the process of summarizing, simplifying and deleting. This is the instrumentalist approach where representations serve as tools. The idea is that the MoUs and the GMoUs serve as tools that represent the broader picture of the demands and expectations of the host communities and Shell’s responses to them. I will now focus on the third theory of representation.

**Poststructuralist Twist**

Oil spills are one of the contentious issues raised by my respondents, especially those from the host communities. Their arguments were essentially embedded within the ideas of humanist theory. They argue that Shell is capable of having a will. It has the agency to make decisions relating to issues such as spills. For instance they argue that the company can improve its practices, which will lead to reduction in the number of oil spills being experienced in the host communities. It can do this by weighing the options before it. Some of the interviewees suggested that the company can achieve
this by burying its pipelines deep into the ground. Another suggested that the company should employ the youths in the host communities to guard its facilities against the attacks and pipeline vandalization said to be responsible for many of the over 300 spills that occur annually in the Niger Delta. They see Shell as a subject with discretion, “which is capable of effectively deploying its resources in order to respond to the opportunities presented by the environment” (Law, 1996:294).

The object created here is discretion, which gives the company the possibility of making decisions and taking concrete steps. It is made up of an array of created elements, “that stand in specific and calculable relationship with one another. And the fact of that normalized specificity and the fact of that calculability – it is these that generate the options that are necessary for a subjectivity that rests upon the ‘bold’ and ‘responsible’ exercise of discretion” (Law, 1996:294).

Shell is capable of exercising this discretion only because of the presence of other elements involved in the account. The company cannot be detached from the other technologies involved. If they were absent Shell would not be able to generate the options that will give it the ability to exercise discretion. Here Shell is seen as a subject that interacts with many other objects in a system of representation. Not only that, but the company, along with the other elements, a product of a system of representation. In essence, all those involved – both the subjects and the objects – “are effects that achieve their character as a consequence of the way in which they interact together” (Law 1996, 293). It is in the process of interaction that they recursively produce themselves in an ordering logic of socio-technical relations. It is this ordering logic that produce a seeing subject, issues that can be viewed or seen from a global perspective and a series of objects that can also be seen, “And they are constituted in a series of processes embodied and recursively performed in many different materials, many different times and many different spaces” (Law, 1996:294). Though I am mainly focusing on theories of representation, I also find that the idea and role of time keeps on recurring in the arguments of my respondents. It is essential to
demonstrate how this is being played up in the data and I will focus on this in the next section.

Is Time all that Matters?

One of the contentious issues consistently being raised was the issue of who owns the oil resources in the Niger Delta, or to put more appropriately, who should own and control the oil. The host communities on one hand, and Shell and the Federal Government of Nigeria on the other, based their arguments on different premises. Basically three modes are used differently by the opposing voices in trying to substantiate their arguments. The three modes referred to ‘history,’ ‘utopia’ and ‘pragmatism.’ The idea of time plays a crucial role in the construction of these arguments.

The members of host communities have consistently argued that historically the land where the oil is found belongs to them. Hence, they and not the Nigerian government or Shell should own the oil resources in “their” land. One of them alluded to this when he said, “You have a resource in your domain that was supposed to be your source of income and sustenance but it has turned out to be a source of acrimony and woes” (t17). Another stated, “We have the wells in our communities, right at the centre of our villages” (emphasis mine) (t9).

Referring to a project Shell is undertaking in his community, another respondent stated, “that does not commensurate with what they have taken from our land for forty years” (t8). Still another said, “One had expected that since this precious commodity is extracted from these communities, they would have been the ones to smile that by divine providence this commodity was found on their soil” (t25). Again referring to oil spills in her community, she queried, “You mean you have the right to come and desecrate my home simply because you are a tax payer? (t25)

While the communities referred to time immemorial, when their fore fathers started occupying the land, the basis of the argument by the Nigerian government was the
1966 Land Use Act, which gave the Nigerian state legal ownership over all land within the geographical confines of the Nigerian state. For the communities, the hands of the clock should be reversed back to the days when resource control was in the hand of the local communities. Even as they use time in supporting their position, they are resisting the changes that the tide of time has brought to their previously owned land. They are not passively accepting that at this time in history the Nigerian state and Shell have emerged as major players, who deployed other criteria in wrestling the control of oil resources away from all host communities. They are resisting the changes brought by the tide of time.

They may be living in the past in their argument for ownership of resources but also to them that past that they present is not just an empty past of melancholy but that full of inspiration. They see it as capable of bringing a possibility for new utopias, which will take them back to the time when resource control belonged to host communities. The utopia envisaged to come in future will re-arrange the existing power relationships and replace it with the one of the past. It is a theme where the utopia of tomorrow will lead us to the re-birth of the arrangement of yesteryears. The new will be found in the old and the future will be found in the past. Rather than moving in an ever-changing linear direction, time will twist back and the future will be born in the image of the past.

Shell and the Nigerian government interpret the idea of time differently. They would rather use the ‘pragmatist’ sense of time. They argue that the present power relationship and its representations have come to stay and are what works. The Nigerian state and Shell, as principal actors in the current arrangement, they argue, have emerged at this particular time in history. Therefore, it is no use lamenting and looking back at the past with nostalgia. According to this argument, what is important is to accept the current reality where nation states and multinationals have come to stay as dominant actors. Hence host communities have to accept the new reality and contend with the unequal power relationship that time has brought.
They dismiss the utopia envisaged by members of host communities as a fundamental reversal of the contemporary situation. Ownership of oil resources by host communities, they would argue, should remain what it is – a utopia. The sense in which history – time – has effectively transformed power relationships is well represented here. For the pragmatist, the solution is for host communities to accept the current reality rather than carry on living in the past. They seem to suggest what would work best for the host communities is to accept what is on offer in terms of what the government is willing to give or engender either in the form of revenue sharing or the CSR projects Shell is willing to offer. But the question the communities keep on asking is how long they will continue to wait to enjoy the full benefit of the oil, before it gets exhausted. I will now present their version of this argument.

Are there Measurable Boundaries?

The host communities also stressed aspects of limits of time within which specific and measurable goals can be achieved. This, they argue is crucial due to the fact that oil is an exhaustible resource. For them every single day passing by and every barrel taken out have enormous consequence. They believe that the earlier they derive some tangible benefits from the oil the better for them, because once the oil runs dry it would all be over. Their desperation was exacerbated by the phobia that with every passing day they are approaching the inevitable end when there would be no more oil.

My conversation with the Chairman of the Senate Committee on the Niger Delta reflects this. When I pointed out that other communities I visited in the Niger Delta were running out of patience and complained about Shell doing very little for them, he deployed pragmatic representational claim in his response, “Well, I do not see any conflict in that. If you renovate or build a primary school today, tomorrow you may produce more. There is nothing wrong; it depends on the requirement of the people of that area.” (t23).

However, although his suggestion may persuade his audience of the virtues of patience and optimism, it lacks any measurable boundaries. According to the
respondents from the host communities, they cannot continue being patient and optimistic without defined limits. Their question is: how long would they have to wait in order to get basic infrastructure from the proceeds of the flowing oil? Will the oil last long enough for all their communities to get what they need? Or will it just be another story of the Oloibiri, the community that hosted Shell’s first oil well but one that now lies in ruins after its oil dried up with nothing to show except environmental degradation and a rusting Christmas tree; a relic of heydays gone by when the oil was flowing. Will they get it today or tomorrow? What will be the timeline?

Conclusion
In this chapter we have demonstrated how Law’s (1996) three theories of representation work. I operationalized the concepts of empiricism, poststructuralism and pragmatism using examples. I argued that taking philosophical positions is not the exclusive preserve of ‘philosophers’ and demonstrated that ordinary people can also make philosophical representational claims in articulating their arguments. They make empirical claims when what they articulate purports to reflect the simple truth or actual state of the situation they are representing. On the other hand, poststructural claims seek to demonstrate that what appears as an ‘is’ – as a solid empirical claim – is in reality the result of some prior work of definition assigned to it. Pragmatic claims are only interested in the purpose they serve and are not concerned with reflecting reality or the truth or falsehood of what they purport to represent. I gave some examples of the three theories using my data. I also seek to argue that in the data I presented, the idea of time, and of defining a timeline, was central in the arguments of my respondents, especially those from the host communities. In the next chapter, I will go ahead and use the three theories in analyzing the bulk of the data.
Chapter Eight

Refining and Representing

Introduction
In the data presentation, my respondents made many diagnoses as to the causes of the sour relationship between Shell and its host communities in the Niger Delta as well as recommendations towards resolving some of the contentious issues. However, I feel it is not enough just to leave it at that. In the subsequent section, I will demonstrate that a coherent account can be created, which will reveal not only the philosophical leanings of their claims, but also the modes of representation they used in convincing the audience as to why their versions of the story should be accepted. I will analyze the types of persuasive paradigms and rhetoric employed by respondents, including argument selection and organization, in an attempt to increase the persuasiveness of their views. As Bench-Capon (2004) argued, some disagreements in practical reasoning, such as ethics and law, can only be bridged through persuasion rather than conclusive proof.

In addition, I will attempt to demonstrate that rather than re-presenting the data as in the last chapter in blocks under interviewee’s names, where each of them addressed different issues lumped together, the data can be sieved, refined, distilled and re-presented, not under interviewees categories, but according to meaningful themes excavated from the interviews.

This re-creation of a different organizing format will enable my readers to see the issues in a different light. Rather than leaving my readers with the task of making sense out of the different voices, which I earlier likened to the tower of Babel, I will re-present it in such a way that my respondents will be speaking to each other, rather than past each other. Most of the arguments of my respondents were aimed at persuading the audience rather than simply logically proving, demonstrating or refuting a claim. This will enable my non-academic readers, such as the general reader who want to enjoy the text as a literary piece that tells a story beautifully and the
policy maker who wants to have a clear grasp of the issues afflicting the Niger Delta, to find it both meaningful and interesting. In this respect the thesis will not only satisfy the requirement of an academic piece but will also serve another dual purpose as a naturalistic story and an empirical finding which both the general reader and the policy makers find interesting and useful. After all, a good empirical work should appeal to both academic and non-academic audience (Watson, 2001:1-2). Therefore, in the upcoming sub-sections I will focus on the following themes according to the arguments of my respondents,

What are the Factors Responsible for Crisis in the Niger Delta?
Vehemently Denying Shell CSR Claims
Is it all About Envy?
What does it have to do with Politics?
Is Corruption a Key Character?
What is Responsibility?
Is CSR of Any Relevance?

Ultimately, this task requires that I break down the different parts of the interviews with every respondent I presented in the previous chapter, distil them and pick the parts I feel are necessary. These, I will then join with others in re-creating a plausible narration. This involves, more or less, a process of refining similar to that oil under gone by crude, where the mass body is subjected to the refining process, at the end of which different products are created and what is considered as the scum is thrown away, while other bits with potential are further re-arranged into chains and products to be used for different purposes. In this respect, the process of the data analysis can be likened to oil refining. In other words, the process also involves, “an active process of blocking, summarizing, simplifying, and deleting” (Law, 1992: 290-1).

**What are the Factors Responsible for the Crisis in the Niger Delta?**
Well, where do I begin in the words of my respondents? The CSCR Oil Company Project Monitor gave a vivid introduction. He employed an empirical representational
claim in portraying the origin and sequence of the problem in the Niger Delta. According to him it all began with, “quarrelling, demonstration and after the killing of Ken Saro Wiwa, we got into this kidnapping and then we have this whole thing about ethnic militia now. In April 2006 alone, there were two kidnapping incidents involving close to ten expatriate workers.” (t6). Since then, continues the Ogoni paramount ruler, the relationship between Shell and its host communities has been defined by, “Acrimony, mistrust and hate.” The question then is: what are the factors that lead to these sad events? Let us take them one by one, as identified by my respondents.

**Unfulfilled Expectations**

Using a blend of empirical and pragmatic representational claims, Junior Wiwa suggests that it was the unfulfilled expectations of the host communities from Shell that left them not only disappointed but also bitter. He referred to this scenario as the lack of social license by the company, which he believe is at the heart of Shell’s problem with its host communities, “And what is happening now is most of the communities are now angry. They feel impoverished in the midst of great wealth.” You may be curious to know: why is Shell not meeting their expectations?

Your guess is obviously as good as mine. It is because the company operates with the philosophy that as a business organization it should only concern itself with generating dividends for its investors and paying royalties and taxes to the Nigerian government, who is in turn expected to take care of its citizens. That sounds normal and rational in a capitalist-dominated world, doesn’t it? But Junior Wiwa begs to disagree that it is simply enough for a company to pay tax to the government. Any company that takes the approach that the business of business is business - well they are welcome to do that. But they can see out there in the real world that is not a realistic approach. They have to actually look at the social license to operate.” (t17). His aim is to persuade the audience that his argument holds the key to the problem and the business philosophy of Shell, its mode of representation of the situation, is simply unrealistic and un-pragmatic, at least in the Niger Delta.
So, what are these communities expecting from Shell so much so that they are seething with anger and raging in fury because they could not get it? Using empirical representational claims, the clergy man did not mince words in outlining a list of expectations, “We expect so many things from them in areas of employment, schools, hospitals, markets and environmental caring but they did not meet up with the demands. In my community we have no any Shell project. We don’t have schools, markets, hospitals and roads. We live in the bush” (t10). The clergy man, like a seasoned preacher has put it in plain language but Junior Wiwa still has more to more to add, using further empirical representational claims. He contrasts the longing, idealist expectations by the host communities with an outcome or reality that is more of a nightmare, “You have a resource in your domain that was supposed to be your source of income and sustenance but it has turned out to be a source of acrimony and woes” (t17).

How about the women? Do they also share this view? The wife of the activist attempts expressing her opinion over the unfulfilled expectations, “One had expected that since this precious commodity is extracted from these communities, they would have been the ones to smile that by divine providence this commodity was found on their soil. But paradoxically, the commodity which should have brought them joy is today bringing them sorrow.” (t25). Her empirical representational claim not only ‘describes’ the reality, it is also designed to attract the sympathy of the reader, “These are communities where thousands of millions of dollars are generated but people in the communities that lay these golden eggs are allowed to live in penury and want” (t25).

