

**ROLES OF INTERDEPENDENCE PROJECTS OF OIL AND GAS
MULTINATIONAL CORPORATIONS IN HOST COMMUNITIES IN THE NIGER
DELTA REGION OF NIGERIA**

Dr. E. O. Aruma

Department of Adult and Non-Formal Education, University of Port Harcourt, P.M.B 5323,
Port Harcourt, Rivers State, Nigeria

ABSTRACT: *The focus of this paper is on the roles of interdependence projects of oil and gas multinational corporations in host communities in the Niger Delta region of Nigeria. The paper explored the concept of interdependence as well as the concept of interdependence projects in oil and gas multinational corporations. The highlights of the paper also include interdependence projects as palliative measures to community development in host communities in the Niger Delta region of Nigeria, interdependence projects as sustainable community development projects in host communities in Bonny Island of the Niger Delta region of Nigeria, Bonny Utility Company (BUC) and management of Bonny electricity project. The paper identified the prospects of interdependence projects to include the followings namely: promotion of improved relations among the relevant stakeholders, promotion of an increased production and exploration of new reserves, promotion of mutual co-operation between the oil and gas multinational corporations and their host communities in the Niger Delta region of Nigeria as well as enhanced interaction among others.*

KEYWORDS: Roles, Interdependence Projects, Oil And Gas Multinational Corporations, Host Communities, Niger Delta Region And Nigeria

INTRODUCTION

Concept of Interdependence

The concept of interdependence can be defined as a situation in which people, organizations or things depend on each other for harmonious living in human environment. The concept of interdependence or interdependency can be likened to the interdependence of human body which offers an opportunity to its various parts to enjoy the benefits of integration in order to function very well in the society. The various parts of human body really perform different functions. However, the various parts of human body that perform different functions are closely interrelated working together for a common purpose of guaranteeing sustainability of human life in the society. Schaefer (2005) states that Herbert Spencer (1820-1903) in his study of evolution of society advocated for integration of a complex society as a means of an interdependence of its various parts and their functions. Herbert Spencer (1820-1903) was an Englishman who contributed remarkably to the study of evolution of society in human environment.

Understandably, as an important early contributor to the growth of sociology, Herbert Spencer's concern was to have a better understanding of society. Schaefer (2005) notes that Herbert Spencer while using Charles Darwin's study on the origin of species, applied the concept of evolution of species to societies so as to be able to explain how they change or

evolve over a period of time. He further states that in the same way that Herbert Spencer used Charles Darwin's evolutionary theory of survival of the fittest to argue that it is natural that some people are wealthy or rich while others are poor in the society. The justification for advocacy for interdependency in various communities in the society is that the two categories of people interdependently benefit from each other for harmonious living in human environment.

Concept of Interdependence Projects in Oil and Gas Multinational Corporations

The concept of interdependence projects in oil and gas multinational corporations can be defined as the social infrastructural provisions such as roads, electricity, potable water, transportation among others by relevant multinational corporations in oil and gas industry which are not adequate in host communities in the Niger Delta Region of Nigeria that serve both the concerned multinational corporations and their host communities. The concept of interdependency projects or interdependence projects in multinational corporations are the social infrastructural provisions notably roads, electricity, potable water, transportation among others that multinational corporations provide for both their benefit and the benefit of their host communities for harmonious co-existence and uninterrupted operations.

It is a common knowledge that social infrastructural provisions such as roads, electricity, potable water, transportation among others are not adequate enough in many host communities in the Niger Delta Region of Nigeria while these social amenities or services are common features of multinational corporations' environment in such areas. No human being in the host communities will just be happy to see company workers enjoying social amenities that are provided to them in multinational corporations' environment when he/she lives in deplorable conditions of the communities in the Niger Delta Region of Nigeria. The deplorable conditions of the host communities in the Niger Delta remains a source of concern to the people whose means of livelihood and source of drinking water have been polluted by the exploration and exploitation activities of oil companies in their communities. Ibori (2001) states that the deplorable conditions of communities in the Niger Delta is a source of concern to the people because of enormous resources and large oil reserves that exist in the area. The exploration and exploitation of the vast oil and gas reserves have not been appropriately developed to the benefit of the people of Niger Delta Region of Nigeria. Ibori (2001) reports that the national endowments in the Niger Delta have not been harnessed to the benefit of the people. Consequently, the high rate of poverty among the people of the Niger Delta Region of Nigeria remains a serious challenge in the area. Ibori (2001) notes that the high rate of poverty has remained a source of concern since it is obvious that more than 50 per cent of the people live below poverty line in the Niger Delta. Lack of social amenities in the host communities worsened the situation in the Niger Delta. In the views of Ibori (2001) the people of the Niger Delta suddenly became restive under these conditions as they have realized that their children may inherit the same abject poverty and deprivations in their area.

