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# **SOCIAL INCLUSION OF THE DISADVANTAGED GROUPS IN OIL-BASED DEVELOPMENT**

## **The Challenges For Civil- and Community-Based Organizations in the Niger Delta**

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# **SOCIAL INCLUSION OF THE DISADVANTAGED GROUPS IN OIL-BASED DEVELOPMENT: THE CHALLENGES FOR CIVIL AND COMMUNITY BASED ORGANIZATIONS IN THE NIGER DELTA.**

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## **Introduction**

Social exclusion shapes the political measures that claim to tackle inequality. While there is an association between poverty, social exclusion and inequality (Oppenheim, 1988; Clayton, 1999), Oppenheim claimed that social exclusion is a relational term which is really more about social processes that produce loss of status, power, self-esteem and expectations. These are brought about by exclusion from systems that facilitate social integration. Thus, exclusion is more than poverty and it is linked to a notion of normal life (Geddes, 1997) as it involves being shut out of productive activities, employment, etc.

Social exclusion is a state of being for certain sections of the population constrained by their lack of access to what constitutes the labor market and its associated economic contribution to the society. Social inclusion on the other hand is an attempt to 'normalize' the disaffected, and as such it legitimizes the status quo of those systems that might otherwise be regarded as contributing to the very problem being addressed. Thus, according to Barry (1998), social exclusion is culturally defined, economically driven and politically motivated. Social inclusion has to take its rightful place not along a continuum (i.e. from exclusion to inclusion) but as emerging out of a thorough analysis of exclusion (Saloojee, 2001). At the same time, social inclusion has to simultaneously transcend the limits of essentialism, critique hierarchies of oppression and promote a transformative agenda that links together the various, often disparate struggles against oppression, inequality and injustice. This is a utopian task that must be the sine qua non of the development of the poor households in the NDR.

The NDR is the oil mineral producing area in Nigeria and consists of 9 states and 185 local government areas. It has a population of about 30 million people and an area of about 75,000 square kilometers of mostly difficult and fragile terrain and compares most unfavorably with other oil producing regions of the world in terms of human development, even when the region appears to be doing better than some other non-oil producing regions in Nigeria. Over the years the NDR has become a breeding ground for various forms of violence. This is as a result of the frustrations experienced by the residents in the area with respect to their inability to directly gain appreciably from the

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resources generated by the exploration and exploitation of this valuable but exhaustible natural resource.

However, despite the oil wealth, the residents are desperately poor, and the area is generally under-developed. As the soil, rivers and mangroves from where this resource is being exploited are polluted, the traditional means of livelihood for the communities are gradually diminishing. Thus most of their protests are centered on environmental degradation and absence of infrastructure or effective community development projects. The NDR youths frequently protest that about 98% of the resources for the development of the country (and oil accounts for more than 90% of Nigeria's foreign earnings) are from the region while its people live in abject poverty, deprived of minimum and basic amenities as well as the opportunity to earn appropriate living from traditional sources such as fishing and farming. Thus, most of these conflicts in the NDR can be traced to the activities of multi-national oil and gas companies and the repressive meddling by the state organs (both federal and state) to the detriment of their people.

From the literature, experiences and especially the observations of Watts (2005), what is striking in much of the work on resource wealth and civil conflict in developing nations, is the total invisibility of both the oil companies and the forms of capitalism that oil engenders. What have to be explained in more detail is why oil-based development so frequently fails and how as well as why this trend produces conflicts in which all manner of human rights violations occur. This observation expresses the situation in the NDR of Nigeria.

A major finding of a just-concluded study on improving public sector oil-derived resource flows and utilization in some states in the NDR by The Centre for Advanced Social Science (CASS) in Nigeria<sup>1</sup> showed that existing patterns of governance of public oil revenues exclude the grassroots disadvantaged groups in the oil producing communities of NDR. The major problem is the absence of good governance and non-tracking of the resources accruing to the state and local governments from the federation account and internally generated revenue (IGR) and their utilization by the respective state organs. This is particularly manifested in differentials involving (amongst others): households, gender, youths, elderly and disabled persons. The elements of good governance include: transparency, responsiveness, accountability, participation, monitoring and evaluation, empathy, access to information, knowledge, education and awareness, sustainability, and conflict management.

To solve the problem, the solution has to be contextualized going beyond the strategy of educating and training the affected population to increase their employability skills. Such solutions applied in the NDR failed because they only partially addressed the fundamental processes contributing to an exclusionary society.

A pertinent observation made in the CASS study is that the people at the grassroots (especially the disadvantaged groups) in the NDR are totally excluded from the economic and social environment in the country. To prepare them for the impact of globalization that is manifested by a technologically shrinking world and increased competition, and also the consequences of oil exhaustion when the TNCs pack their

baggage and leave the area (as is shown in Oloibiri in Bayelsa State), efforts must be made to improve their deplorable, desperate circumstances to such a level that will allow them participate effectively in governance practices. This will move their environment and the country from the current doldrums to a level where it will face the new challenges in a sustainable way. Thus, our involvement in this paper is not geared towards theory building but toward exploring changes in policies and programs to uplift the households in the NDR.

To be fair, a lot of studies have been carried out on the region, but these are not reflected in the improvement of the lives of the residents on the ground. Also, in all these efforts, no one at the grassroots in the NDR has ever been part of the process of oil exploration and exploitation. However, in the short and long runs, they have been the major recipients of the negative aspects of oil activities and inadequate governance practices of resources emanating from it. To include the identified disadvantaged groups, greater balance is sought in both public sector governance and community level socio-economic activities and decision making processes in order to achieve more sustainable development and socio-economic transformation.

Therefore needed urgently for social inclusion of the people at the grassroots in the host communities in the NDR are:

- Discussion of resource control and land questions in Nigeria and their relationship to oil and governance in the NDR.
- Exploration of effective enforcement of good corporate governance policies for oil extraction and all other minerals in Nigeria.
- Exploration of effective involvement of TNCs in the sustainable development of their host communities.
- Exploration of alternative avenues that will effectively meet the needs of the people at the grassroots, e.g. Community Based Organizations (CBOs), Civil Society Organizations (CSOs), etc.
- Exploration of effective linkages of households and individual social indicators with the capacity to demand transparency in the application of oil revenues.
- Exploration of ways for people to demand rights and privileges from the political processes in the country.

However, in this paper we will investigate the changing roles and challenges of civil society organizations (CSOs) and community based organizations (CBOs) in corporate governance around oil exploration and exploitation in the NDR while using the concept of social inclusion. To achieve this and move forward the debate of social inclusion of affected communities in the governance of the country, we will explore bottom-up approaches, partnership possibilities and sustainability issues as opposed to existing strategies used by the oil companies, which have limited successes. What clearly emerged from the CASS studies is that for there to be sustainable development of households, the solution must start from the people themselves. The key issues to be teased out and discussed in this paper are:

1. How can we build different types of institutions or improve existing ones to develop communities sustainably in the NDR?
2. What are the issues to be addressed in achieving the set goals?

### 3. What are the alternatives?

Ironically, to solve the problem of non-inclusion of communities in resource flow and effective utilization in their communities, the solution has to come from the people themselves. Bottom-up approaches must be maintained. To do this, communities must be empowered to solve their social and economic problems in the context of their environment.