Her Majesty the Queen of Ogoni land lends support to the above by adding her own royal voice. She also made empirical representational claims regarding on the situation in her community, with more of a descriptive than a persuasiv voice, a tactic that is, of course, successful, more persuasive than mere persuasion: “Most of the time mortality rate is very high particularly in the dry season when the streams become stagnant ponds. So what is collected for drinking, cooking and other household uses
become stagnant water polluted by the oil spill that is all over Ogoni land” (t11). Still deploying empirical representational claims, she attempts to give a feel to her audience on what it is like living in her community, with an implicit plea for empathy,

For all these years I feel like dropping tears whenever I remember the toils we pass through particularly now. If not because of your busy schedule, I would have invited you to take thirty minutes ride with me to that community. You will see that we do not have tarred roads or streets through the community. We manage to grade it during the dry season out of contributions from us who are members of the community. And when the rain comes everywhere is muddy, everywhere marshy, cars coming into that community sink in that road, our legs sink in, and our children get drowned in the flood almost all the times (t11).

What stands out distinctively is her powerful use of imagery. Although she only, “feel[s] like dropping tears,” the effect is to leave the listener with an image of tears rolling down her cheeks. The phrase, “particularly now” drives home the point that although it has been apparent probably for decades now, at the moment of the interview, the feeling is stronger. The emphasis on the moment serves to elicit the sympathy of the interviewer. In subsequent sentences, the realist representation was aimed at simulation. Although, as she stated, I would not be invited to join her on a ride due to my tight schedule, I was made to “see” what it would have looked like if I did follow her. The image of the reality of un-tarred roads was impressed on my mind.

However, even if I had followed her for those 30 minutes, probably I would not have witnessed cars or legs sinking in the mud or children getting drowned in the flood. But this was so aptly represented through simulation that I can imagine such scenes in my inner eye as if they were being played on a screen. Here the use of visibility is very important; visions of sinking cars, human legs, soaked bodies, children getting drowned in floods, etc. The representational effect of visibility works to portray or reflect the purported empirical reality out there.
Environmental Destruction
So much for un-tarred roads and sinking feet. How about the environmental pollution like oil spills and gas flaring, which they complained so much about? The Umuechem CDC Chairman, in an empirical representational claim attempts to convey to us what a spill site looks like in case we do not know. It is like, “the experience in Hiroshima, if you go there, no plant can grow, the sand there is dusty and it has been like that over the months, nothing can grow in that environment and compensation is not paid, and clean up is not done” (t18). Woe betides, you will say. This concise description illustrates that similitude can work well as representation but it may not be true despite being enacted as such. Likening a spill site to Hiroshima, the razed site of A-bomb ruins in August 1945, is an enrolment of powerful imagery.

However, the respondent might be amazed to learn that at the time he was making the comparison Hiroshima was looking like a Brazilian rain forest! A month after interviewing this respondent, I visited Hiroshima where I spent a week, coincidentally participating in the 46th anniversary of the dropping of the A-bomb on the city. I found the city a perfect-looking lush-green site surrounded by thick forest, just like the rest of the Japanese island. The only things that remind a visitor to the city of the A-bomb are the few preserved historical relics, such as the A-dome and the contents of the larger museum located at the dome site. Otherwise it looks as virgin green as other areas in the Niger Delta that were not affected by the environmentally-destructive activities of oil companies.

Of course the respondent may be referring to the Hiroshima of 1945, but such qualifiers were usually concealed in conversation and the word ‘Hiroshima’ hardly stands for the pre-1945 or post 1945 Japanese city. Why am I telling you all this? I can assure you that it is not about an ego trip attendant upon having visited the land of the shy, courteous people. I want to convey the fact that Hiroshima, in this representation, is a metaphor representing a frozen state of the Japanese city, with imageries of the ravages of the A-bomb. It is not the Hiroshima of pre 1945 and definitely not the Hiroshima of today.
The Japanese city is thousands of miles from Africa. You may well be wondering, are there no examples from the Niger Delta? Well, here comes Junior Wiwa to the rescue, equally using imagery and citing history in order to back up his empirical representational claim in conveying to us what a ravaged oil producing town - Oloibiri - looks like, “It is a wilderness. And for you to attempt to quantify how much oil has been taken out of there and what has been done for the people in that community, it’s a farce to say the least….it’s a crime against God to enter peoples’ home, take their land and resources and leave them with nothing but poisoned environment” (t17).

Heated words. His contrast between oil extracted from the communities and the benefits (or to be precise the lack of such) derived by the community aimed at revealing the level of exploitation. It is an intense projection of anger, magnifying “the crime” to heavenly heights so much so that it is likened to a sleight against God. A crime that does not limit itself in application against only its human objects but one that traverses through the heavens into the sanctity of God’s presence, who sits above the heavens. It is a representation to the possible extreme. He also used poststructuralist representational claims in defending his position. “It amounts to genocide on the people to take their land and resources and leave them with nothing but poisoned environment.” (t17). Even if it is not so, he is attempting to make it look so. Genocide is made, out of what it is not, by angry denunciation of the poisoning impact of the oil companies. This is his version of unravelling what it is and unfurling it.

**Deprivation in the Midst of Plenty**

The journalist sees things differently. Using pragmatic representational claims he concludes that what infuriates the host communities is not only the fact they see the oil flowing from beneath their farmlands into Shell’s pipelines but also the fact that they see Shell staff enclaves surrounding their communities enjoying the good things of life. This physical presence of the good things of life being enjoyed by Shell staff exacerbates the situation. You may call it petty jealousy from the natives but to him
that is a serious problem. He not only attempts to demonstrate that he has a clear understanding of the situation but is also persuading us that if only Shell can see the world the way he does then the company would have a workable solution to its community relations at hand. Consequently, he comes up with suggestions of what he thinks will sort things out based on what he presumes to be workable alternatives based on “instead-of-this-why-not-that” pragmatic representational claims,

So why would you expect to live in peace when your host community, every time it wakes up or every time night falls, is in darkness and you are there all lit up and enjoying yourself. They won’t let you have peace. Instead of carrying military wielding guns here and there, why don’t you just take care of those communities? (t16).

The journalist is not alone in this respect. The IYC President attempts to substantiate the above account using empirical representational claim, citing the example of a community called Oporoma located less than two kilometres from a Shell flow station: “They don’t have good water and neither do they have electricity. These people [Shell staff] get electricity from their generator 24 hours and they are enjoying potable water and the people they are taking [the oil] from do not have these things” (t15). He seeks to demonstrate to the audience the unfair, unjust and seemingly unsustainable divide that generates bitterness in the host communities. It is a representation of a situation that is certainly an extant reality but one that is not acceptable to him. The real divide carried by his empirical claim is morally unacceptable to him.

Similarly, he employed rhetoric to strengthen the empirical representational claim that part of the problem in the Niger Delta was that not many people from the Niger Delta are benefiting from Shell’s lucrative contracts. “How many Niger Delta people are doing the billion naira contract in Shell? Not the one that you will give to one man and knock the other man off, the real contract we are talking about. How many Niger Delta people, the Ijaw people are favoured?” (t15). Now I leave it to you to conclude whether his people are simply too greedy or too unreliable for a piece of the action or if Shell is simply too greedy to share some of it with them.
Nonetheless, his representation confirms as well as repudiates the argument by Shell’s first spokesperson that the company is switching over from its philosophy of handing out aid to host communities to that of doing business with the communities. First, it confirms that at least previously Shell has not been engaging in serious business (giving out contracts) with members of its host communities, but now is ready to turn a new leaf. Nevertheless, the fact that the new philosophy was yet to bear fruit indicates the reality on the ground is yet to change. It means the old system of not doing business with the host communities still prevails. How long it will take for things to practically change? Will it ever be successful? These are questions yet to be answered but the representation of a change in Shell’s philosophy (of doing business with host communities) remains a statement of intent, a pragmatic blueprint for a utopia that may or may not be realized whilst the old philosophy (of not engaging in business with host communities) remains empirically, verifiably in place. Only time will tell if the intent to cross the bridge to the other side will be successful.

**Double Standards or Multiple Strategies?**

Others believe that part of the problem in the Niger Delta has to do with what they perceive as Shell’s double standards in the way it treats its host communities in Nigeria compared to how it treats others elsewhere. The man reconciling the Ogonis invokes empiricist rhetoric in portraying the inability of Shell to conceal or delete the evidence of the assertion that it is guilty of double standards. On the one hand it plays by the rule in the developed countries and on the other it flouts the rules of decency in Africa,

> Why will they be obeying the rules in Washington, London and Paris but when it comes to Africa, they will be behaving as if we are the children of a lesser God... It tells you the fact that at the heart of this conversation racism is very much alive (t3).

The two contrasting images/faces of the company portray a representation of a dual personality, one responsible and the other irresponsible. Here the respondent makes poststructuralist representational claim revealing how Shell jumps between the two identities; being one thing for the West and becoming another for Africa. The angry
father is not yet done with Shell and those he considers as its like, such as the World Bank. Listen to him, “In those organizations a small boy like you, let me talk that way, will graduate from the university and then turn around to come here as a consultant. You cannot earn the kind of money they are earning” (t3).

In this respect the World Bank provides the authorisation for representations that, along with university degrees, magically turn small boys into big players. Such representation are robbed of their power by being rendered as mere representation, unseated by assertion and claims of their clear immediate, unmediated reality – I am a small boy! And in the mix, this representation can also be seen to ‘work’ pragmatically despite their irreality – through such moves a small boy like me can earn the money that ‘consultants’ are earning. Do you still need more evidence? The young man with the dreadlocks (t24) used empirical representational claims in citing evidence of Shell’s treatment of Africans as sub-humans,

For them Africans shouldn’t be treated the same way they treat their people. In America for example, you will never see gas plant where the remnants or waste is exposed to be harmful to man. But here in the Niger Delta you find oil pipe lines and many other byproducts that are injurious to health. As you are walking by, you are breathing toxic emissions. And oil spills are damaging one crop or the other (t24).

Others, including the MOSOP President, also express similar sentiments. Using an empirical representational account, he argues that Shell operate double standards, one for the developed countries and one for the developing countries, which he finds unacceptable, “Many people say the problem is with the country [Nigeria] because we are supposed to hold them responsible. You don’t say that because the policeman does not catch the thief that it is an excuse for someone to steal” (t14). Sound logic. The pragmatist twist demonstrates, through an analogy, that such cannot be justified that the logic seen to inhere in both the story and the analogy cannot be sound, cannot work, in the story because it does not work in the analogy o that story.
Government and Shell Fanning the Embers of Conflict?

Using empirical representational claims, the Angry Man attributes part of the problem in the Niger Delta to the government, which he accused of fomenting trouble, “Their [government] target is to make sure there is no peace in Ogoni land. If you put your ears to the ground you will hear rumours of war. Trouble is everywhere in Ogoni” (t28). He deployed conspiracy theory in persuading the reader of the plausibility of his argument. And what is the essence? The government wants to present the Ogoni victims as trouble makers in order to justify its clampdown. For the government though, this may be a pragmatic strategy that will give it the required justification to send its security forces to crack down on perceived trouble makers. A grave allegation but is there any other witness to substantiate his claim? Well the CDC Umuechem does exactly that, in an empirical representational move. He states that the crackdown by security forces against his community was one of the factors responsible for the sour relationship between them and Shell, “People are suffering. If you come to the village now you will see houses torched during the raid by the armed mobile police force.” (t32).

But not everybody agrees with the above representational claims. Using an empirical representational claim himself, the first Shell spokesperson rationalized the crackdown by security forces on Shell’s host communities by attributing it to other factors, which have to do with the role and responsibility of an independent entity – the security forces – rather than allow the actions to be seen as Shell’s doing, “They don’t need to be invited by Shell. Me and you, as we are speaking now if we start throwing blows at each other, the police would be interested. They don’t need to be invited” (t2). Rather than looking for some hidden reasons or justification, he seeks to convince us using a common sense example.

In a similar empirical representational claim, he also pointed out that clash with host communities also occurred in the past under military rule. The idea is that time is what matters. It happened in the distant past and might have happened more recently but
“our present policy is to maintain cordial relationship with host communities” (t2). The use of ‘present’ suggests that the ‘past’ was different. But the question that comes to mind is, did the company have a different policy in the past different from maintaining a “cordial relationship with host communities?” The change to ‘the present policy’ implies that the past policy was different. However, this trace was hidden, passed over quickly and thus (virtually) deleted in the conversation.

Nevertheless, as the Shell spokesperson stated it could be argued that Shell is giving its helicopters and other logistical support to the Nigerian security forces as a CSR gesture, from a responsible corporation for the general purpose of maintaining law and order. When such ends up being used in cracking down host communities, it could be given a consequentialist interpretation where such can be classified as unintended consequence. He adds, seeking for empathy, using a pragmatic representational claim: “It is a pity that you have not heard instances whereby these helicopters have been used to fight crime in urban centres….I cannot clarify if we do give weapons to security forces but if we do, it is not for the purpose of fighting communities but crime” (t2).

On his part the Chairman of CSCR criticized the decision by Shell to purchase speed boats for combating militants in the Niger Delta, using an empirical representational claim that giving of helicopters, etc. works against crime, not against community that renders real action as lacking in pragmatism. He thinks the company is using its brawn rather than brains, “There must be more intelligent way of dealing with the unrest in the Niger Delta rather than spending money on 60 speed boats and all the security personnel that have to go with them” (t4). Also, he engages in empiricism in castigating the company further,

How do I put it without getting myself into a problem?- we are not happy about how they manage the whole issue of giving out contracts for the remediation which they claimed to have done and we understand they haven’t done those contracts. Also the whole issue of compensating the families and communities who are impacted by the spill, till today, that hasn’t been done and the whole thing has ended up
in courts….If it happened in London, in Liverpool or in Manchester, it will not be tolerated (t4).

Similarly, the President of MOSOP used empirical representational claims in accusing Shell of inciting the conflict in Isoko, one of its host communities. And what is his evidence? “The people say it’s Shell fuelling the crisis” (t14). The essence of the generalization is to claim to speak on behalf of the people. It is a persuasive tactic in which respondents feel they do not have to provide hard evidence or justification. Once, it is, “The people say,” then it is assumed to be the gospel truth and no further proof is required. It is similar to a popular saying within some Nigerian communities that, “The voice of the people is the voice of God.” In the pragmatic representational claim that follows, he seeks to provide logic as to why Shell would encourage conflict in its host communities,

You find that some companies have now gotten for a $2m contract, $20m because they would say it is the communities that are fighting. So why can’t I take $1m and create a situation whereby the communities would be fighting themselves and get $20m for doing nothing out of a $2m contract (t14).