As the deplorable conditions of host communities in the Niger Delta have, however, become a source of concern, it became imperative for companies that are involved in oil and gas exploration and exploitation to consider the option of establishing interdependence projects as palliative measures to address the prevailing situation. This will certainly calm the nerves of the restive people who became agitated because of the deplorable conditions of their communities pending the time more sustainable people-oriented community development projects will be put in place to promote appreciable continuous improvement in people's living conditions in the Niger Delta Region of Nigeria.

The concept of interdependence projects, indeed, requires to be properly understood by all relevant stakeholders, especially the multinational corporations involved in oil and gas exploration and exploitation; and their host communities in the Niger Delta region of Nigeria. It is, however, not good enough for the relevant stakeholders to be content with the definition of the concept of interdependence projects without making concerted efforts to actualize the concept. It is pertinent to state in very clear terms that the history of the Niger Delta is characterized with a series of attempts to create institutions that will stimulate the achievement of elusive improved living conditions of people in the region. Interdependence projects simply imply putting in place measures, projects or programmes that will lead to continuous improvement in the living conditions of the people and uninterrupted production of crude oil and gas in the region.

Sustainable development must, however, be seen as the best option to lead to continuous improvement in people's living conditions on long term basis in the region. Ibori (2001) rightly states that in achieving sustainable development that the people must, indeed, be a part of the process and not just mere beneficiaries of extraneously designed policies for their welfare. Essentially, to achieve sustainable community development in the host communities, the people must certainly be a part of the process and not just being beneficiaries of community development plan coming from outside the various host communities in the Niger Delta region. This can be achieved through participatory rural appraisal (PRA) where the members of the host communities enjoy an opportunity to identify their problems, prioritize them, prepare community development plan, implement the projects, manage the projects and evaluate them. In the views of Mulwa (2008) it is believed that a programme which has evolved through participatory processes of identification, planning and management will of necessity be evaluated in the same way. The project or programme beneficiaries should play a key role in all phases of project or programme in the participating communities in the society. Mulwa (2008) states that local stakeholders should try to maintain a key role throughout a programme cycle in the society. He further remarks that if the local stakeholders are able to manage the project or programme during its implementation phase that they should also be able to evaluate it. The implication of this is that the members of participating communities will usually be able to assess and identify their own problems or development projects, prioritize, plan, implement, manage, monitor and evaluate their own projects. The interesting thing is that the project beneficiaries or participants participate actively in all the phases of the project or programme.

It is pertinent to note that interdependence stimulates concern in various social settings in the contemporary global environment. There is no family as the basic unit of human environment, community, local government area, state or country that has all it requires to enhance the living conditions of people in the society. Amucheazi (1991) rightly observes that it is increasingly realized that local resources and endowments are not always adequate to attain the standard of living that people ultimately desire to have in the country. There is, therefore, an urgent need to explore ways of addressing this problem which characterizes human environment in order to enable people to enjoy improved living conditions in whatever social setting they may find themselves in the contemporary global human environment.

Interdependence as a concept seems to offer an opportunity to address this problem in human environment. Todaro and Smith (2009) perceive the concept of interdependence as interrelationship between economic and non-economic variables in the society. The economic and non-economic variables are things that can be different in different situations in the society.

The variables in this circumstance are likely to change often in human environment. It, therefore, becomes imperative that people cannot be sure of what will happen in the society.

Interdependence can assume international dimension in the society. Todaro and Smith (2009), therefore, define interdependence from international perspective as the situation in which a country's welfare depends to a certain extent on the policies of another country and vice versa. Interdependence can equally be viewed as a situation in which countries benefit tremendously from each other in order to survive in the highly competitive global environment. Both developed and developing countries benefit from each other in the contemporary global environment.

Interdependence Projects as Palliative Measures to Community Development in Host Communities in the Niger Delta Region of Nigeria

Interdependence projects as palliative measures to community development in host communities in the Niger Delta Region of Nigeria simply means that something is done to make a bad situation or deplorable conditions of the people of host communities seem better, in the region. This actually helps to address the problems adequately in the host communities in the Niger region of Nigeria. The term palliative simply means that short-term measures are taken to address the prevailing challenges that threaten harmonious co-existence between the multinational corporations and their host communities in the Niger Delta Region of Nigeria. The short-term socio-economic palliatives will, however, not address the people's desire for meaningful sustainable community development of various host communities in the Niger Delta region of Nigeria.