The methodology adopted in this study mainly uses secondary data and observations by the researcher. These data assist in teasing out facts, attitudes, opinions, views and problems of different stakeholders. To make the discussion more robust, two case studies are presented to highlight the different forms of community development intervention by TNCs in the NDR. These are: Shell Petroleum Development Company, Nigeria and its community development program, and Statoil Company and its community development program in Akassa kingdom.

The discussion is divided into seven sections after the introduction. First is the aim and objectives of the study. This is followed by a discussion on the dynamics of the involvement of NGOs, CBOs and CSOs in the development of the region. Third is the discussion of corporate social responsibility (CSR) in Nigeria. Fourth is a discussion of effective development partnership. Fifth is the report of the case studies. This is followed by a discussion of some highlighted problems emanating from the study and recommendations. The final section of the study is the concluding remark.

#### **Aim and objectives of the study**

The main aim of this paper is to contribute to the discussion of how development policies and programs will actually assist the households of the communities in the NDR improve their living standards and move away from their present desperately poor circumstances. This will be achieved through the following objectives:

- i. To investigate the changing roles and challenges of CSOs and CBOs in corporate governance around oil exploration and exploitation in NDR.
- ii. To examine the sustainability problem of existing policies and programs of TNCs prospecting for oil in the region.
- iii. To use our findings as crucial learning points for the broader context of household development primarily in the NDR and generally in other communities in Nigeria.

#### **On the dynamics of the involvement of NGOs, CBOs and CSOs in development activities**

After more than three decades of the NGO-sector presence in Africa in general and Nigeria in particular, the term NGO has become a common, but entirely blurred 'catch-all' expression (Roxin, 2000). The NGO has been addressed in the literature as: non-profit organization, private organization, voluntary organization or private-voluntary-

organization. They could be organizations formally constituted to provide a benefit to the general public or the world at large through provision of advocacy or services (Bendana, 2006). They include organizations devoted to environmental development, human rights, peace and their international networks. These different descriptions indicate that the definition is very limiting or explains what the organizations are not, rather than saying what they actually are.

However, in spite of the changing interpretation of NGOs over the years, they are presently an accepted part of the development aid system. While donor agencies realized the alleged advantage of NGOs in dealing with small-scale projects for the first time in the 1970s when the basic needs theory of the World Bank emerged, NGOs are now seen as one of the most important self-organizational resource of societies in Africa (Roxin, 2000). In this view, they represent a bottom-up approach as opposed to the top-down deficiencies of the state and donor development agencies of the past. As the Nigerian state is currently withdrawing from its social responsibilities while wallowing in corrupt practices, NGOs have come into limelight as service providers. Their perceived roots in the society qualify them not only as vehicles for developmental aims, but also as raisers of hope for social and political changes.

As NGOs address social and developmental areas, they are supposed to be covering a whole range of diverse objectives from poverty eradication and basic needs satisfaction up to social empowerment of communities. They are the so-called 'third sector' after the state and market. Thus, they are solidarity-oriented and thereby encourage self-help that is expected to put common interest and ideals above individual interest. Self-help groups are based on reciprocity and explicitly work for the benefit of their members. If the members do not agree with the actions of the organization, they are easily able to change it. These are the community-based organizations that purely serve to achieve given ends for their members.

Recently, there have been a lot of questions about local NGOs benefiting from international funding as both bilateral and multilateral aid is now increasingly distributed through country offices and aid agencies have devolved authority to their delegations in developing countries (Agg, 2006). This change in practice is aimed at building up capacity of local NGOs to assist them when applying for grants. However, in practice the local NGOs are not seeing large increases in donor funds and direct funding of local NGOs does not appear to be very widespread as yet. At the same time, donors are now awarding a small number of big grants through competitive application processes. Although in theory the applications are open to all, in practice, local NGOs do not have the staff, resources or even the experience to devote to the lengthy application processes. At the same time, they have to compete with international NGOs that have set up local offices in developing countries. Being personally known to funding officers and having a presence in the region of operation is definitely a distinct advantage for international NGOs with regional offices in developing countries. What results is partnership between international NGOs and local counterparts with international NGOs controlling the purse strings and local NGOs carrying out activities. The danger of this trend is a dependency of local NGOs on international funding agencies.

Although the development of local NGOs in the 1980s was championed by donor agencies, this is presently being questioned by events on the ground. First, the qualities that made local NGOs a preferred channel for development aid, i.e. they are small-scale, non-bureaucratic and flexible, became less distinct as the bigger international NGOs became responsible for large donor-sponsored projects. The current request by donors for rigorous accountability of the use of their funds resulted in increased bureaucratic demands on local NGOs. Second, although donors are currently questioning the financial advantage attributed to the NGO channel (that local NGOs are more cost effective than state service providers and better at reaching marginalized groups in the society), in practice in Nigeria, they are more advantageous as the state bureaucracy has shown that it is not competent as a service provider and thus cannot assist the donors provide service in a sustainable way. Third, the ideology of using NGOs as more effective providers that reach marginalized groups than the state provider has raised key questions of the democracy of policies of using external private organizations to provide services in developing countries, taking note that this has generated tensions between local organizations and the international NGO community.

What is apparent is that local NGOs must start educating and lobbying private organizations in their countries to develop the spirit of grant making and funding of local initiatives that are expected to uplift the people at the grassroots. This will increase the range of foundations accessible to them. It will also improve accountability as local foundations will be more alert to the antics of unscrupulous NGOs.

A community consists of individuals that are from the same locality or people that have a common interest or cause. Communities form mutual trust based on openness and equal opportunity for all its members, and they hold assumptions about interdependency based on reciprocity. Thus community is the foundation for relationships built between and among organizations and individuals (Daniel et al, 2001). In all communities in Nigeria, there are traditional CBOs based on age, occupation, gender, etc. These CBOs are used for a lot of activities that are both social and economic, the major activity being that of members assisting each other in time of need. Thus, although marginalized from the formal structures of power, historically CBOs in Nigeria are very strong because they are formed from within the communities and they address locally perceived needs. However, with the current economic stress imposed on them by the rigors of oil exploration and exploitation and its global challenges, coupled with the inability of the state to provide essential services for its people, it is becoming difficult for communities to cope without external assistance. This is what is manifested in the visible deplorable poverty of the NDR. Also, noticeable is the big gap between the analysis of development agencies and the institution of effective projects to actually improve the living standards of the people.

In Nigeria presently, there is not only a proliferation of NGOs, there is a lot of duplication of programs by them. Though some of them are affecting development at the grassroots positively, what is noticeable is that most are external donor dependent and thus, their projects are not sustainable. Immediately their funding is exhausted, the programs are stopped. This situation most times leaves the project-communities abandoned, dejected and worse-off than before intervention.

For a long time the developed world's preconceived notion was that the market and the state were seemingly independent of local societies and cultures. Thus, the debate about civil society ultimately is about how culture, market and the state relate to each other. As the society in the developing nation is itself informal (that is the effect of colonialism and the juxtaposition of formal [colonialists] way of life and the colonies' existing patterns of existence [termed informal by the colonialists]), there arose a need for a realm to be the link between the state and market on one hand and the society itself on another. This has been the problem of African states in respect to their governance practices. Recently, the new countries of Eastern Europe exhibited the same problems after the break up of the Soviet Union into the various political fragments.