Similarly, in an empirical representational claim on Shell’s community relations, the CSCR Project Coordinator presents Shell as an organization that foments conflict in its host communities rather than acting as a responsible oil company that contributes to the well-being of its host communities,

But Shell over the years has not been transparent. Shell like to deal with few persons and blindfolding and using those few by staging them against one another. When these few turn around to protect Shell’s interest in the community, the majority who has not seen anything from Shell will now fight against them. So, Shell is breathing conflict in the community (t5).

This strategy may be serving some pragmatist role for Shell. For Shell to engage in such there must be a reason. It does not matter if it is a negative or a positive one. The
argument here is not about the ethics or morality of the strategy. The ultimate point is it delivers something that the company wants it to.

**Governmental Failure**

On his part, the first Shell spokesperson diagnosed the problems in the Niger Delta on a large scale. First, using an empirical representational claim, he attributes the failure of the three tiers of government (federal, state and local) to develop the Niger Delta as constituting a problem because “whatever Shell is putting in is no more than a trickle in the ocean of huge demand for infrastructure in the Niger Delta” (t1). He insists that what Shell is willing to spend on such projects cannot satisfy the communities because of the company’s limited budget and the fact that “Shell’s oil wells, flow stations and pipeline system traversed hundreds of communities” (t1).

He is looking at things from a broader perspective, which in a way presents a summary of the situation and leads to his pessimism that what Shell can offer to all its host communities is no more than a trickle in an ocean. He may later on cite some successes of Shell projects in particular communities but in the overall picture of the Niger Delta he is telling us that would pale into insignificance. Again it is a question of scale. The question then would be why do host communities expect much from oil companies? And the answer would seem to be contextual. The president of PENGASSAN, using empirical an representational claim, thinks it is due to the inability of the government to provide them with such, “The perception of host communities is measured by societal failure.” (t12).

**Blurring of Visions**

The Federal Government Security Chief attempts to find the missing link. He made empirical representational claims about reading the minds of the host communities. For him the problem has to do with the failure of the host communities to distinguish between Shell and the Nigerian government, “The communities see Shell either as part of the Federal Government or as an agent, which in reality is not the case. However,
the communities are aware, correctly, that if pressure is put on Shell, it will affect both the federal and state governments." (t34).

The communities may not be correct in their interpretation of the relationship between Shell and the government but they know that putting pressure on Shell serves as a pragmatic tool for attracting government’s attention. They know that the government and Shell are separate entities in the empirical world but that is not their concern. They are not bothered about reality or if their assertion corresponds to reality but they treat the two as the same in their struggle against what they see as exploitation of their resources.

Obviously, the government of Nigeria can be distinguished from Shell Oil Company but that does not matter to the host communities. In practice they treat the two as one and the same. It remains a fiction to consider the government and Shell as one and the same but treating the two as one and the same has some real consequences. It is these consequences that are of interest to the communities because they know that putting pressure on Shell will adversely affect the government. Their hope is that it would lead the government to take them seriously and consider their grievances. In this respect the communities are playing the role and game of pure pragmatists.

However, in one instance the President of MOSOP did openly acknowledge that the Government is different from Shell, but he then accused the former of taking sides with latter in its disputes with host communities. In a chain of representational claim he argued, “Because the whole of their [government] economy is dependent on oil companies. Once you make a protest against a company, the government says, ‘Ah! Why are you doing that? Our economy is threatened!’ They send in soldiers.” (t14). Protest, which for the Ogoni President is rendered as clearly, really, empirically legitimate in a ‘proper’ state, becomes rendered illegitimately as ‘threat’ (in a move thus castigated for its poststructural irreality), whilst the outcome is seen as pragmatic – it works to enable the soldiers to come in and snuff out the threat, which favours the interest of the government by snuffing out protest. And this, further, is because the set
up is such that the ‘interests’ of the government (through ‘their economy’ – NB – not the economy of the state or the people) are synonymous with the interests of the oil companies.

**No, it’s about Scarce Resources**
One man believes we should stretch our eyes and look beyond our nose. Rather than being satisfied with diagnosing the situation in the Niger Delta within the realm of oil politics, the Government Security Chief further identifies other external intervening variables, using empirical representational claims, that “have combined together to create a rather messy situation” (t34). Those variables include the federal system in the country, the swampy terrain of the Niger Delta, agitation for resource control by host communities and environmental degradation. His analysis, like that of the first Shell spokesperson, focused on the larger picture or scale. In comparison, respondents from the host communities have their perceptions constrained within the limits of immediate circumstances.

**Vehemently Denying Shell CSR Claims**
The first impression of the visitor to the Niger Delta was that there would be many visible Shell CSR activities going on, seeing that the company is the biggest multinational oil company in the region, operating since the 1950’s and pumping out over a million barrels daily. However, I was stunned to discover that my respondents believed otherwise. Although it was obvious from the various accounts by my respondents, particularly those from the host communities, that Shell CSR activities are simply disappointing, the vehemence with which they denied the existence of such was simply astonishing. They used different philosophical connotations and oratorical skills in convincing us of the strength of their arguments. I will consider some of them here.

**Nothing on the Ground**
The local folk used empirical representational claims in denying that Shell CSR projects abound in the Niger Delta, “That is completely a lie. Today is a clear case of
this lie they have told you because even with the President and Commander-in-Chief of the Armed Forces (Olusegun Obasanjo) in this field where we are standing now, there is no electricity, there is no water. If you want to drink water now you can’t see water to drink. If you want to see light now – you can imagine they are using manual microphone, there is no public address system because there is no generating plant” (t8). He used instantaneous witnessing of the reality on the ground in persuading me. Rather than relying on history, figures, logic, etc as deployed by other respondents to persuade me that Shell is not telling the truth about its CSR projects, he simply asked me to look out for the lack of evidence of such.

Equally important is the deployment of the persuasive tactics of creating empathy by putting the interviewer into the witness box through the use of expressions such as, ‘in this field where we are standing now,’ ‘If you want to drink water now,’ ‘you can imagine.’ Comparative to some other modes of persuasive representational claims used, the plausibility of his argument lies in creating instantaneous evidence that can be verified straight away. I can simply look around and if I can’t see signs of electricity or running water or can only behold manual microphones, then I will be convinced. For instance, I don’t need to ask Shell whether it is true or not, or cross check with some documents. The evidence is clearly before me. However, it is non-transcending evidence. It is not something like documents which I can refer my readers to. They simply have to take my word for it by accepting that my words and those of my respondent are empirical representations reflecting the truth, the reality of that moment.

Similarly, using empirical representational claims, the MOSOP member was also not left behind in refuting the assertion that Shell is doing a lot for its host communities, “The word ‘a lot’ is ambiguous. I don’t understand what they claim as having done a lot. Like in my area we don’t have water, no roads and no electricity. We are suffering, as I came here you can see I have to roll up my trousers and pull my shoes [because of mud] in order to get here” (t27). He also seeks to substantiate his point through instantaneous evidence. Again the idea here is that, ‘seeing is believing’.
Rather than trying to substantiate his argument with statistics or trying to offer long explanations, all he said was ‘just look at my feet.’

Similarly, the Queen of Ogoni land used empirical representational claims in calling to witness both the seen and the unseen in convincing me of the dearth of Shell’s CSR projects in her land,

But you are here in Ogoni today. You can see for yourself. Coming to Ogoni from Port Harcourt you pass through almost all the local governments of Ogoni. You pass through Eleme, you pass through Tai. You pass through Gokana and go to Kana local government which is where we are today. If there is any project by Shell, if there is any development in anywhere you don’t need to even ask me, you would have seen the signs of Shell all around as you pass through land (t11).

She is persuading me to look at what is not there; to look out for the projects that are not there. The absence thereof, the void, becomes the real object of evidence of the lack of Shell projects. The absence of such projects now becomes the self-evident reality. Reality is no longer just what is out there but also what is absent. Empiricist representational claims can reflect presence or absence of matter. With reference to the issue of scholarships she made an empirical representational claim using self-referential evidence. It is a contrast to the one she deployed in the last quote. Instead of asking me to look out for the evidence, this time around she deployed self-reflexive evidence. Both are representations of effective persuasive tactics deploying reality as evidence or even as a witness,

I remember when I was in the secondary school years ago. Sometimes they will ask us to come for Shell scholarship interview and all that. We were never given. Even when I was the brightest student in my class from my year one to five in secondary school, I never have that. But I have the state scholarship that was based on merit (t11).

You may now be saying enough of her majesty’s lamentations. OK, let us see what more the others have to say. After all it seems in the Niger Delta no one is short of
words when it comes to moaning against Shell – sorry, except of course our paramount ruler who was too angry to even discuss the ‘evil vampire.’

**It is All Media Propaganda**

In his account, the CDC Chairman, Umuechem Community, made a poststructuralist representational claim accusing Shell of misleading the world with claims of undertaking CSR projects. He seeks to reveal that what appears to the outside world as genuine CSR going on in the Niger Delta was but mere well-crafted deception conceived by Shell to delude and mislead the audience; a claim of poststructuralist representational attempts on the part of Shell that he seeks to thwart with his own empiricism,

But they claim in their websites and televisions in the high places that they develop these areas. May be when they snap pictures in capital cities like Abuja and other areas, they claim it is the pictures coming out of the communities where they operate. I want to assure you that they have not done anything. There is no completed project since 1958 in this community from SPDC (t18).

Yes, he has made his point. But I am afraid the issues he raised are much more complex than what appears on the surface and can indeed be deployed in deflating his argument. His lens was focused inwards, suggesting that Shell was a failure in his community. But it could be argued that could be as result of diverting oil money to the development of, ‘cities like Abuja and other areas’. The argument can be turned on its head that even though, “There is no completed project since 1958 in this community from SPDC,” Shell may still not be a failure as the company might have contributed, either directly (as in embarking on community projects) or indirectly (through payments of taxes and royalties to the Nigerian government) to the success of other projects in other places.

Abuja, Nigeria’s capital city, which can rival any modern city in the world, built from scratch from oil wealth which the Federal Government Chief Security Officer described as “money well spent” (t34), is a glaring example of an accomplished feat
from oil proceeds. While his community has its eyes on Shell, the latter’s gaze is on hundreds of communities and the totality of its success or failure does not depend on any single community (and Shell has over a hundred host communities, anyway,) but on the totality of all its host communities. His attempt to persuade us that Shell has failed to achieve a single completed project in his community since 1958 has in a way been deflated by the other exceptions he mentioned. At a bigger scale, what he considers as the exceptions to the rule may actually be the rule and the rule in his community may turn out to be an exception in the totality of things.

‘Impartial’ Voices from the Outside
After listening to a host of angry and despairing voices from the host communities, it is worthwhile to bring in ‘outside,’ supposedly ‘impartial’ voices as an attempt to create a fairly balanced representation of the situation. Two key respondents who are not from the host communities and who represent professionals in their different fields are the journalist and the government chief security officer. Both stated that they travelled extensively in the Niger Delta on investigative missions and claimed that their findings were based both on ‘hearing and seeing’. In essence both are making claims to being objective and impartial observers. However, their ‘findings’ not only contradict each other but also reflects the opposite extremes of a spectrum of seemingly possible, albeit contradictory, positions.

Let us start with the eagle-eyed journalist. He made an empirical representational claim in suggesting that Shell’s CSR claims regarding the welfare of its host communities were unrepresentative of the reality on the ground. He described the relationship between the company and its host communities as “far from cordial because what I have seen and heard is that these oil companies have been operating here for a very long time and there is nothing to show that really these communities are hosting oil companies that are making so much from what they are getting from these communities” (t16). He seeks to justify why we should believe in his version of the story by making claims to the “impartial stranger” basing his account on empirical evidence,
I have gone around, traveled by boat, by road and would not say I have seen things that these oil companies are claiming to have done for these communities... I am just being objective here because by my profession, being a journalist, I am supposed to be an impartial judge, I am supposed to observe and report exactly what I see. So I am telling you exactly what I saw and what I feel based on investigations I carried out (t16).

Furthermore, to strengthen the plausibility of his narration, he also argued that his observations were based not only on the evidence of the ‘eyes’ but also of the ‘ears’. He trusts the audience to believe in the infallibility of his investigation, which he portrays as not only being accurate, but also impartial, representation of the situation. Similarly, using an empirical representational claim, he pointed out that Shell tried to prevent the world from “seeing” and “hearing” what is going on by playing a cat and mouse game with the media. Curious as to why Shell would be doing that? He attributes this attitude to the company having some skeletons in its cupboard,

They [Shell] try as much as possible to avoid the press because they are not sincere. I believe if they were sincere they will even try to take the press to wherever they are carrying out their projects for the press to see... But Shell will tell you “I am doing this’. You say, ‘Show me,’ the company will say, ‘I don’t want to show you (t16).

If you think it is only the journalist who has no love lost between himself and Shell, just hold your breath because he is not alone in this. In an empirical representational claim the CSCR Chairman corroborates the charges made against Shell by the journalist, “I think they [Shell] are giving a different picture to people who don’t know the Niger Delta, people who are not ready to go out to the field, to the communities to see what Shell is doing. But we, we know what they are doing and we try to monitor them. And for that reason they are not happy” (t5).

But not everyone agrees with the duo. In contrast, the Federal Government Chief Security Officer, whose job is to sniff around for threats and opportunities by poking
his supposedly long nose everywhere used similar methods to the journalist but expressed contrary opinions and conclusions, “From what I saw and learnt when I visited the area, Shell has been operating responsibly in the Niger Delta because it is doing what is normally expected of it and has even gone further” (t34). In this empirical representational claim he gave kudos to Shell. For the Security Chief, responsibility should be measured according to what is normally expected of a company in terms of economic, legal and ethical responsibilities, but in this case it has even gone further to include philanthropic responsibility (Matten and Crane, 2007:49-50). The discrepancy in the reporting of the observations of the duo demonstrates how relative and subjective representational accounts can be in spite of being backed up by the claims of ‘seeing, hearing and learning’ – the fundamental elements of field observation.