The interdependence projects as palliative measures will help very tremendously to reduce the sufferings of the people of host communities of the Niger Delta region of Nigeria. The interdependence projects as palliative measures will, indeed, provide appropriate care to address the prevailing challenges that confront the people of various host communities in the Niger Delta region of Nigeria on short-term and long-term basis.

Consequently, with interdependence projects as palliative measures to make a bad situation or deplorable conditions of the people of various host communities seem better, concerted efforts should be made by relevant stakeholders to promote sustainable community development that will focus on improving the living conditions of people of present generation without jeopardizing the ability of future generations to take care of themselves in the host communities in the Niger Delta. Essentially, the focus of sustainable community development will be on how to stimulate consciousness in people of both present and future generations to see how they will benefit tremendously from the same community development initiatives in the Niger Delta region of Nigeria.

Interdependence Projects as Sustainable Community Development Projects in Host Communities in Bonny Island of the Niger Delta Region of Nigeria

The location of Bonny Island which plays host to a number of multinational corporations involved in oil and gas exploration and exploitation notably Shell Petroleum Development Company (SPDC) of Nigeria limited, Mobil Producing Nigeria Unlimited and Nigeria Liquefied Natural Gas (NLNG) makes it difficult to be hooked to national power grid for power supply. Consequently, power generation and distribution is a problem in the area because of its peculiar geographical location. The intervention of Shell Petroleum Development Company

(SPDC) of Nigeria Limited, Mobil Producing Nigeria Unlimited and Nigeria Liquefied Natural Gas (NLNG) to form Joint Industry Companies (JIC) provided an opportunity to people of Bonny Island to benefit from a number of social services notably road construction projects, improved electricity supply through a higher capacity distribution network, water project and Bonny Master Plan.

Bonny kingdom represented by Council of Traditional Rulers and Bonny kingdom Development Committee (BKDC) and Joint Industry Companies (JIC) comprising Shell Petroleum Development Company (SPDC) of Nigeria Limited, Nigeria Liquefied Natural Gas (NLNG) and Mobil Producing Nigeria Unlimited (MPN) in order to improve the socio-economic life of the people of Bonny Island and to ensure that there is real and sustainable progress in Bonny Island jointly signed Memorandum of Understanding (MOU) on 5th November, 1998 based on provision of the following projects:

- i. Bonny Road Projects
 - a. Bonny by-pass Road
 - b. Abalamabie Road
- ii. Bonny Water Projects
- iii. Bonny Electricity Project
- iv. Bonny Master Plan

(Status, 2000).

In order to guarantee the realization of the Memorandum of Understanding (MOU) projects certain mechanism of equity stake was jointly adopted by the concerned multinational corporations namely Shell Petroleum Development Company (SPDC) of Nigeria Limited, Mobil Producing Nigeria Unlimited and Nigeria Liquefied Natural Gas (NLNG). Status (2000) states that Nigeria Liquefied Natural Gas (NLNG) Limited has equity stake of 50 per cent with the mandate to co-ordinate the projects while Shell Petroleum Development Company (SPDC) of Nigeria Limited has 30 per cent equity stake and Mobil Producing Nigeria Unlimited has 20 per cent equity stake in the Joint Industry Companies (JIC) projects. Shell Petroleum Development Company (SPDC) of Nigeria Limited was given the mandate to co-ordinate the power generation and distribution from the company's facility in Bonny Oil and Gas Terminal (BOGT) in order to actualize Bonny Electricity Project as contained in the Memorandum of Understanding (MOU).

Bonny Electricity Project which is serviced from power generation and distribution in Bonny Oil and Gas Terminal (BOGT) of Shell Petroleum Development Company (SPDC) has been supplying people with uninterrupted power supply. Interestingly, people explored the opportunity of uninterrupted power supply in Bonny to develop their business and improve the means of their livelihood. Irimagha (2003) encourages people to develop their vision, enhance their training and sharpen their focus with emerging varied opportunities which wait for people with vision to utilize the uninterrupted power supply in Bonny Island from power generation and distribution facility in Bonny Oil and Gas Terminal of Shell Petroleum Development Company (SPDC) of Nigeria Limited.

The implication of the uninterrupted power supply from Bonny Oil and Gas Terminal (BOGT), a facility of Shell Petroleum Development Company (SPDC) Ltd courtesy of Joint Industry Companies (JIC) intervention is the transformative life of people, especially in establishment of small and medium enterprises (SMEs) that need power to flourish. The people now enjoy services of regular power supply for cooling and preservation of goods and services in Bonny Island of the Niger Delta Region of Nigeria.