Simply stated therefore, civil society is the realm of social life which, when viewed from the perspective of government, is characterized by plural and particularistic identities. Government, by contrast, is an inclusive sphere, which when viewed from the perspective of civil society, is characterized by overarching public norms made and enforced by official institutions. Civil society is therefore a zone of freedom for individuals to associate with others and for groups to shape their norms, articulate their purposes and determine for themselves the internal structure of group authority and identity. Thus, government is a domain of common purpose and identity (Rosenblum and Post, 2001). From many perspectives, the family counts as an element of civil society; it is the premier mediating, moralizing institution. Also within civil society, individual well-being is tied to the well-being and independence of groups.

Conceiving the boundary between government and civil society in a state like Nigeria is highly problematic. When it is pushed too far in the direction of government, the civil society becomes very ineffective. On the other hand, if civil society has too much power, government will collapse into anarchic disorder. Civil society needs government to survive and government (a democratic one) draws deeply from the strength of civil society. However, the near absence of a representative and effective civil society movement capable of articulating sincerely its members' vision of their development is one of the key gaps in the relationship of communities with the Nigerian state. Civil societies are helpful in focusing attention usefully on human rights, citizen's actions and institutions. They help to capture local level social struggles for the well-being of the people and global economic and technological changes. At the same time they draw the attention of communities to their incapability to cope with the rigors of modern day governance practices in the global context and are expected to assist them proffer and implement solutions to solve these inadequacies. It is the frustration arising from the inability of local communities to understand the dynamics of the happenings around them that results in conflicts and violence that have become every day occurrences in many communities in the NDR.

### **Corporate social responsibility in Nigeria**

In the past two decades, due to the inability of the state in Nigeria to provide essential services for its people, the communities in the oil producing region are relying more on



TNCs producing oil to provide these services. The communities see it as their God-given right (arising from being indigenes of the area – See Box 1) to gain directly from the product of their soils and rivers. At the same time, TNCs alleged double standards, corporate scandals and decline in effective economic and social development in host communities have fanned world-wide debate about social responsibilities of corporations. Thus, global pressures are mounting on businesses to demonstrate social accountability, especially on TNCs operating in politically and environmentally sensitive regions. This has brought to the fore the discussion of corporate social responsibility (CSR). While most observers agree that businesses have social responsibilities, the crux of the disagreement between critics and advocates of CSR according to Idemudia and Ite (2006) relates to the nature and scope of these responsibilities. It also relates to the differences in perceptions and understanding of the role and purpose of the corporation in society. As far back as 1995 the World Bank acknowledged the importance of corporate social involvement, and the argument presently is that TNCs have a role in global development not only through capital investment but more importantly by investing in human capital and providing local people with the tools to drive their own economic development. Also, the view that business should be conducted in the interest of share holders alone is changing fast due to challenges posed by the high cost of security in resource-rich but poor nations. As argued by Quinn and Jones (1995), business has a responsibility, indeed an obligation to help solve problems of public concern. It is a matter of enlightened self-interest for organizations to be socially responsible because ethical behavior is more profitable than unethical behavior and is crucial for organizational effectiveness (Valesque, 1996).

For people in developing countries, the globalization of business is expected to bring a wealth of potential opportunities. At the same time, it poses a significant regulatory challenge. Whereas in developed countries as the activities of TNCs have grown, governments have attempted to adapt more appropriately to regulate them in order to facilitate competitive markets and uphold widely-valued social and public goals. Hence, environmental protection laws, workers' rights and safety, consumer rights, pensions, competition laws, financial rules and auditing requirements are all part of a system of regulation. However, in developing countries in general and Nigeria in particular, regulation is a big challenge. The rising power of TNCs and the inability of the Nigerian state to regulate them have been debated for some time. This is caused by: weak rule of

#### **Box 1: On Citizenship and Access to Land in Nigeria**

Noted in the literature are the following:

- i. Land rights are at the heart of ongoing struggles over citizenship and democracy.
- ii. Indigeneity implies rights of access to land among other things.

In the specific case of Nigeria, indigeneship has to do with traditional antecedents and does not derive from the nation state. It is only at the national level that citizenship is conferred on the individual.

First, in Nigeria, ownership of land is tied to the rights of an individual as an indigene and not as a citizen. That is why traditionally, no matter how long an individual and his (or her) offspring have resided in an area, if he/she is not a native of the place, he/she cannot be (or does not want to be) an indigene of the area, and thus, does not have land rights in the area. During the colonial period, the British Government was able to acquire land from the communities for "public use" without conflict. This stemmed from the fact that: agreed compensations were paid at the right time; the indigenes were not

threatened at the time with dwindling land for farming as is the case presently; the remaining land was more than enough to sustain their farming activities at the time; to a great extent, it was visible to the indigenes that the land was actually used for public purposes; as most of the acquired land were far away from their villages, the existence of the villages were not threatened as is the case presently.

Basically, the land use decree of 1978 was introduced to facilitate land acquisition for public purpose by vesting absolute ownership of land in the Governor of each state who is expected to hold the land in the state for the people. Thus, ownership right is taken from the people and what they are expected to have is user rights. Traditionally, this is not acceptable to the people. Communal ownership of land is conferred by the fact that one belongs to a particular area, i.e. is an indigene. Unless this right is recognized by government agencies in land laws, etc, the laws will continue to fail in the Nigerian context. Presently no one is paying attention to the land law.

We must accept that land is the identity of the people. Even when the land is sold, the natives still see themselves as the landlords. Because of the attachment to the land, the natives do not let go of the land completely. That is why contiguous peaceful communities can suddenly become violent to the point of serious hostility over ownership of a piece of land. Also, that is why the communities in the NDR feel so aggrieved about not being able to partake in the wealth from their land (i.e. oil).

In summary, we must recognize the relationship between land, indigeneship and citizenship. Because of the traditional and emotional connotations, citizenship cannot confer right of indigeneship to an individual in Nigeria no matter how long the person has lived in an area. Our fieldwork showed that communities are not yet ready to confer the right of indigeneship to a migrant in any part of the state. At the same time, the state cannot compulsorily take land from the natives again – that is all they have for their economic survival. Generally, access to information has improved people's awareness of global happenings. Thus, people are very aware of their rights and privileges in their communities and nation.

**Source:** Oruwari, Yomi and Owei, Opuene (2006) "Urban land and citizenship struggles in Nigeria: An analysis of Access from 1979 to date" A research report submitted to CODESRIA, Dakar, Multinational Working Group on Land, May 2006.

law, absence of government administrative capacity and weak bargaining power since TNCs wield vast resources of financial capital, technology and employment. All of these factors have militated against the emergence of an appropriate and effective regulatory institution. Simply put, Nigeria has limited control over the effects of economic activities by TNCs within its borders on such social objectives as human rights, labor rights and environmental sustainability. It practices what Graham and Woods (2006) called 'race to the bottom' regulation in the hope of attracting TNCs for oil exploration and exploitation, as most of them favor countries with weak regulatory systems.