Is it all About Envy?
While in general the anger of the host communities was targeted against Shell and the government over what can be described as a lack of infrastructural development in the Niger Delta, other respondents went to great lengths in expressing their bitterness that others benefit from the oil wealth. Their annoyance has more to do with the fact that the ‘others’ are deriving benefit form the oil revenues, which they consider to be at their expense. According to their interpretation, the situation is a zero-some game, where you can only have winners and losers and there is little or no room for a win-win situation (Fudenberg and Tirole, 1991 and Osborne and Rubinstein, 1991).

These others were generally categorized into Shell’s investors, notably foreigners and other Nigerians coming from other regions outside the Niger Delta oil producing areas. These others are seen as parasites and vultures who feed fat on the oil wealth even as the host communities languish in poverty.

Let us begin with the Ogoni paramount ruler. He made an empirical representational claim about how the oil revenue was being distributed, “It become much more disheartening when you notice that the money generated behind your home is used to
develop other places while our people live in penury and want. It is because of this cheating there has been a lot of noise in Ogoni land” (t26). The essence of the contrast was to portray what he considers as unjust and unfair. Consequently, he concludes that the ‘cheating’ going on renders the situation unsustainable and hence, in the long run un-pragmatic.

Similarly, in an empirical representational claim, based on the idea of the contrast between what is obtained in Ogoni land on the one hand and other parts of Nigeria on the other, the Angry man also expressed his annoyance that the oil revenue was being used to develop other parts of Nigeria,

> It grieves my heart to know that people in other parts of this country have access to good roads, potable water and electricity while the goose that lays the golden egg is strangulated to death and each time our people raise a voice to shout blue murder they are being hoarded to jail and put out of circulation for life. What a paradox of life! (t28).

His persuasion strategy involves eliciting the emotion of the reader - ‘grieves my heart’ - but the tone ends in an alarmist wolf cry of exclamating finality, ‘what a paradox of life!’ He seeks to reveal what he considers as the concealed oppression and conspiracy going on against the people of the Niger Delta by the Nigerian state seen here to represent only the interests of the non-Niger Delta parts of the country.

The CDC Umuechem Chairman also made an empirical representational claim, based on comparative persuasion, in demonstrating that other people from the other parts of Nigeria are more represented in Shell at the expense of the people from the Niger Delta, “Those people who are there in the oil companies are people from the South and North whose cocoa and groundnut have dried up. So the local population (of the Niger Delta) is rendered unemployed.” (t18). Here the idea of the zero-some game can aptly be demonstrated on the premise that, like any other organization, Shell can only employ a limited number of people at any point in time due to limited vacancies. Therefore, employing more people from a particular section would mean employing less from the others. However, this does not automatically suggest that this was the
indisputable situation in the Niger Delta. Indeed like on almost every other issue, the Shell spokesperson, flatly denied the charge. In an empirical representational claim the spokesperson stated that the company employs more people from the Niger Delta than from other parts of Nigeria, although, as was also often the case, transcending evidence to substantiate the claim was not made apparent.

However, if the CDC Chairman thinks that those whose cocoa and groundnut dried up would simply stand aloof while the Niger Delta people took over control of the oil resource, he’d better give it a second thought because most Nigerians from the other parts believe that it was the proceeds from the pyramids of cocoa and groundnuts exports of the early years that the government used in investing its own share in the oil exploration. Therefore, the oil belongs to all. With all the militants brandishing AK 47s in the Niger Delta, it sure looks like another fight will soon erupt over this type of argument. However, our Government Chief Security thinks he has a brilliant idea.

Using pragmatic representational claims on the issue of resource control, the Government Security Chief recommends a fair share for all, based on the ‘golden mean’ principle, which avoids extremes. His argument reflects a middle course between what is obtained in developed capitalist countries and what is obtained in most developing countries. In “economies which are more like that of Nigeria such as Saudi Arabia, Libya, Algeria and even China it is the central governments that own all oil resources. I think Nigeria has to find a middle way between the two examples cited above.” (t34). His persuasion strategy was aimed at portraying to the audience that his recommendations were simply moderate and pragmatic as opposed to those at the opposite extremes; those advocating either total control by the government or the host communities. His aim here is to avoid the zero-sum game where one party controls all, in preference of a seemingly win-win situation where both presumably may feel satisfied.
What does it have to do with Politics?

Other respondents argue that the crisis in the Niger Delta is just one of the symptoms or manifestations of what they perceived as an inefficient, corrupt, weak, and unrepresentative political system, in an underdeveloped postcolonial state called Nigeria. They argue that lack of political legitimacy of the Nigerian state contributes to the inability of its rulers to manage its vast oil resources efficiently. The inability to manage a successful relationship between the oil companies and their host communities is the failure of the state and its rulers rather than that of Shell or its host communities, both of whom are more or less, according to this argument, victims of circumstances entangled in a wider web. Let us listen to some of these politically oriented voices.

The man reconciling the Ogonis questioned the political representation of Nigeria and the British colonial government that brought Shell into the host communities. The colonial government existed as an empirical reality that pragmatically led to paving the way for Shell to come into the communities but his aim is to persuade the reader that the process that led to the creation of that reality was of disquieting, questionable moral foundation. The premise of his argument is that the Nigerian governments, both colonial and military, which gave Shell the legitimacy to operate, are themselves illegitimate,

So what government are you talking about? You mean a bunch of white people coming from the United Kingdom, (and) after killing people and taking over our country are now the ones you are going to call government whose contracts I am supposed to be obligated to live with? Or a few soldiers who shoot their way to power just like armed robbers to take over the State? Is that what you call government that can negotiate on my behalf? (t3).

This is an explicit political representation being chastised using implicit poststructural understanding. Violence (rape analogy, ‘killing people’) allows, via a might is right move, the established fiction, ‘government’ (or actually two governments, in two moments, the first colonial, the second military), to act to establish rights and
responsibilities and sell some of the former. This is being challenged by an empirical assertion (the ‘exposure’ of the illegitimacy of the representation, its being the result of force rather than reason; the ‘obvious’ reality of one’s lack of ‘real’ political representation in such a process – the ‘negotiate on my behalf’ point). The unreality of the contracts reveals their obligations, obligations that the respondent is ‘obligated’ to live with, as illegitimate. Legitimacy, here, is (seen to be) a result of simple truth. Representational claims in this case work by showing a thing as ‘mere’ representation (an implicitly poststructuralism move) in order to unseat it via a more obdurate or immediate reality (empiricism), whilst revealing that its original imposition was a mere pragmatic move – establishing a ‘government’ that can articulate ‘contracts’ that served the interests of those who engaged in it (rather than those who they might have purported to represent).

Using empirical representational claims, the local folk also expressed his scepticism on the ability of the current crop of politicians to effectively represent the interests of host communities, “How can somebody elected to the Senate, who have luxurious cars at his disposal with a lot of money feel the same way as the poor woman who has never seen a pot of rice for the last one month feel?” (t8). The comparison and the rhetoric here again are to show that the unrepresentative nature of the political system in Nigeria is incapable of representing the interests of the host communities.

The angry man also made an empirical representational claim, arguing that political representation in Nigeria was mere deceit, characterized by corruption and selfishness on the part of politicians because elections were usually rigged; those holding political offices are not fit to represent the people, “So many of those in government that are claiming to represent us are criminals, they are 419ners [fraudsters], they are not true representatives of the people. They are after their stomach and their nucleus family” (t28). Both the local folk and the angry man make implicit poststructural representational claims seeking to reveal the hidden the discredited nature of the politicians who seek to portray themselves as genuine political representatives of their people, while in reality they have lost touch with the electorate or were never in touch
in the first place since they were not actually elected through a free, fair and transparent process, as they apparently would be in more genuinely democratic setups.

**Wolves in Sheep’s Clothing?**

Narrowing down to the Niger delta, the Executive Director of IHRHL chastised what he believed was an unrepresentative political system, where elections that were supposed to be free and fair were rigged, using empirical representational claims. For him, the bullet and not the ballot determined those who won the elections in 1999 and 2003, “Here in the Niger Delta, the people have never elected anybody” (t19). He traced the political genealogy of the so-called current legislators, who began their careers as cult members in the university. Thereafter, they graduated into dreadful mobs who rape the political process through violence and intimidation targeted at voters. Finally, they declare themselves as elected legislators, notwithstanding the fact that everyone knows the process was flawed.

However, currently they are now considered as duly elected legislators even though no one actually elected them. Also, now they are made to appear not as violent cult members or a gun totting, mob rigging elections, but as decent legislators; supposedly genuine political representatives of the people. What is significant is that over time these details become concealed. His aim is to expose the fraudulent part of the story that has been edited and concealed, so to speak. They now claim legitimacy just like any other elected legislators in the world,

In fact majority of legislators from Rivers State and the Niger Delta are cult members. They were cult members in the universities… They can kill because during the last election people were killed... Some of us had guns pointed on our heads. The people attempted to come in mass to vote for the right people but they were driven away by the violence (t19).

**Hijacking Politics for Pragmatic Ends?**

The Executive Director also deployed empirical representational claims in contrasting the political representation in Nigeria, on the one hand, and that in the UK and U.S.,
on the other. Due to lack of accountability, the lives of both of those ordinary citizens as well as even those holding political offices in Nigeria mean little or nothing to the President while on the other hand, because of political responsibility for the safety and well-being of their citizens anywhere in the world, Prime Minister Tony Blair of the United Kingdom and President George Bush of the United States would apparently react swiftly to any kidnapping of their citizens by calling on the Nigerian president to ensure their safe release,

If they come and hold one legislature (President) Obasanjo would not turn an eyelid, if they hold a governor he would say to hell with you. But when they hold an American and a Briton, Tony Blair would call in, George Bush would call in! (t19).

The kidnappers understand and exploit this pragmatist tool. Due to lack of political representation in Nigeria, the kidnappers are well aware that abducting Nigerian legislators or even governors as hostages would not achieve their political aims. But abducting an ordinary UK or US nationals will be pragmatic because it would attract international media publicity and exact political pressure on the Nigerian president. Again the issue of political representation keeps on rearing its head. People from Texas, the Netherlands, those around the North Sea who get displaced by oil companies, get compensation because under their political systems displacement is an issue considered as part of the victim’s economic, social and human rights. But those who are unfortunate to get displaced from their homes in Nigeria and Ghana by multinationals would not get compensation as would those in the North because of their lack of genuine political representation.

The multinationals exploit the lack of legitimacy by the rulers or lack of genuine political representation on behalf of members of the host communities in Africa to refrain from fulfilling their responsibilities. Ultimately, the multinationals remain unaccountable in their operations as a result of illegitimate or lacking of political representation, “Like I said it’s happening in Texas, it is happening in North Sea Oil, it
is happening in Netherlands. We have gone round. Why not here? Is it because it is Africa?” (t19).

The CSCR Project Coordinator lamented the lack of political representation which entails not only political deprivation but also inability to get access to social services. He used empirical representational claims to drive home his point, stating that Umuechem cottage hospital could not take off because the community, “has no legislator, has no councillor, has no chairman of a council, has no governor and NNDC projects are approved in Abuja” (t5). In this respect there is a correlation between political representation and deriving economic and social benefits and indeed between the lack of both. He is echoing the popular Pan African adage, ‘seek ye first the political kingdom and everything else will be added unto you.’

**Is Corruption a Key Characteristic?**

Corruption within the Nigerian environment keeps coming up as a theme in the conversations I had with my respondents. They refer to corruption going on in Shell and within government circles. It was not only presented as a character or subject in empirical representational claims but also in the instrumentalist sense, as an object that served some purposes. Consequently, one cannot fully comprehend the oil politics going on in the Nigeria Delta without carving a niche for corruption at the heart of the scheme of things.

Let us begin with the man reconciling the Ogonis. He used pragmatic representational claims to portray corruption as a central theme and character that serves some purposes. It was responsible for the secrecy surrounding the concealment of taxes and royalties being paid to the Nigerian state by Shell, “The problem with these oil companies is that they survive on simply bribing a lot of Generals… This people [oil companies] know that there is no sincerity in the conversation because they are paying bribes to a lot of people.” (t3).
Offering bribes to the Generals who ruled Nigeria, an empiricist representational claim (that he attempts to substantiate with the $600million found with the son of a former General), may have been a practice employed by Shell as a pragmatic business requirement in its contest of operation but the consequence of doing so was that the company had to conceal the amount it pays in taxes and royalties. Any attempt at transparent accounting would reveal bribe taking and giving by the parties involved. Now both giving bribes and concealing it have become empirical facts, as represented by the respondent. The concealment of the sums that exchanged hands was meant to cover any trace of any such transactions but it has evidently been transformed into a real and visible situation. Going by respondent’s suggestions, pragmatic considerations would not allow Shell to change its current position of concealment either by admitting or revealing the amounts it paid to the Generals as bribes. Therefore, the current empiricist fact, which serves a pragmatic purpose of non disclosure, prevails.

The corruption charge was not restricted to bribing Generals alone. There is apparently evidence of other things going on. In projecting the level of corruption going on in Shell projects, the IYC president made an empirical representational claim in substantiating his argument, “European Union built classrooms blocks in the Niger Delta with 1-2m naira but Shell and government build the same classrooms for 50 -100 million naira. The EU Micro Projects Program (MPP3) has exposed the level of corruption (going on in Shell and government).” (t15). And its essence? “They are doing this so as to create room for some of the staff in the oil industry to benefit from the contract letting through either their stooges or their sponsors.” (t15).

The corruption serves as a conduit or move to enable the staff in the oil industry to get ‘a piece of the action,’ – a rendering of the representation of the cost of 50 -100 million naira as a pragmatic one: “They are doing this so as to create room for some of the staff in the oil industry to benefit from the contract letting through either their stooges or their sponsors” (t15). His concern though is that it is at the expense of the
community. While the company and the staff are making out, the host communities’ losing out is exacerbated, adding insult to injury.

**What, if Not?**

What if Shell denies such charges? Well, it should join the Industry Initiative (EII) if it is sure it has nothing to hide. So suggests the Executive Director of IHRHL, in an empirical representational claim. He attempts to demonstrate why the allegations of corruption sound credible, using recent evidence,

So the crux of the matter you don’t know how much oil we make at the end of the day, you don’t know how much oil you sell. Shell runs all the expenses… The DPR tells you that they don’t even have equipment to handle the work they are supposed to do….It is very difficult because there is so much secrecy and you may be aware that because of the extractive initiative in Nigeria, they called in auditors, Scottish, British teams of auditors that came into Nigeria to audit NNPC account. I don’t know if you have seen the finding. The findings are terrible; that a lot of money is missing. I saw it in today’s paper (t19).

