**Contestation of Corporate Social Responsibility of Shell in Niger Delta**

**Introduction**

It is expected of business organizations to meet certain social obligations in terms of corporate social responsibility (CSR). In the Niger Delta region of Nigeria oil Multinational corporations (MNC) have not been left out in this regards. There have been remarkable changes in the host communities as most of the facilities provided by the MNCs have either been absent, insufficient or dysfunctional.

With a focus on Shell Nigeria, this report critically evaluates the concept of corporate social responsibility (CSR) assessing its contribution to the host communities environment and its people., the changes that surfaced in this communities as this corporation observe its social responsibility. It begins by assessing the industry background of the oil sector in which Shell operates bringing forth the issues that impact the company and its stakeholders in their engagement. The report then looks at the people, the location and the environment around which this corporation operation takes place and CSR. This culminates in the assessment of what these communities lack or need improved and recommendations were made on how the latter can be met.

**Shell Nigeria**

Shell Nigeria is an arm of the multinational oil corporation Shell Corporation operating under the entities Shell Petroleum Development Company (SPDC) Nigeria Limited, Shell Nigeria Exploration and Production Company (SNEPCO), and Shell Nigeria Gas (SNG). It has had a presence in Nigeria since its foundation by Royal Dutch/Shell Group in 1936 and has been involved in onshore and offshore exploration and production of oil and natural gas (Shell, 2011). The company’s operations spread out within the Niger Delta (Nigeria) and constituting the Group’s international supply chain comprise 6000km of flow pipeline networks and stations, oil fields and producing wells, gas plants, and two major export terminals (Royal Dutch Shell, 2012a; OPEC, 2011).

The parent company, Shell Corporation, is one among major entities participating in the exploration, production, distribution and sale of oil and gas across the globe. The company manages multinational subsidiary petrochemical and energy companies operating in over 80 countries (OPEC, 2011). Exploration and extraction operations of crude oil and gas in Nigeria form an essential component of Shell Corporations upstream supply chain. Its downstream supply chain is engaged in refinery and distribution of oil and gas, as well as trade and shipping of crude worldwide. The company is also involved in the manufacture and marketing of a range of products including petrochemicals for its industrial customers. Its daily volume of production entails 3.2 million barrels of oil and gas (at 48% this output) delivering refined fuel oil to consumers through its 43,000 Shell service stations across the globe (OPEC, 2011).  
Nigeria is important for Shell accounting for about a quarter of its worldwide production with an estimated contributed share in profit averaging $1.8 billion annually. This represents 10.4% of upstream operational profits and 7.3% of total profit (Shell, 2011). Given its importance to the Group’s upstream operations, any challenge on this front adversely affects global operations of the multinational corporation (Royal Dutch Shell, 2012a; Emesh, 2009). Several challenges beset multinational oil corporations operating particularly in developing countries as explored below

**The Niger Delta Region of Nigeria**

The Niger Delta region is situated at the apex of the Gulf of Guinea on the west coast of Africa and on the Nigeria’s South–South geopolitical zone. The Niger Delta, which is home to some 31 million people, occupies a total area of about 75,000 km square and makes up 7.5% of Nigeria's land mass. The Niger Delta region consists of 9 oil–producing states (Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Ondo, Imo and Rivers) and 185 local government areas. This region cuts across over 800 oil–producing communities with an extensive network of over 900 producing oil wells and several petroleum production–related facilities.

The ecological zones in the Niger Delta region can be broadly group into tropical rainforest in the northern part of the Delta and mangrove forest in the warm coastlines of Nigeria. Mangrove forests and swamps, which are characterized by regular salt–water inundation, lie at the centre of a complex and sensitive ecosystem which is vital to the local economy and accommodates important flora and fauna. The Niger Delta, which is the largest mangrove forests in Africa and the third largest in the world, is the richest part of Nigeria in terms of petroleum resources and diverse natural ecosystems supportive of numerous species of terrestrial and aquatic fauna.

The Niger Delta region is mainly inhabited by minority ethnic groups such as Bini, Efik, Esan, Ibibio, igbo, Annang, Yoruba, Oron, Ijaw, Ikwerre, Abua/Odual, Itsekiri, Isoko, Urhobo, Ukwuani, Kalabari, Okrika, Ogoni and Obolo people, are among the inhabitants of the political Niger Delta, speaking about 250 different dialects. (Enuoh, Rebecca & Eneh, Sunday (2015)).

# Corporate Social Responsibility (CSR)

CSR is a fast-growing concept in which organizations consider the interests of various stakeholders including society, the environment, and the community in which they are established, taking responsibility for the impact of their activities. It refers to activities that a corporate entity engages with and which are aimed at investment into better and stronger relations with stakeholders and society. This commitment is a voluntary endeavour to improve quality of life for local communities and society at large and extends beyond the basic requirement to comply with regulations or legislation (Boyd et al., 2007).

Success in business and sustainability of operations significantly depends on an organization’s capacity to maximize benefits accrued from its resources such as financial and human resources, physical assets, as well as intangible resources such as goodwill from stakeholders and society in general (Werbach, 2009). This is quite evident in challenges that have beset Shell’s supply chain stemming from challenges in its operations in the Niger Delta. Even with the right mix of financial and human resources, as well as an adequate asset base, the lack of goodwill leading to discontent locally and globally and acts of reprisals has in the past led to disruption of operations and loss of potential which have had widespread implications, including adverse effects on profitability, the company’s reputation, as well as the prices of crude oil in the international market.

In this regard CSR has become a significant component of Shell Nigeria’s corporate strategy in its quest for mutually beneficial engagement with stakeholders and achievement of requisite goodwill (Shell, 2011; Olowu, 2011).

# CSR initiatives of Shell Nigeria

# Initiatives undertaken by Shell Nigeria in its CSR pursuit cover external aspects such as environmental protection, community relations and human rights, as well as internal aspects such as principles and codes of practice, product stewardship, stakeholder and employee rights, and transparency (Shell, 2011; Idemudia, 2009). Shell Nigeria and the entire Group takes up an active leadership role in the development of codes of conduct and practice governing workplaces and their engagement with facets of society (Royal Dutch Shell, 2012b; UN, 2011).

# The company has also supported development through programs in education, health, construction, commerce, agriculture, transport, etc. benefiting local communities (Olowu, 2011). Additionally, the company alongside others in the oil industry command leadership in programs promoting CSR internationally on various fronts. This has been facilitated by Shell’s new and sophisticated approach they refer to as Community Development (CD), offering a paradigm shift to environmental responsibility, social welfare, human rights, and political responsibility, among other issues of CSR (UN, 2011). This approach entails greater stakeholder engagement bringing together many entities including NGOs, state and local governments, and community leaders in identifying and implementing projects, ensuring increased local ownership, transparency and accountability (Idemudia, 2009).

**OBSERVATION**

I observed that the activities of the Shell and other oil MNCs, the opinion and attitudes of the Niger delta people portray an act of antagonism rather than support for the MNCs giving rise to an imaginary gap between what is done and how it is perceived.

**RECOMMENDATION**

In the planning, design and implementation of CSR programmes and activities, there is need to consider the needs of both parties for mutual benefit. Since the host communities are at the receiving end of the MNCs CSR initiatives, it is logical that they should be allowed to give meaningful suggestions on what really meets their needs. As stakeholders in the affairs of the MNC, failure to seek their opinion may continually jeopardize oil exploration and exploitation activities in this region and this may always result in strained relationship between the host communities and the oil companies. This will enable oil MNCs to derive maximum benefits from their CSR initiatives, be less prone to community conflict and gain legitimacy within its host communities.

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