Meanwhile, the powerful agencies such as International Monetary Fund (IMF), The World Bank, and World Trade Organization (WTO) have tended to focus on deregulation within the developing nations and pressuring governments in developing countries to recognize and protect the rights of foreign investors. No attention has been paid to correlate regulations to ensure protection of social and public goals of host communities. At best what is practiced is voluntary. Noted, opposition rooted in theories of public choice is highly skeptical about the impact of self-regulation. For industry self-regulation to be effective, there need to be some incentives to make it so. Also, far from being driven by universal social phenomena, self-regulation requires specific conditions of transparency, monitoring and enforcement to be effective.

Although pressure from different groups can change regulatory behavior, the challenge presently for CSOs in Nigeria is to effect sustainable pressure in the face of all the obstacles highlighted above, coupled with inadequate access to resources. Through the

insistence of activists, TNCs are encouraged to undertake effective self-regulation of their operations to create cordial environments. The irony of the oil business is that the protests by activists and violence by host communities especially the youths actually increase the oil prices in the international market. Hopefully, the visible branding and marketing required in the oil industry will make reputation a significant enough private assets for each TNC to choose to self regulate. Thus, in the face of activists' pressures, some TNCs are mounting individual attempts to control their reputations by regulating the outcomes of their activities. Even the Nigerian state is perceived as pro-TNC by the indigenes in the host communities because it often uses brute force to quell conflicts directed at seeking redress for malpractices by some TNCs. These are some of the major challenges faced by CSOs, NGOs, and CBOs in the NDR.

Presently, CSOs in the NDR are insisting on effective enforcement of regulations, which must accompany disclosure if it is to lead to compliance. However, mandatory enforcement of disclosure is very difficult as TNCs are registered on the stock markets in their home countries and not in the prospecting countries. Thus it is pertinent to propose that CSOs must explore the possibility of their communities having access to TNC stocks in their home country so that their 'voices' will count in the decision-making process of the respective TNC.

A challenging question is: Must the government in Nigeria always provide incentives for TNCs in the oil sector to meet the social and public goals of their host communities? Of course, the government should not. A way out is to make the social goals part of the discussions at the beginning of the negotiations for oil exploration and exploitation and communities must be represented. After all, they are the ones that are affected personally by all the decisions made. This is where partnership including them should start. Those TNCs already on ground must be made to renegotiate. Regulations that ensure that firms pay attention to social and public good must be put in place.

For compliance to be effective in Nigeria, the government must mandate standards and enforcement of: disclosure by TNCs; social pressure by CSOs and communities. Anyone who refuses to obey the standards must be penalized. Double standards that are presently being practiced must stop.

A very important observation by Idemudia and Ite (2006) is that the current adoption of CSR policies and corporate community relation (CCR) strategies by oil companies in the NDR has failed to reduce the incidences of violent conflicts by the host communities and the kidnapping of expatriate workers of TNCs (especially those that have been prospecting for decades and were not perceived to be practicing sustainable development in their host communities) for exorbitant ransoms by the youths in the NDR. This is due to the failure of the companies to seek, understand and integrate community perceptions (sincerely and in a transparent fashion) into CSR policies and programs. CCR will be improved when the needs and aspirations of the major stakeholders are addressed sincerely through the partnership approach to development and conflict resolution.

## **Effective development partnership**

Development partnerships are interdependent and collaborative relationships fashioned to promote needed developmental activities that are beyond the resources of a single sector. Generally, partnership is a mechanism for ensuring that the comparative advantages of different actors in the development process are exploited in a mutually-supportive way, i.e. that the strengths and weaknesses of the public, commercial, private and non-governmental sectors are harmonized so that maximum use is made of strengths, while minimizing the potential for inefficiency caused by the weaknesses.

Development partnerships mobilize resources from across a broad spectrum of sectors for effective local level development. Structurally, partnerships have taken many forms but generally involve public and private sectors. Public/private partnerships involve different actors who may be divided up into many groups. Partnerships are complex alliances that develop over time and can involve a variety of participants. However, a recent model is the community-based approach. The community-based approach allows intervention to be tailored to local circumstances and income levels. Interventions consistent with community-identified priorities garner support because they are responsive to local concerns. Thus communities take ownership of the projects by identifying and initiating them. Because they are also wholly involved in their execution, upkeep and maintenance will be appreciated by them since they understand the projects.

Many examples of partnerships exist. In the case of the Niger Delta, a partnership being considered is between the following stakeholders: government agencies, multi-national oil concerns and related organizations, NGOs and the host communities (individuals and families, communities). Lessons learnt from experiences of partnership include: a clear sense of purpose is the foundation of success; local citizens will support the partnership when they understand its value to the community; partnership building is a process and takes time and the small step approach leads to successful projects. The contribution made by partners varies according to the capacities and unique circumstances of each community. In Nigeria for example, Shell Petroleum Development Company (SPDC) has since 1998 embarked on partnership as a framework for its community development programs by attempting to fashion participatory community development plans with its host communities. However, there are as yet no stable mechanisms for dialogue between communities in the Niger Delta and the oil companies to establish working partnerships for sustainable development. This is because the host communities think and feel that they deserve more than they are getting from SPDC and the government agencies, especially as the crude oil exploited from their communities is a God-given resource and thus, they must reap the benefits from it fully as a right. This is connected with the whole issue of resource control.

The review of several partnership experiences pinpoints a number of problem areas. One of these is that different partners often bring their own priorities and perceptions. This presents problems of trust and confidence in the partnership. Another problem is the selective nature of many partnership agreements, the extent to which strategies and

visions clash, the rather over-ambitious expectations made of partnerships and the problem of fitting partnership models to local operational circumstances.

Challenges of partnership for the communities include:

- i. Avenues for making communities to articulate their own experiences and ideas, and synthesizing them into coherent and visible knowledge:
  - Understanding of their environment and recognizing its worth; potentials and limitations of different groups form a major part of community empowerment.
  - People will be ready to commit themselves to the success of projects that involve them in terms of their direct investment of ideas and time.
  - Local people have investment in the long-term future of their environment. Thus, there must be fair trade for the products of their environment. It is imperative that local people must have knowledge of the market for their products.
  - It is always difficult to ensure that people are adequately informed, and that the representatives express the opinions and defend the interests of the people and do not merely presents their own views.
- ii. The ability of communities' representatives at stakeholders meetings to exhibit skills at the level of other stakeholders especially those from the multi-national oil companies.
- iii. Presently, involvement of communities' representatives in the partnership is ineffective as:
  - They lack the skills to do so.
  - Such arenas are structured to exclude them. Most community members are more interested in the real services delivered to their communities.
  - Time is always required for representatives to report back to their communities. Generally, partnership management practices militate against this act. There is a need, therefore, to address the issue of management and time scale.
- iv. The ability for community representatives and NGOs to crystallize community concerns sharpens awareness, provides an understanding of local needs, and lends expertise in program implementation.
- v. Good governance assures the citizens that partnership: is participatory, transparent and accountable; has integrity, low level of corruption, and also has an organizational structure that is non-hierarchical. It assures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over resources generated by them and the allocation and implementation of development resources. Thus, the more honest, democratic and dynamic the governance system, the more successful partnerships between the public, private and community sectors.
- vi. The government agencies are unequipped and ill-prepared to be partners with the multi-national oil companies and the communities; they are not regulators of private activities. Ensuring that they can be effective partners in collaborating and meeting basic social needs as well as the individual goals of the other parties is a

- challenge.
- vii. The communities do not have the financial capability and access to global information about oil activities and their relationship with the host communities.