The auditors only unmasked what was already there – unaccountability and corruption shrouded in secrecy. The respondent’s aim was to substantiate his underlying thesis on the unrepresentative and unaccountable nature of the system. Reasons not too far-fetched - check ‘today’s newspaper’ about the huge missing amounts. Here again the aim is to find a reason behind every argument.

**No, that is Not the Point**

Well, the CSCR oil company project monitor is arguing that it does not matter if Shell admits or rejects the charge. What is important is to look into the reasons why the company has to engage in such practices. Using pragmatic representational claims, he presents corruption as a character that has come to stay as a player in the scheme of things because it serve as a pragmatic tool in a system fraught with inefficiencies,

So yes there’s corruption. Do you blame Shell? Do you blame the oil companies? I say yes and no. Yes because we don’t know what they have done to penalize those they found out. No because they are
operating in an environment where bribery has been accepted as a way of life (t6).

Hence if the company needs the protection of the security agencies, it has to pay ‘bribes’ to both the individual security operatives as well as their bosses. Otherwise the company cannot get their services. Under such circumstances responding to the reality on the ground would be more pragmatic than sticking to ‘theoretical’ rules against corruption and not getting the work done. After all, the argument here is who cares about a rule that gets one to nowhere?

To the Rescue
Anyway, Shell does not have to feel ashamed or blush when confronted with allegations of corruption from cock-eyed researchers and journalists, like me, sniffing around. One of the most ardent defenders of oil companies I met in the Nigeria was the Deputy Chairman of the House Committee on the Niger Delta. He thinks Shell has no question to answer. He would rather blame the inefficient Nigerian system. His eloquent commendation of the role of oil companies in this empirical representational claim would make the two Shell spokespersons seethe with envy,

You don’t blame Shell; you blame us because we make the policy, and then enter into agreement with them. If they short change us, it is because of our own corruption and inefficiency. But all said and done, I will also say they [Shell] have equally contributed positively to the economy (t21).

He absolves Shell not only of any blame but also of any responsibility. For him Shell has no moral obligation to behave well as long as it is operating within the ‘corrupt’ Nigerian system. Therefore, it should be judged based on the circumstances in which it finds itself rather than against some independent context-free code of behaviour. Its measure of responsibility is reactive rather than proactive. Hence any of its actions, no matter how abhorrent, can be justified as long as the company is operating within an environment that encourages such. In essence, the company is not expected to possess
any agency of its own, but is merely an automated reactive machine that should respond based on the input it receives.

Not necessarily so, counters the Secretary to the House Committee on the Niger Delta. In an empirical representational claim he argues that Shell should be judged according to the content of its character, echoing the argument from the scriptures, ‘By their fruit shall ye know them’ (Rowe, D. and Schulmann, 2007: 123) and Fenn, 2003: 43). For him, Shell engaging in corruption is not acceptable regardless of context or circumstances. And the fact that Shell refused to respect a court ruling asking the company to pay compensation to the Ijew community is enough evidence to demonstrate how irresponsible the company is, “Till now they have not done anything. That should show you the kind of organization Shell is. You should know what an organization that doesn’t take the ruling of the court seriously can be” (t22). Theoretically, failure to obey court orders amounts to flouting even the meagre limits of legal responsibility.

It seems most people would want to blame corruption for all the mess and try to tarnish its already bad image as a key character, a sort of *bete noir* to whom most of the problems are attributed. But one man disagrees and tries to persuade us to see things in an entirely different light. Deploying empirical representational claims, the Chief Security Officer comes to the rescue of corruption. Trust him when it comes to rescue operations. He identifies what he considers as the source of the crucial issue that most respondents could not behold. He blamed limited resources rather than corruption as the factor responsible for the dearth of infrastructure and the perception of government inefficiency.

Rather than restricting the prism to Shell alone or the amount of oil being extracted, he would rather look at the endless demands of different sectors, all holding their bowls waiting for oil revenues that are “too small to cater for the problems of a huge country with a population of 140 million.” Consequently, there are many areas crying for attention which government does not have the resources to attend to, “While it may be
true that a lot of money has been stolen over the years, the total is not that significant to make a marked difference on the economy as a whole.” (t34).

What is Responsibility?
The concept of responsibility occupies a central position in my interviews with respondents. However, once I began to conduct the interviews I came to realize that my respondents have different views of what responsibility entails. Lack of a single premise or minimum criterion for defining the concept makes it difficult to come to a conclusion as to the extent to which Shell is a responsible or irresponsible corporation. Indeed it becomes difficult to define what responsibility is. Armed with “Corporate Social Responsibility in the Petroleum Industry” as the title of my thesis, I was envisaging that once I arrived in the Niger Delta, I would easily find out if Shell is a responsible corporation or not. ‘Amateur social scientist,’ you may say. You may not be totally wrong but neither will you be right. Consequently, I discovered that responsibility is a relative concept and its meaning depends on who you are speaking to and what their understanding of the concept is.

My respondents not only differ on what the concept entails, but also on the idea of what is acceptable to them between what they consider as direct and indirect approaches to responsibility by a corporation. In general terms, my respondents from the host communities advocate a situation whereby the company deals directly with their communities rather than through the Nigerian state or other third parties, while Shell and government officials, on the other hand, believe that the company has a responsibility largely limited to dealing with the government whilst the latter would in turn be responsible to the host communities. Ultimately, I found that rather than making my task difficult in establishing whether Shell is responsible or not in its activities in the Niger Delta, the differences both in the perception of the concept and what approach is acceptable made the conversation richer. Of course it does not provide a ready answer but instead opens up new ways of looking into ideas.
Responsibility should be Direct

Let me commence with the man reconciling the Ogonis, largely because I am in love with the word ‘reconciliation.’ After all wherever tempers are flaring, especially those fuelled by interest in oil, whether in Iraq or Nigeria, the word comes in handy. He made an empirical representational claim that the system of representation adopted by Shell whereby the company is talking to the Nigerian government instead of its host communities is irresponsible. He is persuading the reader that a system whereby someone else is to accept penance on behalf of an aggrieved party is not one bearing a fair or valid representation. That in itself may be the “unacceptable” reality on the ground at the moment but he invokes the pragmatist persuasion that, “it does not work that way!” He believes that responsibility should not be indirect or through a third party if that responsibility is to work.

Likewise both the angry man and the Local Folk denounced Shell’s paying of taxes and royalties to the Federal government as insufficient, “Ever heard of a case of robbing Peter to pay Paul?”(t28). They insist on direct responsibility. When I suggested that Shell can be paying royalties and taxes the government while the government in return takes care of the host communities, the local folk retorted using similitude, “How do you rob Peter to pay Paul? You make use of the resources of a doctor only to go and pay a carpenter. You don’t do that!” (t8). That would be unrepresentative and a negation or misplacement of responsibility. Responsibility should be to the oil producing communities. Paying it to any ‘other’ would be irresponsible.

Therefore what happens if the company decides to pay only the ‘other’, such as the Federal Government? Well, the local folk think the revenue may get allocated to the ‘wrong’ community that does not produce oil. And who will be responsible for such “a crime against God” (t17)? The finger would point at the oil company that adopts indirect responsibility by robbing Paul (the oil producing community) to pay Peter (the government) or enjoying the services of a doctor (the oil producing community) only to pay the carpenter (the government) for them. Are you still not convinced?
Using empirical rhetoric, he attempts to substantiate further, “Let us say you pay the Governor of this state to pass it over to the host community and the Governor is not from there, what if he carries these things to another community? Who is responsible? So to my mind it is better to go straight to pay the people.” (t8).

His persuasive strategy was based on the logic of presupposition and he pragmatically argued that, particularly in a context of corruption, paying oil revenues to any body or tier of government will not work because such funds may be diverted. Therefore, he is in support of direct responsibility as opposed to going through the government, which he sees as a third party. This is based on the assumption or presupposition that the existence of a third party is at the root of the problem.

Also using empirical representational claims, the president of MOSOP denounced Shell’s policy of being responsible solely to the federal government and for giving more importance to its legal licence, which the latter gave it, at the expense of the social one, from the host communities. He used the expulsion of Shell from Ogoni land by the host communities in strengthening his argument, “In Ogoni we have withdrawn the social license” (t14). He regards the social licence as complementary, albeit crucially so, to the legal one. He persuades the reader using empiricist evidence that the company could not operate in Ogoni land because of the lack of social licence. However, his main argument is that the social licence is a pragmatic requirement and concluded that the company failed in its “responsibility of marrying the two.”(t14). The motive of his representational claims was to convince the audience that Shell has no clear grasp of the situation, in contradistinction to his own position and until it gains such a grasp, it would remain in problems with its Ogoni host communities.

Similarly, he used an empirical representational claim in challenging the view that it is the duty of the government and not Shell to provide the host communities with infrastructure, “People don’t want to know the distinction between government and oil companies” (t14). Here he not only claims to know what the people think but also speak on their behalf, much like typical politicians who confer on themselves the right
to act as the universal mouthpiece of the people with typical claims such as, “The ordinary person in the UK supports our involvement in Afghanistan and Iraq.” His idea of responsibility is that as long as the infrastructure is provided, it does not matter who carries out the job. But where it is not, it becomes an issue of collective guilt.

**The Concentric Circles**

One way of seeing those claiming to represent the oil producing communities is through the concentric circle made up of the federal, state and local governments. Using pragmatic representational claims the Chairman argued that the system of paying royalties to the federal government which is the current practice, is untenable. He advocates for direct payment of taxes and royalties to the communities who are at the centre of the concentric circle made up of several layers of those claiming to represent the communities. If the royalty is paid to the communities, it would be as if it was being taken “right [to] the centre” of the villages where some of the oil wells are located.

Immediacy and transparency is what is alluded to. Instead of paying the royalties to the Federal Government in far-away Abuja and getting it filtered back through revenue allocation to State capitals and Local Government headquarters and then the villages, being the last to receive the revenue, he would rather have a system that deletes those supposed to be at the periphery of the circle (the federal, state and local governments) from his perspective. Here legitimate representation and responsibility should be focused at the centre or the inner circle which is the village, at the centre of which some of the oil wells are found.

In a pragmatist representational claim blended with elements of empiricism, the chairman suggested that Shell extracting the oil is a necessity but also with it inevitably comes the destruction of the environment. But then the linear presupposition logically follows that the community would also naturally expect compensation, “They must do business, they must destroy our environment but they should do something to also compensate us” (t9).
**Responsibility Precludes Negative Acts**

The MOSOP member used empirical representational rhetoric in rejecting the proposition that Shell pays royalties to the government and in turn the government should take care of the host communities, “If I may ask also, is it right for a resource to be found in your environment and someone comes to tap that resource and pay tax to other people but those receiving such taxes wouldn’t care? If yes, then I will make your desecration of my home and destruction of my livelihood in my community difficult for you.” (t27). The implied persuasion strategy is more of confrontationist mode. It does a good job by aggressively capturing the interest of the interviewer. The essence of the rhetoric is to elicit empathy within a defensive articulation.

The wife of the activist attempts to draw a limit on the rights of an oil company using an empirical representational claim,

> You mean you have the right to come and desecrate my home simply because you are a tax payer? Whatever tax or dues they pay is to enable them operate in Nigeria as a company, and if by so doing your activities infringe on another person or deprive such person of his right of livelihood, you are to bear responsibility of such action (t25).

This is a clear shift away from focusing on financial benefits from oil companies and a move towards attending to the harmful activities of oil companies. Responsibility for negative action is stressed. Responsibility is not limited to only delivering positive benefits but also precluding, excluding or limiting damage and destruction to others.

Likewise the angry man used rhetorically rich empirical representational claims to persuade us that acting responsibly on the part of Shell entails stopping hazardous activities which make life very difficult for its host communities. He attempts to make his audience appreciate his anguish that in his community they cannot roof their houses with zinc because the gas being flared makes the zinc rust within a short period, “Why do we have to spend so much to have a shelter above our heads?” It is not so much that he is looking for an answer to his question than persuading the reader to understand his frustration. He complained about air pollution using an empiricist
representational claim, “We inhale some fumes and when you sneeze black substance will come out” (t28). It is a persuasive strategy that almost sounds like an exaggeration aimed at convincing the listener.

**Responsibility should be Proportional**

The journalist advocates proportional responsibility on the part of Shell. His logic is that the larger the number of host communities Shell drives its oil from, the more should be its capacity to cater for the need of the entirety of its host communities based on the logic of economy of scale (Stigler, 1985). He justifies this using empirically focused rhetoric,

Why should they complain that they have over 100 communities? Don’t they have over 100 wells? There are too many oil wells that Shell is taking from. It has not been operating in Ogoni for years but has it not been existing? How many communities are there in Ogoni? But I am sure the number of wells in Ogoni land supersedes the number of communities in that land. So why is Shell complaining? And when you look at how much you are taking from each well in a day, this people are not saying give us these things per day and they are saying probably give us per year and you are complaining (t16).

Using an empirical representational claim the CSCR Project Coordinator hinged his argument on the logic of proportionality of rights as well as responsibilities, seeking to persuade the reader that as a major player, Shell should equally take on proportional responsibility, a sort of ‘to whom much is given, much will be expected’ (Smith (2000),

They have bigger concession areas but if that argument is correct, they also have bigger votes, bigger money. They’ve made bigger productions and bigger sales. So if they have bigger areas, they have bigger job to do and that is why they can pump in that money by recycling this gas and reduce the gas flare in Niger-Delta but that has not happened (t5).
Responsibility should be Reciprocal

Furthermore, he made an empirical representational claim in arguing that there should be reciprocity on the side of Shell. Being responsible to the state alone by paying royalties and taxes is not enough. He believed that the company owes some responsibility both to the environment and to the host communities as well. The idea here is of several layers of responsibility: responsibility to the state, responsibility to the environment and responsibility to host communities,

If we are talking about sustainable environment, if you take from an environment what the people have, what in return are you placing for that environment to be sustainable, so that they can still fall back to that environment, which is too critical to the survival of the people? Here we are, you are devastating the environment and you are telling the people that because you are paying royalties to the government, you cannot do what you are expected to do to contribute to the well being of this environment, I think it’s criminal! (t5).