It is sad to observe that gas which can be converted into economic use in power generation is being wasted through incessant gas flaring in various parts of the Niger Delta region of Nigeria. This natural gas is a scarce commodity that can easily be converted into electricity for use to the benefit of the oil and gas multinational corporations and their host communities in particular and Nigeria in general. Worlu (2015) decries the practice of gas flaring in various parts of the Niger Delta Region where gas is continuously flared in spite of the laws prohibiting gas flaring in Nigeria. This continuous gas flaring pollutes the environment. This gas flaring is an economic waste in Nigeria. The multinational corporations involved in oil and gas exploration and exploitation in Nigeria are equally operating in other countries both developed and developing countries, but there is no country where gas is being wasted through gas flaring as it is seen in Nigeria for over 60 years now when the crude oil was first discovered in commercial quantity in 1956 in Olobiri in now Bayelsa State of Nigeria.

Bonny Utility Company (BUC) and Management of Bonny Electricity Project

Bonny Utility Company (BUC) was established as a business organization to manage the affairs of Bonny Electricity Project, especially in the electricity distribution and consumption in Bonny Island, Bonny local government area of Rivers State in the Niger Delta region of Nigeria. Bonny Utility Company (BUC) introduced the use of pre-paid meters as a good billing method in the first decade of 21st century in Bonny Island in Rivers State of Nigeria. This electricity billing method empowers electricity consumers to purchase units of energy which they want to use depending on their purchasing power or financial carrying capacity at any particular time.

The use of pre-paid meters instills energy discipline into electricity consumers in Bonny Island. Consequently, the introduction of paid meters helps to conserve energy for future use.

Essentially, Bonny Island was the first place where pre-paid meters were tested for use in Nigeria. Interestingly, pre-paid meters as energy saving billing device were imported from South Africa to Bonny Island in Bonny local government area of Rivers State of Nigeria in the first decade of 21st century in an effort to give electricity consumers accurate billings for energy consumed in the host communities of the oil and gas multinational corporations operating in the area. The application of pre-paid billing method stimulates consciousness in electricity consumers to be careful in the use of energy purchased.

The efficient use of Bonny Utility Company (BUC) has guaranteed the sustainability of Joint Industry Companies (JIC) electricity project as an interdependence project in Bonny Island in Bonny local government area of Rivers State of Nigeria. Consequently, the relevant stakeholders in the interdependence projects of Joint Industry Companies (JIC) help to promote sustainable power generation and distribution as evidently seen in Bonny Electricity project which focuses on improving the living conditions of people of present generation without compromising the ability of future generations to meet their own needs.

The prospects of Interdependence Projects

The prospects of interdependence projects in the host communities of oil and gas companies in the Niger Delta are the followings:

1. **Interdependence projects promote improved relations among the relevant stakeholders:** An important prospect of interdependence projects in the host communities of oil and gas companies in the Niger Delta is the promotion of improved relations among the relevant stakeholders in the area. The interdependence projects help to create opportunities for the host communities and oil and gas companies to work collaboratively and harmoniously to promote improve relations among the relevant stakeholders in the area. This helps the oil and gas companies to reposition their business in a more conducive environment that is more acceptable to all the relevant stakeholders. In the views of Berg (2001) these efforts have begun to translate to a significant reduction in community disturbances as well as the reduction in cases of deferment of production. These have in turn stimulated an increased production and exploration for new reserves in the area.
2. **Interdependence projects promote an increased production and exploration for new reserves:** Additionally, interdependence projects have stimulated increased production and exploration of new reserves in the host communities of oil and gas companies in the Niger Delta.
3. Interdependence projects promote mutual co-operation between the multinational corporations involved in oil and gas exploration and exploitation and their host communities in the Niger Delta region of Nigeria. There is obviously an urgent need for the mutual co-operation of the multinational corporations involved in oil and gas exploration and exploitation and their host communities in order to promote meaningful and sustainable development in the Niger Delta region. There should be proper co-ordination of efforts of all the relevant stakeholders in the Niger Delta region of Nigeria. Ibori (2001) states that promotion of co-operation of all stakeholders for meaningful and sustainable development to be achieved requires a more co-ordinated efforts of all concerned stakeholders.
4. Interdependence projects add value to the image of corporate organisations: Independence projects are good image building of multinational corporations involved in oil and gas exploration and exploitation in their host communities in the Niger Delta region of Nigeria. The independence projects give a good public image of the concerned multinational corporations in their host communities in the Niger Delta region of Nigeria.
5. Viability of stakeholders: Interdependence projects stimulate the consciousness for the viability of relevant stakeholders working in synergy to maintain good relationship between the corporate organisations and their host communities. This depends to a certain extent on the real value of the concerned company's operations in the host community.
6. Enhanced interaction: Interdependence projects enhance interaction between the corporate organisations and host communities. Interdependence projects help to promote mutual relationship with generative disposition in human environment. Fasel (2000) asserts that interdependence relationship is characterized by synergistic relationship with generative spirit. Interdependence projects usually produce harmonious environment for

corporate organisations to do their business or carry out their operations in their host communities.