Although the partnership approach is appealing, the challenges created by it must be addressed in order to make its adoption meaningful for the local communities. These challenges must be addressed in a holistic fashion to make the impact meaningful. This is a very important factor. However, we must recognize that the approach cannot be the panacea for sustainable development of the Niger Delta region. This approach is needed for at best, short and medium term action programs. For the area to be sustainably developed, a multidimensional approach with well worked-out short, medium and long term programs, e.g. the regional development approach, is recommended. In all of these approaches, community involvement is extremely important. The challenge is in providing the capacity for them to effectively participate.

## **The case studies of community development**

### **i. Shell Petroleum Development Company (SPDC) (See Box2)**

Out of about seventeen oil companies operating in Nigeria presently, SPDC has the largest share of production and influence. Although SPDC is a partnership between Nigerian government, Shell, Elf and Agip, it is Shell that makes most of the day-to-day decisions and does business on behalf of the joint venture. And, because of its unhealthy track record of responsibility to its host communities and cleaning up pollution, activists both nationally and internationally are insisting that Shell should face up to its responsibilities. For example, most of their pipes are more than 30 years old and are well past their sell-by date. Thus, due to excessive corrosion and rust in a salty environment, there are a lot of spills.

Independent reviewers engaged by Shell agreed that what is always written in glossy reports and posted online is completely different from what is on the ground (Friends of the Earth, 2003). For example, when I went to do a survey in Bonny Town and a few Bonny villages, e.g. Peterside, Abalamabie in 1998, a lot of Shell's community projects were abandoned. However, in the Shell reports, they were shown as partially completed. Shell public relations consultants are very successful in portraying the company in their glossy brochures as caring, sharing and tops in social responsibility, but behind the pretty words it is more or less the old story (Friends of the Earth, 2003; Osai, 2002).

The annual reports are always general, very glossy and with a lot of idioms claiming supremacy, leadership, etc., at the same time their community development activities do not actually involve the people participating effectively in decisions and implementation of projects directed at their development. This is despite the fact that successive stakeholder fora and review consultants have recommended that they must do so for the programs to be successful. Reviewers also complain about the non-transparent

reporting of its community development (CD) involvement. For example, Shell has never shown the percentage of its budget that is devoted to CD over the years (Osai, 2002). All that is done is the reporting of the actual amount it spends on CD, without giving explicit details about how the money is spent. Even the host communities distrust these reports as their perception of involvement of Shell in their CD is far below the successes claimed by Shell.

A few of the existing policies and programs by Shell include: pay-offs, vocational training and starter-packs, memorandum of understanding (MOU), and micro-credit scheme for agricultural development (MISCAD).

- **Pay-offs through 1990s**

This is one of the worst policies for community development. The youths and elders were paid off anytime there was a complaint in order to buy peace. First, it caused more conflict and violence over the modalities for sharing the money. Second, it caused formation of splinter groups. Third, after the money was exhausted (due to reckless spending), the youths regrouped, caused more violence and collected more money. Fourth, as more groups are formed, they became greedier and more violent. Fifth, it created a lot of jobless and idle youths causing trouble in the communities with a lot of easy money that (it is alleged) they use to purchase guns and drink local gin. This degenerated into the youths disregarding the traditional order system in the communities and led to disrespect of chiefs and elders by the youths.

- **Vocational training, starter packs and job creation**

The policy was geared towards training youths from NDR in vocational education. After the training, they were expected to set up businesses in their communities. What happened in practice was that the youths underwent the training, collected the starter packs at very impressive ceremonies and some of those that were able to set up businesses in urban areas had track record of success. But those that returned to their communities ended up selling the starter packs, because their businesses were not patronized by the residents in the host communities. What was not considered is that the residents have to be empowered before they can patronize the businesses. Thus, this policy and the programs emanating from it resulted in failure.

- **Memorandum of understanding (MOU)**

By 2002, MOUs were signed by Shell consisting of promises to diffuse communities' agitations and peaceful protests. Over time the communities started distrusting the company. They realized that Shell was signing the MOUs as a strategy to ward off violence and most times did not abide by the terms under one pretext or another. In 2004, a model for MOU was developed to enhance consistency. A community MOU panel was established to ensure that commitments made by the company to communities are realistic and authorized.

- **Micro-credit scheme for agricultural development (MISCAD)**

The objective of the MISCAD partnership program is to improve the livelihoods of communities dependent on farming and fishing in the NDR by enabling farmer cooperatives to access micro-credit and therefore expand their production. The program was developed in 1999 and is a successor to a previous but largely unsuccessful Agricultural Credit Guarantee Scheme (ACGS). The scheme offered was expected to offer loans to farmers and fishermen. Credit was to be provided by participating

commercial banks along with Central Bank of Nigeria (CBN) with Shell providing default guarantees. The community development unit of Shell provided agricultural extension services to support the scheme. The take-off of the loan program was slow because the scheme was not well worked out before it was advertised and publicized. Currently, the scheme is dying a slow death.

## **ii. Statoil (See Box 3)**

To avoid the mistakes made by first generation oil prospecting companies in Nigeria, Statoil jump-started its operations by first establishing a community development partnership scheme for their host community, the Akassa Kingdom, while using an NGO, Pro-Natural International (PNI) to facilitate the process.

Since 1997, Statoil has supported a development project in Akassa kingdom, the nearest onshore location to their offshore installation in the Atlantic Ocean but in Nigerian waters. The Akassa project is largely based on substantial local involvement and participation. The objectives and activities include: training the Akassa people to plan and carry out their own development work; in the long term, establishing the Akassa Development Foundation (ADF) as an independent development organization that finances its own activities without assistance from Statoil. However, a pre-condition is the partial transfer of the activities to local government authority as soon as it is ready to take over.

### **Box 2: Shell Petroleum Development Company, Nigeria and development in the host communities**

Shell D'Arcy was granted exploration license to prospect for oil throughout Nigeria in 1938 and drilled its first successful well at Oloibiri in Bayelsa State in the Niger Delta Region (NDR) in 1956. The company became a joint venture in 1973, changed its name to Shell Petroleum Development Company of Nigeria Ltd (SPDC) in 1979 and by 1993, a 6<sup>th</sup> agreement was signed with the federal government (through Nigerian National Petroleum Company) owning 55%, Shell 30%, Elf 10% and Agip 5%. By 2004, a new SPDC that was the outcome of the restructuring exercise ended up with Nigerians being placed in the top positions of management. By 1<sup>st</sup> of January 2005, a Nigerian became the country chair that oversees all Shell companies in Nigeria as well as Shell interests in National Liquefied Natural Gas Company. From 1960 to 1997 Shell's social investment in host communities was through community assistance. This was moved to direct social investment in community development in consultation with participating communities from 1998 to 2003, and from 2004 to date, to sustainable community development in order to give communities more control of their own development.