Going by the idea of legal responsibility (Carroll, 1999), Shell is only accountable to the Nigerian state and its obligations are limited to paying taxes and royalties to the state as represented by the Federal Government. However, our respondent argues that it is a moral crime to destroy the environment or not to give back something to the host communities. The phrase, ‘It’s criminal’ here is not referring to breaching any Nigerian law but breaching the moral code expected of a responsible corporation which would, “oblige corporations to do what is right, just, and fair even when they are not compelled to do so by the legal framework” (Matten and Crane, 2007:50).

Escaping Responsibility or Exploring New Waters?

Ijaw Youth Council (IYC) President described the new strategy by oil companies to search for oil offshore in order to avoid the consequences of the increasing agitation by host communities as a “deliberate attempt to partition the ocean as they partitioned Africa while extracting their raw materials” (t15). This not only connotes empiricism but also the idea that retreating offshore was a pragmatic move by the oil companies in the face of hostilities from the host communities. It is the consequence of this move that led to the creation of a new reality - the division of the ocean.
The poststructuralist account of representation here seeks to uncover the hidden work of separating out or partitioning the world into objects (and subjects who survey them). When land is divided, it is often fenced, which leaves a very visible trace of the act of constructing the plot of land as an owned object. A similar practice is seemingly going on with the ocean, but at the moment at least this is leaving no visible trace on the ocean itself (although this may change over time) - that said, plots of land divided out for long enough often come to be seen as 'naturally' the possession of those who are represented as their owners. The point here would thus seem to be that land had already been partitioned by ethnicity - and is represented as such, even if only in local understanding - even before the state and the oil companies came along and divided it up again, somewhat differently, according to their own means and ends.

It is these prior representations of ownership based on ethnicity that is used to challenge the current state and oil company notions of the land's division and its ownership. The ocean, apparently, has not previously been subject to such claims - at least not at any significant level of explicitness. It was simply a whole. In this sense it might have been like Africa was before it was partitioned by the west for raw materials...but presumably from a more traditional Ijaw perspective, 'Africa' would not itself have been a meaningful object until it was seen by the west as a place ripe for partitioning for raw materials (perhaps in and from the 19th century's so-called rush for Africa and the subsequent re-visioning of the Nigerian State) from whence it also became a place that could be invoked when resisting colonial claims by those who lived there in its various parts as a sign of solidarity - in the sense of 'we are all similar as Africans since we are all having our raw materials partitioned and stolen'.

Is CSR of Any Relevance?
There is lots of trouble brewing in the Niger Delta. Let us see whether CSR - our newly invented superman - will come to the rescue by sorting things out. Let me begin with the man reconciling the Ogonis and see if he will be deploying CSR in his reconciliatory arsenal. He described CSR as one of those “fanciful concepts that is
flying around.” It may have been invented as a pragmatic representational tool by some business ethicists but for him it is not a universal one. His empirical representational claim limits the concept to “Washington, New York or Amsterdam.” He is well aware that it exists; hence it is an empirical reality, though he questioned its origin and connotations.

His argument that bringing CSR as a tool for improving the relationship between Shell and her host communities is, “catching the argument mid stream” is aimed at persuading the audience that the attempt at creating and deploying CSR is not working, at least in his understanding of the situation as it relates to the Niger Delta. In essence he perceives CSR as a foreign imperialist tool or a suspicious slogan that is incapable of addressing the company-host community differences in the Niger Delta. “I don’t know the origin of this CSR. If it something that is coupled in Washington, New York or Amsterdam I have got a problem with it” (t3). He seeks to unmask and discredit the attempt at creating and deploying CSR using a poststructuralist representational claim,

Having destroyed the environment you cannot come back now and be claiming to clean it up and make it look as if it is a wonderful thing you are doing. What is now being masqueraded as corporate social responsibility is an attempt by multinational corporations to compensate for the sins they have committed. But what they are doing pales into insignificance compared to quantum of resources they are ploughing out of those communities (t3).

He portrays CSR as a mask hiding the face of the company responsible for the oil spills and diverting attention from the cause of the problem. Shell in particular might have thought it can delete its responsibility for destroying the environment by presenting it as something that occurred within a different realm, hence the company hope the move to clean the environment would be seen as something commendable, an exemplary display of responsibility that should not be linked or connected to the original empiricist fact that it created the problem. However the representational claim here undeleted this attempt at such occlusion by revealing that the company was
responsible for the original damage and any attempt to remedy the situation should be considered as no more than paying for its sins. But even this attempt cannot withstand the empiricist claim about the “quantum of resources” the company is extracting from the communities.

CSR here represents a form of deception. Like a masquerade, it seeks to hide by failing to acknowledge that it is only cleaning up the mess the company created. Rather it attempts to appear as a hero, a superman who just appeared from nowhere to rescue the beleaguered communities from the environmental destruction that was already there and for which it had no responsibility. The reconciler explicitly represents CSR as something not worthy of being commended. He deployed similitude in persuading the audience that the attempt at using CSR in mending the fence between oil companies and their host communities is like, “trying to ask a rape victim to become benevolent towards the agency of her rape” (t3). He deployed poststructural representational claims in suggesting that CSR appears to be a new benevolent concept only because some people with a vested interest from “Washington, New York or Amsterdam” are trying to make it look so.

In his analysis the president of MOSOP described Shell CSR projects in the Niger Delta as “appeasements and patronages [akin to] scratching the people where it does not itch them” (t14). Here CSR is seen as mere representation – ‘appeasements and patronages’ – not exhibition of ‘responsibility’ to ‘social’ equals. CSR, by engaging in patronage makes the people less than people and treats them accordingly. The notion of ‘scratching where it does not itch’ beautifully captures a similar point: a real itch (empiricism) is what should be scratched but it goes unattended to whilst a fake itch (the result of poststructural, fictitious representational moves) comes into being to allow the impression of a caring company (another fiction) to come into being at very little cost and no ‘real’ impact. All of which ‘works’ for the company (pragmatically – its gets to be both a thing that cares (and thus a thing not amenable to criticism) and a thing that does not actually care (and thus is not bogged down by dealing with the real issues which might restrict its profitable operations). He concluded with a pragmatic
representational claim that Shell failed in its attempt at implementing CSR because it is, “Driven more by PR rhetoric that they can show than what the people need… This is why it fails” (t14).

In contrast the DPR man was emphatic in his pragmatic representational claim that oil companies should engage in CSR in order to “make the environment good for business” (t20). For him CSR should not be based on altruism but on self interest, which he believes in the end will benefit both the company and the host communities. Essentially, his argument reflects enlightened egoism (Smith, 1793 and Kattsoff, 1947). His concern is not concerned with what is morally right or wrong. For him CSR is not an issue of virtue ethics or communitarian but of what will be in the interest to both parties; a strictly etiolated utilitarianism.

However, the CSCR Oil Company Project Monitor concluded by arguing that CSR should be strictly voluntary and not a result of pressure from host communities. He criticized the demand for development projects by host communities as going beyond, “theoretical limits of corporate responsibility” (t6). He only expects oil companies to pay their taxes and comply with regulatory standards. Anything beyond should be strictly voluntary.

He may be right to interpret corporate responsibility in the light of philanthropy (Matten and Crane, 2007: 51). But most of his fellow citizens in the Niger Delta do not subscribe to those theoretical limits of corporate responsibility. For those in the host communities, such interpretations of CSR are seen as un-pragmatic representations; tools that cannot work in that environment. For the vast majority CSR may not be legally binding but it is a moral and social requirement for any company operating in the Niger Delta. It gives the company not only the obligation to provide infrastructure but also the social license to operate.

To demonstrate how real it is, despite lack of ‘theoretical’ approval, the Ogonis decided to withdraw the social license by forcefully evicting Shell from their
communities. And what happened, despite the fact that the company still possesses the legal license to operate? It could not operate in Ogoni land. The legal license may carry all the theoretical justifications but it simply won’t work on its own on the ground without the added social licence, which though not theoretically recognized by Shell still exists as a real tool. Limiting itself to ‘theoretical limits’ means that the company would lack the pragmatic requirements for operating in the Niger Delta.

The Deputy Chairman of the House Committee on the Niger Delta, in an empirical representational claim stated that the crisis in the Niger Delta was not a result of failure of CSR. He echoed the argument that entails companies should have no business with engaging in CSR (Friedman 1970). He would rather view the problem in the Niger Delta as that of government instead of CSR. He attributed this government failure to corruption which he presented as the notorious character on whose doorstep all failures of the Nigerian system are piled up,

For Shell and other oil companies, I quite agree, to be very honest here that they have been doing their best. They cannot be or play the role of our government. They are business organizations. The situation in the Niger Delta is government’s failure and not the oil companies. And government’s failure is as a result of enormous corruption in the system (t21).

However, as much as it is the responsibility of governments to provide infrastructure, others would argue that the companies cannot be absolved for the destruction of the environment. Nevertheless, it is the role of government to make the necessary legislation for protection of the environment. Consequently issues of environmental protection would be legally defined and erring companies could then be penalized. In an empirical representational claim, he suggested that blaming oil companies was simply akin to chasing shadows and attributed the problem in the Niger Delta to rulers, who mismanage public funds,

Most of them steal this money and put in frivolous and extravagant projects that don’t really impact on the people. These are the real problems much than one can blame the oil companies… And when this
money is embezzled, he now blames the oil companies. The citizens, because they are ignorant, see companies as being the cause of their problem; they are not (t21).

Like the Government Security Chief, he would rather shift the blame away from oil companies. Importantly here the Deputy Chairman of the House Committee on the Niger Delta, who was elected to the National Assembly by the people also speaks on their behalf, expressing the type of electorate they are for blaming oil companies. “The citizens, because they are ignorant, see companies as being the cause of their problem; they are not” (t21). He not only represents the people by speaking on their behalf but also believes that he knows what is going on in the minds of the citizens relating to their perception of oil companies. It is also becoming manifest that politicians are not representatives or voice of the people in all cases. It is obvious that he is only expressing his opinion and not that of his electorate when he called them ignorant. Indeed many of them will feel offended to know that their political representative is calling them ignorant. The question then is that of defining the boundary between speaking for himself and speaking as a representative voice of the people.

Similarly, the CSCR Oil Company Project Monitor echoes the viewpoint that businesses do not have responsibility to provide infrastructure to host communities since they are neither specialized in that nor are they elected politicians Freidman (1970). Nevertheless, in a pragmatic representational claim, he believes that politically,

The oil companies can no longer pretend that well we are business, we are apolitical. They can leverage their influence to say look government this community needs water, light etc. They can level their influence to say look there is too much corruption….. I am not going to say oil companies should provide light, should provide water, provide schools. No. But if they do it, fine (t6).

However, this argument can be extended to mean that businesses are also not supposed to be political lobbyists. Hence to expect Shell not to be apolitical or to put pressure on government in political matters of resource allocation and development is
to go beyond the 'theoretical limits' of the traditional role of a corporation. Theoretically, a corporation specializes in making profit for its shareholders and to expect it to go into other areas would be to go beyond the theoretical limits. However, on the other hand it is worth mentioning that corporations do put pressure on governments all the time in order to ensure that they stabilize profits instead of allowing unmediated market forces to sort things out. This also can rightly be described as going beyond theoretical limits.

The angry man made use of empirical representational claims in declaring CSR in the Niger Delta as “virtually non-existent except on the pages of newspapers and television” (t28). CSR is represented here as a charade; more deception than genuine intent by Shell. Hence it is like a magician or a circus act aimed at dazzling and deceiving the onlookers through, “recycled publicities given to a singular project” (t28).

The Shell spokesperson stated that Shell has a policy of “commitment to sustainable development,” emphasizing that, “we need to protect the environment, we need to respect people and we need to have integrity and honesty in all our dealings” (t2). These needs, he continued, compelled the company to get involved in social responsibility initiatives, which made Shell the “first oil company to initiate community [a] development programme” in 1988 (t2).

Here CSR is represented as a tool of compassion in doing the right things for the community. The use of particular concepts plays a role in concealing contradictions and countering opposites. In this case he used the word ‘sustainable’ in the context of an extractive industry that depletes a non-renewable resource – oil. Also he made claims to environmental protection when accusation of rampant oil spills dots the conversation and the landscape. Shell admitted to 300 oil spills a year, when its policy is to ‘protect the environment’. He also used the phrase ‘respect people’ when Umuechem and the Ogoni communities are still counting their dead and destroyed houses in their conflict with the company.
Likewise, he talked of ‘honesty in all our dealings’ when ‘the problem with these oil companies is that they survive on simply bribing a lot of Generals’ (t3). Elsewhere, he made reference to offering cash payments to key members of communities prior to 2003 ‘to facilitate business entry’ even though such was ‘not a good business practice and inconsistent with our business principles and ethics” (t2). Use of concepts such as CSR and sustainability serve as slogans that conceal the reality of what was going on by presenting to the audience a picture that contradicts the reality on the ground. However, Shell may be deploying such slogans as pragmatic tools.

In a medley of empirical, post structural and pragmatic representational claims, the CSCR chairman represents Shell’s CSR and community relations as deceit with false publicity on its website that contradicts the unpleasant reality on the ground,

The website will show you a very positive reality. The one on the ground is quite a negative experience for the most part and as I say, I think that very much has to do with the fact that Shell are involved in huge operations, they are too busy to be concerned with the human beings they are meeting with in their communities. They are juggernaut that is moving at speed that has to increase from two million barrels to four million barrels, to eight million barrels...They are on a mission and certainly unless they take into consideration the fact that there are human beings in communities in those areas where they hope to make all these huge explorations, then they are going to spoil it for themselves and for everybody else (t4).

His argument is more focused on the consequences of Shell’s current strategy than its intent. For the company, projecting its community relations in a positive light on its website may give it good publicity, notwithstanding whether what is contained therein is true or false. It simply serves a purpose for that particular audience. But his concern is the pragmatism of such a strategy will be short lived and its negative consequences could adversely affect everybody. In this sense, he seeks to contrast short term CSR goals and long term corporate image sustainability. He used poststructuralist analogy in presenting the company as a juggernaut. Even if we don’t really believe that the
company is a juggernaut, he used it to create a representation that serves the purpose of putting his message across.