7. Enhance better life for the stakeholders. Interdependence projects enhance better life for all the relevant stakeholders in oil exploration and exploitation in the Niger Delta region of Nigeria.
8. Bridge Building intervention projects. Another role of interdependence projects is bridge building intervention between the corporate organisations and their host communities in the Niger Delta region. The corporate organisations and their host communities exist in the same environment. It is appropriate that interdependence projects are provided as bridge building intervention projects between corporate organisations and their host communities in the Nigeria Delta region.
9. Promotion of Harmony: Interdependence projects promote harmony in corporate organisations and their host communities in the society. Harmonious relationship helps peace to grow in human environment. People should learn how to live peacefully in human environment.
10. **Promotion of Collaboration:** An important prospect of interdependent projects is promotion of collaborative behaviour among corporate organisations and their host communities in the Niger Delta region of Nigeria. Fasel (2000) states that in order for collaboration to be successful across organizational boundaries that the people concerned must do their part. It is, indeed, appropriate for the relevant stakeholders in the corporate organisations involved in oil and gas exploration and exploitation and their host communities to do their part in order to sustain their collaboration. In the views of Kemjika (2002) such establishment must equally have something to offer in return in the society.

CONCLUSION

Interdependence projects of oil and gas multinational corporations remain a viable option and easure to make a bad situation or deplorable conditions of the people of various host communities seem better in the Niger Delta region of Nigeria. This is basically to improve the living conditions of people of present generation without jeopardizing the ability of future generations to benefit from the same human development initiatives in the concerned various host communities in the Niger Delta region of Nigeria.

The initiative of the oil and gas multinational corporations – Shell Petroleum Development Company (SPDC), Mobil Producing Nigeria Unlimited and Nigeria Liquefied Natural Gas (NLNG) to form Joint Industry Companies (JIC) that gave rise to interdependence projects in Bonny Island is highly appreciated. This development initiative is encouraged in the host communities of oil and gas multinational corporations in Nigeria to help to reduce excessive rural – urban migration and youth restiveness in the Niger Delta region of Nigeria. When the economic potentialities of the various host communities of oil and gas multinational corporations in the Niger Delta region are explored fully with the intervention of oil and gas multinational corporations, it will help to create conducive environment for peaceful operations in the region.

It has been observed that multinational corporations involved in oil and gas exploration and exploitation in Nigeria fail to reinvest much of their profits in development of their host communities in the Niger Delta region of the country. It is a common knowledge that multinational corporations in oil and gas exploration and exploitation may reduce their budget for development projects in their host communities because of the overseas repatriation of profits, interest and royalties.

RECOMMENDATIONS

The following recommendations are made based on the issues discussed:

1. There is obvious need for intervention of multinational corporations involved in oil and gas exploration and exploitation in the Niger Delta region of Nigeria to promote interdependence projects in the area. The idea of this is basically to help the people of host communities to benefit tremendously from economic expansion and reinvestment of the multinational corporations operating in their localities in the Niger Delta region of Nigeria.
2. The multinational corporations in oil and gas exploration and exploitation in the Niger Delta region of Nigeria should strengthen the urgent need to promote interdependence projects in their host communities in the Niger Delta region of Nigeria. This becomes imperative since multinational corporations and their host communities in the Niger Delta region of Nigeria are expected to complement each other.
3. The concern of multinational corporations should be demonstrated in addressing certain peculiar problems of their host communities in the Niger Delta region of Nigeria. This will certainly guarantee a peaceful environment for harmonious co-existence in the host communities in the Niger Delta region of Nigeria.
4. The multinational corporations should develop new technologies for enhanced production of oil and gas in a friendly human environment in the Niger Delta region of Nigeria. The multinational corporations should take drastic measures to reduce emission and develop new technologies that will encourage an efficient production without resulting to climate change.
5. The multinational corporations in oil and gas explorations and exploitation in the Niger Delta region of Nigeria should take drastic measures to reduce gas flaring. There should be strong political will to compel the multinational corporations involved in oil and gas exploration and exploitation to reduce gas flaring by converting it to electricity use in Nigeria. Offenders of gas flaring should be punished appropriately.

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