Generally, the aim of Shell's community development strategy is to make social investment that promotes sustainable development and economic independence for the people of NDR. The company's support for community development is based on the desire to: reduce poverty in the NDR, promote economic empowerment amongst the people and stimulate employment of its youths. SPDC also aimed to foster greater partnerships with communities. By the end of 2003, the strategy placed greater emphasis on partnership with communities, government agencies, NGOs, local and international organizations.

Internal and external reviews of community development (CD) programs have improving the quality and delivery of programs over the years. Stakeholder review panels have led to



improvements in CD project delivery process.

By 2002, major challenges face included:

- Emphasis on wants rather than needs in most communities
- Demand for cash payments by some community youths. These payments instigated divisions within the communities and are alleged to have provided one of the easy sources of funds for armed conflicts.

By 2003, the critical shortcomings of CD strategy were:

- Problems in the area of interaction with communities necessitated the need for coordinated approach to enhance community ownership and sustainability of CD programs.
- External stakeholder review team recommended intensification of community driven participatory approach to ensure community buy-in and assure care, security, maintenance and sustainability of projects.

By 2004 and 2005, the framework developed for sustainable community development (SCD) in 2003 and its implementation was redefined to involve managing community interfaces as a core responsibility through the asset teams that are complimented by strong central guidance and monitoring from the SCD organization. This allowed prompt attention to community issues and concerns while maintaining stronger internal controls and accountability. Development activities were on empowerment, human capital development, healthy living and basic services with emphasis on building and working through strategic partnerships with the government, local and international development organizations, the communities and other stakeholders. The overall goal was to leverage resources and empower local communities to take the lead on issues for their own development.

**Sources:**

1. SPDC (2003) "2002 People and the environment annual report" Nigeria: Shell media visual services (SMVS)
2. SPDC (2004) "2003 People and the environment annual report" Nigeria: SMVS
3. SPDC (2005) "2004 People and the environment annual report" Nigeria: SMVS
4. SPDC (2006) "Shell Nigeria annual report 2005: People and the environment" Nigeria: SMVS

Some of the projects being executed include the following.

- **Development of human resources**

The first priority of the community was to improve health services. Thus, they established small basic health stations in the least developed areas of the clan. Training to improve the hygiene of local midwives was conducted. Basic pharmacies were established in several villages.

- **Institutional capacity building**

Through ADF, members are trained to run and establish organizations. There was also training in planning, budgeting, project implementation, prioritizing of projects, transparency in processing and decision making.

- **Combating poverty**

They established a micro-credit scheme that made it possible for individual members of the community to take loans in order to make simple business investments, e.g. purchase of grain seeds for their farms, fishing nets, market boats etc. The seed money was supplied by Statoil and expected to gradually increase with personal savings.

- **Women's interest group**

The women identified the need for nursery schools in the clan. Several of them have been established to provide pre-school age children with training and education. A local resource and training center where courses on sewing, welding and computer skills are

taught has been provided, thus recognizing that many people have multiple seasonal occupations, e.g. farming and fishing. An internet cafe linking the clan to the world has also been established.

- **Infrastructure**

Existing infrastructure is very poor. Basic improvements e.g. repair of bridges, re-roofing and repair of school buildings are carried out continuously through ADF.

- **Utilization of the natural resources**

The clan identified fish stock and natural resources and proposed rules for sustainable utilization of them. The youth movement is concerned with protection of the sea turtle colony that lay eggs along Akassa beaches as they are almost becoming extinct.

The people are convinced that they are moving slowly but surely on the right path to sustainable development because:

- The solutions to their development problems are bottom-up approaches and do not portray a welfare mentality.
- There is transparency that is rooted in traditional African consensus democracy. This has contributed to their success so far.
- The methodology adopted is based on involvement of the people and will succeed when it is combined with development of institutions and local capacity.
- Monitoring and evaluation of projects are part of the process. This inculcated in the people the sense of seriousness of actions and thought.
- Due to the total involvement of the people in their development, the area has been relatively peaceful as everyone is committed to making their CD a success.

### **Box 3: Statoil and The Akassa Community Development Project in Nigeria**

Statoil is an oil exploration and exploitation company owned and established in 1972 by the Norwegian State. It was partially privatized and listed on the stock exchanges in Oslo and New York in 2001. Since 1997 Statoil has supported development projects in Akassa kingdom which is the nearest location to their off-shore installation in the Atlantic Ocean in Nigerian waters. In 1998, Statoil and British Petroleum (BP) formed an alliance to tackle the development issues in Akassa Kingdom. The Akassa Community Development Project (ACDP) thus brings together two oil companies along with the international NGO, Pro Natura International (PNI), that conceptualized and facilitated the management of the projects through its local office in Port Harcourt, Nigeria and the Akassa community. PNI provided organizational project support and specialized advisers who participated on local terms in working groups composed of Akassa people. These groups were organized through the local project organization, Akassa Development Foundation (ADF) that is formally registered in Nigeria as a trust fund and has about 50 employees, all except four of them from Akassa clan.

The project aims at improving food security and the standard of living for the Akassa people through participatory community development. The activities are in five areas: abolition of poverty, building local capacity, the environment, infrastructure, and institutional capacity development.

In October 2004, Akassa National Planning Council (ANPC), which has representatives of the Akassa Development Foundation (ADF) and its affiliate institutions as well as delegates from the 19 community development unions in the Akassa Clan, held a two-day planning workshop in Akassa. Delegates comprised 70 persons including 10 chairmen of ANDP (Akassa National

Development Program). The plan is the outcome of a series of community and clan-wide planning workshops conducted in 2004 under the auspices of the ANPC. The process was based on the principles of participation, democracy and transparency. The ADF endeavored to ensure that all facets of Akassa society were represented and that the final development plan is owned by the people of Akassa. Each institution identified and prioritized their development needs based on benefit to the community and achievability. The proposals were prioritized and identified what should be done, who should do them and when they should be done. Support was to be sought from Statoil/BP through ADF. ADF is to seek funding from other secondary stakeholders; some projects are allocated for the consideration of local government, State and Federal Government.

Bottom-up community led development approach was encouraged as it uses small-scale low cost micro projects as participatory learning activities. The recipients are aware that program benefits could be captured and diverted away from the disadvantaged group in society that the program is meant to target. Community groups (Ogbos) were the primary groups that used their own initiatives to address the problems identified by the groups. The short-term aim was for the groups to save money (from where no-one said) and lend to the members once a sufficient fund is accumulated.

The main challenge of the project was to overcome the culture of delinquency and irresponsibility in the Niger Delta Region (NDR) where oil companies have for decades been doling out cash to the local population in order to pacify the people and ensure that production is not disrupted.

The project incorporates trainings and workshops to assist in insitu development. Through ADF, residents are trained how to establish and run organizations. Training in planning, budgeting and project implementation, prioritizing of projects, transparency in processing and decision making are conducted regularly. Budgets, accounts and plans are published at local ADF offices and newspapers. It is the annual development plan that provides the basis for a detailed budget that is based on consensus. This forms the basis for aid from Statoil. Aid is allocated on a yearly basis following a detailed review of the budget proposal. Follow-up and disbursement take place on a monthly basis in order to catch any budget variance at an early stage.