The IYC President made an empiricist representational claim, but one that seeks to uncover the misrepresentation of the pragmatic representational claim in terms of what can be classified as Shell CSR projects relating to community development. He argued that Shell is spending on things that do not have any positive impact on community development, such as workshops and other enlightenment projects, “Most of their monies are spent on workshops and enlightenment, on accommodating people and then putting all these figures on community projects. But the real amount spent on community projects is not enough” (t15).

While Shell would compute figures expended on workshops and accommodating staff and participants as part of the cost of community development projects, he is suggesting that such is a misrepresentation of what should be classified as community projects. Indeed the expenses on workshops and accommodation are well concealed within community project budgets, so that only the big figures travel to do the pragmatic representational work. His revealing of such is thus indicative of his mobilization of a poststructuralist representational claim – strange things are counted in strange ways to make a reality in which extensive expenditure on community projects is able to appear and appear as real, at least to those at some distance from the ground.

Summary
In an empiricist move, the IYC president portrayed the divisions, treachery and rivalry going on among members of host communities, presumably currying for favour from Shell, an assertion of a simple truth: “The black people have so bastardized the industry that even for me the white [people] is better. The same Nigerian people will tell the white men that don’t care about this people, don’t do these for them, we know them.” (t15). But this also points to a truth not so simple – it is the actions of the bastardizing black people that have made the white people (appear as) better, a
poststructuralist representational claim. This also suggests that the representation which depicts the situation as that between hapless Nigerians on the one hand and a giant multinational vampire (Shell) on the other is limited in revealing the other complexities going on behind the scenes. The representation that attempts to portray the situation as that of “we and them” might be as a result of “blocking, summarizing, simplifying, and deleting” (Law, 1992:290-1).

He made yet another empirical representational claim that reveals the divisions and differences existing within the peoples of the Niger Delta when he criticized the Federal Government for not enacting the necessary legislation that would make it compulsory for the 13% derivation fund granted to oil producing states to be spent directly on oil producing communities: “The state governors squander these money as if it were their private property…the 13% is being misused by our leaders” (t15).

In most of the accounts by respondents, the people of the region were presented as a single entity with a unified voice. The differences have been blocked and deleted in order to present a simple coherent account. The respondent’s suggestion that legislation should ensure that the 13% is spent on oil producing communities rather than on all communities in the Niger Delta seeks to undelete and reveal the practices involved in the construction of the status quo and thus de-simplify the natural and extant in order that it be replaced with a new truth that can pragmatically function to the benefit of the people of the region who are simultaneously affirmed as populating a more productive empirical reality.

As the Shell spokespersons stated, it is still contentious what defines an oil producing community. Is it the one hosting the manifold? Or the one hosting the Christmas tree? Or the one with the flow station? Or those hosting the criss-crossing pipelines? Indeed can the geologist define with precision the origins, boundaries and wandering limits of the rivulets and gullies of the unstable black fluid? Or is it only where the physical activities take place that matters, to the exclusion of the mazy world that is the abode of the black gold below the subsoil? The question of definition looms large.
The spokespersons here are clearly seeking to re-complicate any claim to benefits/particular treatment attendant upon being an ‘oil producing community’. If they can do that, via assertion of a more ‘realistic’ empirical reality lying behind the claims of other claimants, then they can weaken those claims, robbing them of their ‘natural’ empirical support. So there are two moves here – destabilize the claim to being an ‘oil producing community’ by undeleting that which is deleted by such a claim and re-revealing (the (political) work involved in definition and the simplification, via deletion of the possible definitional problems – and thus weaken the claim to ‘special’ treatment based upon the representational claim of being a ‘producing community’.

In essence, most accounts represented by respondents on oil in the Niger Delta are largely limited to what they see as pragmatic representation and editing other complex empirical stuff going on in different worlds, and in this case, the world of geology. On its own, it is another realm, a realm as real that of the human communities that tarries on its back, squabbling about the content of its bowels: indeed for many its associations with the truth claims of science and it mute materiality would make it even more real than that which resides upon it.

Furthermore, he revealed the over simplification of some situational representations. He spoke of the corruption in the leadership in the Niger Delta, from governors to chairmen, “If you come to Rivers State the money that Governor Odili has collected for the past years, the billions of naira is not commensurate to the development on the ground; so also the local government chairmen. In fact there is no check and balance in the Nigerian State, particularly Rivers” (t15). In most accounts simplified impressions were created. It is always the case of Shell and the Federal Government exploiting and oppressing the oil rich Niger Delta and its suffering people.

As one zooms in closer the issue becomes that of sharing the oil money between the three tiers of government in Nigeria – a federal government, 36 states and 779 local
governments constituting the Nigerian federation. It is no longer just the simplification of the Federal government and Shell gobbling everything up; other major but hidden characters begin to emerge. Subsequently, when the states and local governments from the Niger Delta, like their counterparts in other parts of Nigeria, receive their share from the federation account they start to squabble as to which particular communities in the oil producing states deserve to enjoy the oil wells and wealth better than the others.

Layers of claims and counter claims with many characters continue to emerge as one narrows the prism. This is precisely why, at the time of the interviews, when I narrow down the argument, pointing out that the underdevelopment of the region could not be blamed only on Shell and the federal government but also on the door steps of their governors and local government chairmen who squander the huge amounts allocated to the region, my respondents find it very difficult to disagree. Of course many simply change the line of argument in order to conceal the unpleasant revelation by asserting that all or most ruling Nigerian elites are corrupt. Rather than accepting that the indigents of the Niger Delta (notably their governors and local government chairmen, who squander the funds meant for the development of the region) are also part of the problem, they would rather blame it, as the president of the IYC put it, on the Nigerian state, which lacks the necessary check and balances.

Therefore, the governors and chairmen from the Niger Delta take on multiple personality syndrome. At one level they are part of the victimized people of the Niger Delta, whose resources are being controlled by the federal government and exploited by Shell. Under another circumstance, when they were charged of corruption and working against the interest of their kin and kith, they are given the identity of the larger corrupt Nigerian elite, not as persons from the Niger Delta or as members of the host communities this time around. Again the overall representation was pregnant with skilful over-simplification and a fixed notion whereby the respondents from the Niger Delta see themselves, willy nilly, as victims of a tyrant duo - a modern nation state and a multinational, with the Nigerian state embodying oppression and corruption. Hence
when governors or local government chairmen from the Niger Delta embezzle oil money, they are seen as breeds of the Nigerian system rather than Ogonis, Ijaws or members of host communities. It takes the unravelling of the poststructuralist twists to de-simplify or lay bare the skilfully hidden stuff going on.

**Conclusion**

In this chapter I analyzed the data I have collected. While interpreting the philosophical leanings of my respondents in the background, I have traced their reasons as to the factors responsible for the crisis in the Niger Delta. I have also analyzed their conception of the notions of responsibility and attempted to relate such to the corresponding theoretical postulations. Most of my respondents argue that CSR was largely a deceptive tool that can contribute very little in mending the frosty relationship between Shell and its host communities, while others argue that the problem is more of a systemic and structural nature that has to do with the Nigerian state and its governance. Finally, I argued that the arguments of my respondents, like most representations, are based on refined, blocked simplified and summarized versions of what they want to articulate.

In the conclusions and reflections, I will draw the curtain by making my own representational claims, based on my evaluation of the arguments of some key categories of my respondents. Although it will be based on my understanding of the situation, I will attempt to substantiate my arguments using some empirical evidence. Nevertheless, the reader still has the opportunity to share my views or disagree with my conclusions, in much the same way as they could with those of my respondents. I assume that after taking the reader through the thesis, they will now be in a position to arrive at independent conclusions without necessarily following my respondents’ or my own personal line of argument. In other words, at this juncture I have weaned my reader and expect him or her to have alternative lines of arguments, which may not necessarily tally with mine. After all a successful presentation should elicit multiple possibilities rather than foreclose or narrow such.
Chapter Nine
Conclusions and Reflections

Introduction
I will conclude this thesis by reflecting on some fundamental issues raised by my respondents in chapters five and six that I consider worth putting into perspective. However, this time around it is from my own personal perspective, though not without an attempt to justify how that perspective was formed. I will still use the refining metaphor. The field work I conducted involved making decisions as to where to go, who to interview and what questions to ask. I went about all these by refining the options I had under the various circumstances and picking on only those steps and perspectives that I felt were relevant to what I was looking for. All the others that I consider as irrelevant were discarded through a process of refining, blocking and deleting.

Similarly, after transcribing the interview tapes I ended up with too much data that goes far beyond what time and space could allow me to use. The option again is to distil it and pick up on those aspects of the views of the respondents that I felt were directly relevant to the argument I want to present. Through a refining process I selected what I needed and the leftovers were sent to the rubbish bin. Similarly, I now realized that within the data that I finally presented in chapters five and six, there are some aspects that merit more consideration than others. Therefore what I intend to do in this chapter is to pick on those elements but this also means again leaving out others. However, this will be my last stage of sorting things out.

Why Does this Matter?
My main consideration for taking the limited ‘ethnographic’ approach was to give voice to my respondents. I want to give Shell and its stakeholders in Nigeria a voice. I want them to talk to the world by telling their own stories. But I will not be doing justice to the reader or to myself if I drop my pen without saying what sense I make out of the issues raised. In other words, I believe I still have the responsibility to
present some refined conclusion by extracting some specific issues in an attempt to further make some sense out of the bigger and contentious issues raised. I need to articulate my own understanding of the situation because it will be difficult to claim that I simply remain distanced and neutral and do not make any conclusions or have any opinion. The method I adopted was sympathetic to my respondents. It gave them the opportunity to refine their thoughts and present them to the world by making empirical, poststructural and pragmatic representational claims. To be fair to the reader, I also need to make my representational claims evident. Otherwise, the story will not be complete. One version will be conspicuously absent. It will sound like a thundering silence. But my account may be more populated with empirical and pragmatic representational claims than those of some of my informants. In order to do this, first I will start with a short summary of my data that will reflect the key issues I would like to consider. I will present a refined account of position of the host communities, the Nigerian government and Shell. For the sake of logic, I will begin with the views of the host communities then follow up with those of the Nigerian government and finally those of Shell.

An aggregation of the Voices from the Host Communities

In general, Shell’s host communities express the feeling that they are victims in the hands of Shell, with the active backing of the Nigerian state. The two are always seen as actively conniving and conspiring in reaping the resources of the Niger Delta for the benefit of others. These others include Shell’s shareholders, rightly or wrongly perceived to be ‘white people’. Then comes the other non-oil producing parts of Nigeria to whom the federal government distributes the revenue being derived from the oil sales.

The host communities are divided in their demands. Some are calling for a larger share of the revenues being derived from oil sales while others would like to see the ownership and control of the oil transferred to the communities. Those of the latter views want a situation whereby Shell will become an employee of the host communities and the Nigerian state should simply standby and collect oil tax from the
host communities. This is a common refrain from those who claim to speak on behalf of the host communities. However, the vast majority, who are facing daily deprivations, are more interested in seeing that Shell and the Nigerian government provide them with infrastructure that will improve their standard of living such as roads, hospitals, schools and jobs. They care less about who owns or controls the oil. They are not interested in politics but in immediate pragmatic benefits.

The Balancing Role of the Nigerian State
On the other hand, the Nigerian federal government holds the view that its sovereignty reigns not only over the people of the country but also over the resources within the boundaries of the Nigerian state. Oil is too crucial a resource for the government to allow anyone to contest its control over it. Indeed, currently it is the most important product it has as a material asset. Similarly, being custodian of the entire country, the federal government feels that it has responsibility to all parts of Nigeria and would rather treat all parts equally, not the least when it comes to the distribution of the wealth under its control. Therefore, any suggestions about the federal government giving up its control over the oil resource to the host communities sounds like treason.

However, the federal government is willing to offer the oil producing states 13% of the oil revenue as compensation for the negative impacts of oil drilling in the region and also as an additional step towards alleviating the difficulties in developing the region. The reasons why it is difficult to have infrastructure in the Niger Delta are not only restricted to lack of funds but are also due to its difficult terrain. For example it is not unusual in Nigeria to hear experts pointing out that it cost far more to construct a kilometre of road in Niger Delta compared to that incurred in other parts of the country. For example, in the northern part of Nigeria, predominantly a savannah zone, it is not only cheaper and easier to construct roads but they also last longer compared to those in the swampy terrain of the Niger Delta. Hence, with an equal allocation of revenue to all states of the federation, other parts of the country stand to develop faster than the Niger Delta. But the host communities failed to take the terrain into consideration as an impediment to physical development and simply believe that the
government is busy developing other parts of the country at the expense of the “golden goose that lays the golden egg” as one of my respondents (t25) put it.

The principle behind the government’s decision to offer the 13% derivation fund to the oil producing states is to enable them make up for this special difficulty. Therefore, the reason behind the federal government’s increase for the oil producing states and those who claim to be speaking on behalf of the people differ both in principle and premise. While the government is thinking in terms of the peculiar nature of the region, the others are saying we deserve more simply because the oil belongs to us. The successive regimes in power in Nigeria see themselves as custodians of the constitution of the Federal Republic, which stipulate fair and equitable sharing of all revenues being accrued to the federation account. The criteria being used in revenue allocation by the federal government are: equality, population size, social development, land mass and revenue generation.

The legal procedure for handing over resource control, particularly oil, to producing communities is through a constitutional change acceptable to the majority. At the moment this remains an illusion because out of approximately 135 million people that make up Nigeria’s population, the current politically enlarged Niger Delta is home to just about 20 million. Both under military and democratic governments, the majority are unlikely to yield to pressures over resource control, at least not at the moment when oil remains Nigeria’s major source of foreign income.