**Sources:**

- a) Statoil (2006) "Global challenges, local solutions: Statoil and sustainable development 2005"  
Annual report, Norway
- b) Akassa (2006) "2005 Akassa National Development Program" Yenagoa: Akassa Development Foundation

An evaluation team from University of Science and Technology, Port Harcourt identified the following problems:

- Inadequate funding of the actual projects (after a lot of funds had been expended to go through the elaborate planning phase). This resulted in the projects facing lack of materials and equipments, technical expertise, seed money, etc.
- A major challenge in the project being truly sustainable is making the local government council assimilate some of the responsibilities that the project presently manages since they normally fall within the local government responsibilities, e.g. provision of services.

Statoil is a small oil prospecting and exploration company and has the advantage of learning from the mistakes of its predecessors. It won an award from The International Petroleum body for its community development policy and execution in Akassa. The project is still evolving.

**Discussions and recommendations**

### **a) Community-driven development**

Community-driven development (CDD) is a bottom-up approach that seeks to integrate local governments more extensively into the basic design of the interventions at the grassroots level. It supports collective action, community empowerment and demand-driven local service delivery. It empowers the poor and vulnerable by placing them in the driver's seat with respect to decisions on a range of development interventions intended to improve their economic and social conditions. However, the CDD approach is based on the premise of an effective local government with a decentralized system and efficient, transparent and purposeful process of governance (IBRD, 2005).

In practice the NDR local governments are mostly ineffective (like most of the other local governments in Nigeria). They are seen as not focused, unaccountable, corrupt, and not monitored by the local communities they are expected to serve. This problem has to be tackled before the local government authority can be part of the design for intervention.

A possible effective sequence of ensuring community/local government relationship is for CSOs and NGOs to facilitate empowerment of households in communities who would then create bottom-up pressures on local governments.

Bottom-up approaches are very appealing for development projects in developing countries as they focus on individuals, households and communities and the socio-economic, natural and institutional environments that condition their behavior and welfare. In the specific case of the NDR, all projects must have bottom-up approaches from conceptualization to fruition. The problems exemplified in the case studies show that the environment must first be prepared by NGOs and CBOs, to allow the process to gain maximally from the benefits of the approach. The areas of intervention are economic, social and political. It is only when NGOs and CSOs have continuously and consistently assisted the communities to surmount these problems that bottom-up approaches can thrive in the communities sustainably. The communities will be able to insist that strong accountable local governments that will sustain participatory culture and strong citizen engagement beyond the lives of specific projects are created. Also, communities' support and local government will be strengthened simultaneously in ways that are mutually reinforcing and emphasizing complementarity.

For bottom-up approaches to be achieved in a sustainable way therefore, two important sets of perspectives must converge. First, NGOs and international development agencies must interact with the people in order to be able to assist them in solving their occupational problems in the context of their environment. Second, there is a need for reorientation of the populace, i.e. conscious education of the mind. This will energize the people to: ask and demand for their rights, take their destinies into their own hands, not sell their rights to the politicians, be involved, ask questions and demand answers from the rulers. Communities must have political power to be able to insist that politicians in office serve and not rule without care for the electorate. The education should be on a regular basis for a long time since a lot of damage has been done to the minds of the people.

### **b. The problem of micro-credit**

Social capital generated through membership in CBOs has no noticeable positive impact on the ability of micro-entrepreneurs to generate sustainable livelihoods (Oruwari, 1998).

On the contrary, micro-entrepreneurs who are at the periphery of their communities, and are integrated into inter-community networks and thus have greater space for autonomous actions, are more likely to develop sustainable micro-enterprises.

On the demand side, CSOs and NGOs can assist in the integration of small locally-based communities into wider networks by adopting policies and programs that enhance individual autonomy vis-à-vis community and also providing child care support and convenient regular medical care for the family. On the supply side, there is need to integrate two types of micro finance systems. These are the financial systems approach that is a commercially-oriented minimalist package of financial services for the economically poor (Robinson, 2001 – quoted in Pingle, 2005), and the poverty lending approach that involves donor-subsidized lending for the poor and is often linked to training, social and other support services (Kabeer, 2005 – quoted in Pingle, 2006). In order to make institutions contribute positively towards accumulation of assets by the population they are expected to be serving, the CSOs must insist that the local government be part of the package. It is the duty of the local government to work out positive operation systems with the banks at the local level to incorporate training, social and other support services. Involving donors in the process up front may be detrimental to the success and seriousness in the cost recovery part of the process as generally people regard donor funds as gifts. However, if donors are involved, it has to be in indirect ways, e. g. subsidizing interest and guaranteeing loans.

Safe banking is another way to break out of the vulnerability of the poverty trap; however, there is need for seed money to set the process on course. If people can save in secure, liquid financial institutions, they can self-insure by accumulating assets. Such a strategy will reach millions of small depositors and borrowers in a cost efficient manner. The federal government's recent policy on the merging of banks is in the right direction of effective policies. However, the problem is that the policy makers are spending a lot of time basking in the glory of its success and not continuing in a noticeable way to revive the country's financial process. Thus, not much is put in place to actually extend the services of the banks to the rural areas and also move the policy forward so that the banks can actually serve the poor people.

There is a need for public policy to reduce the vulnerability of the poor and by so doing increase the prospects for investment and accumulation necessary to reduce poverty. Thus, there is need for effective insurance and capital markets, especially micro-insurance. The fact that risk is household specific in the study area raises the possibility that locally run micro-insurance schemes could actually reduce individual vulnerability significantly and thereby stimulate investment and growth.

In the case of rural industrialization, funds for the establishment of industries that use area-specific raw materials and the abundant cheap labor available must be facilitated by the banking system. This will assist the micro-credit system to move communities higher and help them solve the challenges of oil exploration and the aftermath of the

exhaustion of the crude oil and gas resources. However, all of these efforts must be geared towards working with the people in the context of their environment and assisting them improve their businesses while networking and projecting the business outside the communities.

### **c. Contextualizing decentralization**

There is a need to contextualize decentralization to fit local circumstances. Too much of the budget is spent on central administration (15%-25% in both the federal and state establishments)<sup>2</sup> and too little on local services, out of which a lot is embezzled by officials. The goal of decentralization, from the literature, is to reapportion funds from central bureaucracies to local institutions. As argued, if the control of funds is closer to the end users, it is more likely that they will be used to provide quality services as it is easier to hold local officials accountable. In practice, the local government officials turned out to be more corrupt and more unaccountable than the central government officials (CASS, 2006). The main reason given for the inability of residents in communities to hold local government elected officials responsible for corrupt practices is that they did not elect them. Although they were supposedly elected democratically, everyone in the NDR knows that election is a charade in the region. The political party that wins election in the region controls a major part of the country's resources through the governors. That is why elected leaders are not sensitive to electorates' opinions and welfare.

### **d. Empowerment of households**

Poverty and marginalization do not arise in a vacuum. To recognize injustice is to see that it is maintained by a distribution of power that perpetuates social and economic exclusion. Addressing poverty means attacking its causes while bearing in mind that development is about giving poor people access to the tools to change their situations. Empowerment implies the power to bring about change. The residents will be meaningfully empowered if their occupational problems are solved in the context of their environment, e.g. providing motorable roads from the farms to the markets will assist in transporting products easily. Development of easy to use and cheap storage facilities with appropriate technology will be more meaningful than importing deep freezers into the locations whose electricity supply are very epileptic or have to be provided by generators.