Shell’s Old Wine in New Bottles
Now let us evaluate the position of Shell. The company sees itself as a multinational that owes its presence to the Nigerian state. Indeed, it was the British colonial administration that granted it the first concession over the entirety of Nigeria’s territory and successive governments after independence simply ratified the position. Its primary interest in Nigeria is focused towards generating dividends for its shareholders and revenue for the Nigerian government. It believes that it is the duty of the government to decide how it handles its oil income and the company should have
nothing to do with what it considers as the internal political decisions of a sovereign state over its people. It signs its agreement with the state and not with host communities. Therefore, its responsibility is to the state and the company is not ready or willing to pick up the additional responsibility of getting entangled with any other layer in the Nigerian system. It still sees its little handouts to the host communities as a simple public relations gesture to those living around its areas of operations and was not compelled to engage in such as a result of being responsible to them. In other words, it genuinely believes it owes the host communities no obligation at all and given that its gestures are purely philanthropic, the communities should actually express gratitude towards rather than complain against the company.

The above position is in sharp contrast to the position of the host communities who believe that since the company is sucking away the oil from beneath their feet it owes them something in return as a matter of obligation. Here again there is a fundamental difference in the premise of the argument of the company and that of the host communities. This precisely accounts for the row over Shell CSR projects in the Niger Delta. While on the one hand the company believes that it should decide how much and in what form to give out what it considers as philanthropic gifts to the communities, on the other hand the communities not only believe that they deserve more from the company but that what is being offered to them actually belongs to them already. Therefore, they believe that it is their right to decide how much and what should be given to them by Shell. At best, the company sees them as noisy beggars who are insisting on having a choice while the communities see themselves not as beggars at all but kings who the company should serve. This explains why any attempt at bringing CSR in as a strategic solution to the crisis will amount to operating on the wrong premise. Under such circumstances CSR will at best sound like a voice in the wilderness, which the communities will not listen to.

**My Representational Claims**

I will now outline what I think of the above. First I believe the picture of the situation is always over-simplified. The host communities are not just one single people with a
single defined voice but an aggregation of different divisions, both in peoples and ideas, being lumped together in one box under the gaze of a wider catalogue. Historically, the Niger Delta consisted of the present day Bayelsa, Delta and Rivers States. In 2000, the federal government added six other neighbouring states (Abia, Akwa Ibom, Cross River, Edo, Imo and Ondo States) as part of the Niger Delta because oil was subsequently also found in these areas. The Niger Delta has been inconsistently defined using hydrology, ecology and political boundaries. The World Bank put the area at 20,000 square kilometres, the Niger Delta Environmental Survey put the figure at 40,000 to 70,000 square kilometres while the Niger Delta Development Commission published a figure of 112,000 square kilometres (Shell 2006:9). The nine states, which currently make up what is defined as the Niger Delta, have an estimated population of 20 million people, with 40 ethnic groups speaking 250 dialects. The states produce about 70 per cent of Nigeria’s oil. More and more oil is now being found in Nigeria’s territorial waters, deep in the Atlantic, which no community can logically lay claim to. Withdrawal of Shell and the Nigerian government from the equation may at best lead to the scenario of post-Saddam Iraq. The new divisions that will emerge would not be restricted to just a wave of ethnic identities but also a contentious unending squabble as to what even constitutes host communities and who deserves what from the oil revenue within and among those communities. Not every single town, village or local government in these states produces oil. It will not be the end of the problem but a new chapter with its own problems.

Similarly, it is an over-simplification for Shell to assume that Nigeria is like other countries where a multinational corporation should only be responsible to its host state. A standardized global CSR approach cannot solve the company’s problems in the Niger Delta. Fractioning of the Nigerian state proves that it is different from other countries and the Niger Delta situation is distinct in all its different divisions. Therefore, it deserves a unique approach that best fit its peculiar circumstances. Shell needs to accept the fact that it owes the communities some form of economic and moral responsibility towards improving the living conditions within them. This should
not be regarded as mere philanthropy but as moral obligation. CSR, as it is being adopted by Shell, is too shallow and simplified. It misses the point that the world is a morass of tangled stuff constituted by complex variables of peoples, histories, geographies, politics and constantly changing and evolving scenarios. The universal approach of adopting classical business role of simply being responsible to share holders and the host state will end up being drowned in the troubled waters of the Niger Delta.

As for the host communities, one cannot but empathize and sympathize with them over the deplorable state of their region, where the bulk of Nigeria’s oil comes from. After spending some time with them I can understand their frustration and suffering. This I have demonstrated by interviewing more respondents from the host communities than from any other category of stakeholders. However, this in no way suggests that I agree with their diagnosis of the problem. I think their version of the story is over simplified and negates other fundamental variables. Corruption, lack of transparency and violence account for the quagmire in the region as much as the other factors do. For instance, it is one of regions in the country where reasonably free and fair democratic elections cannot be held even at the local level. Their state and local governments are among the most corrupt in the country.

A recent example was that of ex-Governor Diepreye Alamieyeseigha of Bayelsa state who was arrested by the London Metropolitan Police in September 2005, trying to transfer about £20m to an HSBC account in London. When they searched his house they also found another £1m in a safe. In August 2007 he entered a plea bargain with the Nigeria Economic and Financial Crimes Commission (EFCC), agreeing to hand over hundreds of millions of dollars, which he had stolen from the Bayelsa State coffers during his tenure. A senior EFFC officer told me that Alamieyeseigha was simply unlucky to be caught as there are more governors from the region who stole much more, but remain untouchable because they bank rolled the ruling party during the last (2007) presidential elections. The local government chairmen were also replicating similar levels of fraud in their domains.
In terms of revenue allocation from the federation account, the oil producing states have no cause to complain. The data I computed from the Federal Ministry of Finance for a 12-month period between August 2006 (when I commenced my fieldwork) to July 2007, Rivers state has collected over 101.30bn naira compared to the total amount of 91.20bn naira collected by six north eastern states (Borno, Bauchi, Adamawa, Taraba, Yobe, Gombe) put together. Similarly, the amount collected by Taraba, my non-oil producing home state, from the federation account was just a mere 14.50bn naira compared to River's, where I conducted my fieldwork, staggering amount of 101.30bn naira. Overall, the data revealed that for the one-year period, the nine oil-producing states collected the total sum of 381.20bn naira from the federation account while the remaining 27 non-oil producing states of the federation collected the total sum of 422.60 naira.

Comparative Revenue Allocation (in bn) from the Federation Account between Rivers State and Six North Eastern States for the Period August 2006 - July 2007
Comparative Revenue Allocation (in bn) from the Federation Account between Rivers State and Taraba State for the Period August 2006 - July 2007

Comparative Revenue Allocation (in bn) from the Federation Account between Oil-Producing States and Non-oil Producing States for the Period August 2006 - July 2007
In spite of the massive amounts the oil-producing states receive from the federation account, there is very little on the ground to reflect this. For example, there is hardly any significant difference in the level of development, both human and physical, between the oil producing states of the South-South (Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers) and other geo-political zones in the country such as the North East or North West zones. When I visited Port Harcourt some of the streets are full of filth, with cars swerving off the road to in order to avoid heaps of garbage piled on the road sides. This is a symptom of a bigger internal decay. These are issues that neither the federal government, nor Shell and its shareholders nor other Nigerians can do anything about; it is up to the communities to sort out. To simply continue pointing accusing fingers at Shell and the federal government, or keep on lamenting that Shell’s shareholders and other Nigerians are responsible for their misery is an over-simplified diagnosis based on we-and-them primordial sentiments.

Similarly, the agitation for resource control by those who claim to speak on behalf of the host communities is simply un-pragmatic. The foundation of the Nigerian state predates the discovery of oil and is not built only on revenue sharing. Nation states are not only constituted based on the political economy of natural resources. To demand for reconstituting of the basis of the Nigerian federation because of the discovery of oil is simply short sighted. What will happen after the oil runs dry? Any demand for resource control will necessarily, even if inadvertently, lead to other changes in the foundation and structure of the Nigerian state. Oil cannot be treated in isolation. The Niger Delta is also benefiting from other trappings of the Nigerian state and for it to demand resource control, it also has to be ready to give up the other vital but not so conspicuous benefits that cannot be quantified like oil revenues that it is deriving from being part of the larger Nigerian state. It has to be ready to give up the benefits of synergy it is deriving from the rest of the Nigerian federation and be ready to be an island of itself.

On the other hand, the federal government could have done more to meet its obligation of ensuring that Shell meets up with strict environmental standards in its
areas of operation. If the government was holding Shell to account in the way it should, the amount of oil spills and gas flaring going on in the Niger Delta, among the worst in the world, will not be as rampant as it is. Indeed, it is currently actually worsening as Shell reports, “In 2006, we recorded 241 oil spill incidents in Shell Nigeria, compared to 224 in 2005.” (Shell 2006:14) Equally, the government could have done more in ensuring that the victims have been adequately compensates. As much as the government needs the cash flow from Shell operations, it also needs to jealously safeguard the well being of its citizens, which is being threatened by the massive pollution going on unabated in the region.

In general, the problem in the Niger Delta is not one that has a one-off quick fix solution but one that is complex. It is not only about Shell and oil revenue but also political in nature, which requires lots of giving and taking from all parties over a long period of time to come. It needs a political solution that should be spearheaded by the federal government. It has its own catch 22s but like similar contentious issues in other parts of the world, it is not beyond sorting out. Sincerity and compromise are the key words that can help the parties who are genuinely looking for a solution. Unless this is done, everyone will be, to borrow the words of my respondent, ‘spoiling business’ for the others and all would ultimately bear the consequences. It is going to be either a win-win situation or a lose-lose situation for all.

The next question is: after the ethnographic sojourn, did I change my mind? My response will be yes, in a way. I now empathize more with the ordinary people of the region who are suffering from the curse of incompetent, corrupt leadership. Although bad leadership and corruption pervade the all parts of the federation, one can clearly understand the anguish of the people of the Niger Delta who witness the daily sucking away of oil riches from under their feet while they look on in hunger and poverty. Indeed if I were from the region, I would feel more or less the same but would rather look at the complex web and start seeking solution from within instead of simply solely blaming Shell, the federal government and Nigerians from other parts of the
country. Charity, it is said, begins at home. So is soul searching and revolution. It should begin from within, rather than pointing fingers at the distant others.

**Conclusion**

The final question I would like to pose is: what difference does this thesis make? I will respond to this with precision by pointing at the data and the method. I can make a modest claim that it succeeds in giving voice to Shell and its numerous stakeholders. It attempts to offer a fairly democratic platform for the different parties to make their claims and counter claims. Similarly, this thesis equally demonstrates the usefulness of the analysis of theories of representation in use as proposed by Law (1996) in revealing the philosophical undertones of representational claims being made by ordinary people. Finally, it also gave me the opportunity to understand and present to the reader a fairly good perspective of what the Niger Delta issue is all about. Any moral and political issue, like that of the Niger Delta, looks simple (black and white) from the outside, but when critically analyzed, is shown to be a complex and shifting one in which everybody has their justifications. Even Shell.


Vallenilla, Luis (1975) Oil: The Making of a New Economic Order. New York:


Internet Sources

CIA - The World Factbook -- Nigeria
Accessed 21.01.2007

Chevron Fact Sheet (2001-2006) Chevron Corp

Corporate profile
http://www.pengassan.org/about_us.htm Accessed 30/12/06

Corporate Responsibility and Human Rights Violations in Nigeria’s Oil Producing Communities
http://www.hrw.org/reports/1999/nigeria/ 30/12/06

Corporation

Country Profile: Nigeria **OPEC bulletin** 11-12/06 (Nov-Dec 2006)
Accessed 15.11.06

Department of Petroleum Resources
http://www.petroinfonygeria.com/dpr.html. Accessed 22.11.06

Exploration and Development in Nigeria (Statoil)

ExxonMobil Signs PSC for Exploration Activities in Nigeria and Sao Tome and Principe Joint Development Zone
http://home.businesswire.com/portal/site/exxonmobil/index.jsp?epi-content=GENERIC&newsId=20050201005784&ndmHsc=v2*A10729620000
Federal Allocation Account

FG earns two billion dollars from oil Blocks

Historical Review of Eni’s Presence
http://www.eni.it/eniit/eni/internal.do?contestualize=false&mnselected=nigeria
_la_nostra_presenza&channelId=-
1073761778&menu=false&mncommand=openByld&mnparam=nigeria_la_no
strapresenza. Accessed 25.11.06

History of College House
http://www.le.ac.uk/ssds/careers/wherearewe.html. Accessed 05.09.07

History of Oil in Russia
http://www.blackwell-synergy.com/action/. Accessed 15.06.7

How Refining Works

Kwameh Nkrumah  Socialist WorkerOnline 17 March 2007 | issue 2042
http://www.socialistworker.co.uk/article.php?article_id=10924.
Accessed 25.07.07

Papa, Y. (“Africa Must Unite “– Dr Kwameh Nkrumah
http://www.thestatesmanonline.com/Accessed 06/10/07.

Kwameh Nkrumah, The Statesman Newspaper (Ghana)
http://www.thestatesmanonline.com/ Accessed 25.07.07
Major Events in the History of Nigerian Oil and Gas

Map of Nigeria
   http://www.google.co.uk/search?q=map+of+oil+producing+areas,+nigeria&hl=en&start=10&sa=N Accessed 20.10.06

Map of Rivers State
   http://www.livingtongues.org/docs/Baan.pdf Accessed 27.5.08

Nigeria presses UK over governor
   http://news.bbc.co.uk/2/hi/africa/4478646.stm 2006 30/12/06

Nigeria, US, UK meet on Gulf of Guinea energy security strategy

Nigeria: Burning with rage
   http://www.bbc.co.uk/worldservice/africa/features/focus_magazine/news/story/2006/05/060515_nigeriadelta.shtml 30/12/06

Nigerian Liquefied Natural Gas Company Ltd (NLNG)

Nigeria's oil capital under siege
   http://news.bbc.co.uk/2/hi/africa/3634368.stm 30/12/06

Oil gangs threaten Nigerian unity
   http://news.bbc.co.uk/2/hi/programmes/newsnight/4013001.stm 30/12/06

Our Activities in Nigeria
   http://www.exxonmobilafrica.com/AfricaEnglish/PA/Operations/AF_OP_Nigeria.asp. Accessed 27.11.06
Profile: Nigeria's oil militant
http://news.bbc.co.uk/2/hi/africa/3713664.stm 30/12/06

Responsibility

Royal Charter

Royal Charter

Shareholders (LNG)

Shell in Nigeria – History

Social

Terms and Conditions

The Oil and Gas Industry

The Shell Petroleum Development Company of Nigeria (SPDC)

Total in the Nigerian Petroleum Industry

Total Upstream Milestones