Although education may confer some power that changes the status quo, it has to be contextual to be meaningful. There is need to train policy entrepreneurs to suggest, provide, utilize and critique all policies at all levels starting from the local government level. There is also need for regular seminars, training workshops and encouragement of positive actions by the CSOs in communities so that conscious efforts can be made to improve the people. A few of the unbecoming attitudes of communities are highlighted in Box 4. These attitudes should be addressed at the workshops.

Another complimentary area of discussion is the power to choose who should lead the people in the country. Presently, the democratic way of choosing leaders as practiced in Western countries has not worked well in most African countries. The leaders have exhibited their inability to abide by the decisions of the electorate. They cling to power ruthlessly even to the economic detriment of their countries, e.g. Abacha in Nigeria,

Doe and Taylor in Liberia, etc. Although Nigeria is presently under a democratic regime, this is still fragile. Almost all politicians are now members of the ruling party, and patronage of private entrepreneurs is strictly on party lines. As a result, the majority of Nigerians are in the informal sector and the country's resources are controlled by the central government. In hindsight, maybe the time has come for us to question whether democracy as obtained in the Western world is the form of government that will save African countries, as old and new leaders have shown that they cannot abide by the decisions of the electorate. Thus, the evolution of a truly African democracy or better still a truly Nigerian democracy is needed.

#### **e. Resources for the development of oil producing communities in Nigeria**

The issue of resources for development in the NDR takes us back to issue of ownership of land in Nigeria (See Box 1). As the economy in the country is largely informal, the importance of land in the problems in the NDR cannot be overemphasized. Oruwari and Owei (2006), in their study of urban land and citizenship struggle in Nigeria suggested that enterprises (including government) acquiring land from a community must give a certain percentage of the shares of the enterprise directly to the community and all land to be acquired from a community must be on leasehold basis. This suggestion is very pertinent for all lands in Nigeria. It is the duty of CSOs and CBOs to make sure that the proceeds are well utilized in the communities. In the NDR, the TNCs, because of the negative effects of their operations on the environment, must be involved in their host's community development. Also, CSOs must insist that host communities have access to TNC stocks in the home country so that their 'voices' will count in the decision making process of respective TNCs.

#### **f. What role for the federal, state and local governments?**

Studies, newspaper reports and observations show that there is lack of strategic vision in both the state and local governments. Budgets are drawn haphazardly at the state level. It is impossible to get data on disbursement of funds in the states even after repeated efforts. The sector analysis of most of the states over the years did not show priorities in terms of allocation made to the particular sectors. The situation is worse at the local government level. There is no data available on anything (CASS, 2006). There is blatant personalization of state resources by the governor, chairmen of Local Governments and others in government. However, this observation is not particular to the NDR. The challenge is in making those in government to see that the resources belong to everyone in a particular region and use them for everyone's benefits. Stemming from this will be the right of the people to question and critique the use of their resources by those in government who are expected to be the custodians of the resources for the good of all. Arising from this observation is the need for effective accounts commission of both the state and local governments. This will automatically remove the misuse of power by the state in not remitting the actual disbursement of the local governments' allocations to the respective local governments, which is asserted by some local governments' chairmen in the National dailies.

What is very visible is the state of helplessness identified in the communities. This allows intimidation by those in government. It is also buttressed by the observation that the wave of assassinations of important political figures in the country and the inability and helplessness of the police to fish out the culprits is a lesson for people not to criticize those in government. This is one of the major reasons why militant youths in the NDR are becoming better armed and more and more violent. The challenge here is to find ways to bridge the gap between monitoring the use of resources by those in government, accountability, democratic elections and effective application of rule of law without respect to person. This is a formidable task in the country. However, to redress this problem, the people must be able to choose their leaders and drop them when they are not

performing. A simple recommendation will not suffice. The problem will be solved when the people are empowered and educated about their rights and are able to exercise them.

We cannot remove all the responsibilities of the state to its people from the state. If we do, what will happen to all the resources budgeted? Are they there to be embezzled by the rulers? The rulers have job descriptions. The organizations to make them transparent and accountable are the CSOs, and the organizations to make the people responsible, aware of and ask for their rights are the CSOs.

## **Concluding Remarks**

According to Illich (1971), prescribing developed-countries' solutions for developing countries will fail without contextualizing them. Linking research and policy is critical to sustainable planning and consequently sustainable development of the target group. Although it is often assumed that scientific research in a locality will feed linearly into the governance of that locality, this assumption is not true on the ground. Linear models used in research are generally over-simplistic in neglecting the messiness of real world interactions between people, organizations and the state and, despite a huge literature on sustainability and community, there is yet to be developed a process of research and policy coordination that will materialize in the upliftment of the target group (Evans, 2006). In Nigeria, a major problem is that the economy is largely informal and the prescribed solutions are based on formal economies coupled with welfare (See Box 5). What has been attempted in this paper is to contextualize the policies in the NDR and explore some of the problems and the challenges they pose for CSOs and CBOs.

### **Box 4: Some unbecoming attitudes to be redressed**

There is a need for communities to redress some unbecoming attitudes. A few are highlighted here:

- i. A visible activity of women's groups is the encouragement of mediocre activities. Groups must move away from mediocre activities – 'window dressing' – in which no activity is carried out in the development of their communities. For example, any time there is a dignitary around, they formed entourages in decorative uniforms along mapped out routes dancing and singing praises of the government in power for hours, and at the end of the exercise, they are given some money to share. This exercise does not portray seriousness on their part; it is becoming



- disgusting to onlookers. The women, or any community group for that matter, must show seriousness by meeting regularly and suggesting well thought out development projects and making sure that they are implemented in their communities.
- ii. They must campaign sincerely against those mediocre individuals that seek elected offices and encourage those who are sincere and have impressive records of elected leadership to compete for offices. At all times, they must think more about the communities than individual and self. It is only then that elected representatives will realize that they are elected to serve and not to rule, and when found wanting, will be removed no matter their political affiliations.
  - iii. There must be openness about their activities. Networking is important between families, groups, organizations, etc. This is what will enlighten and improve peoples' knowledge about demanding their rights in respect to their involvement with the budget, solving youth restiveness, organizing effective CBOs, etc. It will also assist them in learning from each other.

For the injustices unleashed on the households in the NDR by both the Nigerian state and the TNCs operating in the area to be redressed, a lot of activities must take place. First, the voices of the communities must be strengthened. The near absence of a representative and effective civil society movement capable of articulating sincerely its members' vision of their development is one of the key factors inhibiting the success of bottom-up approaches. That is also one of the major reasons why poverty and conflict still characterize many communities in the NDR. Second, there is a need for linkages in favor of helpless communities. CSOs and CBOs must insist that resources are allocated for development and not for partisan party loyalty. The existing activist groups are doing a good job with the campaigns both locally and internationally against malpractices by the TNCs and the government.

However, there is need to have effective CSOs in the communities to form a link between the urban CSOs and the CBOs in the communities. These are expected to coordinate communication and other campaigns of CBOs. Reforms must start from the grassroots to be effective. The people must change their attitudes, orientation and expectations toward public resources instead of the current wave of embezzling or 'taking one's share' of public resources in the country. The urban CSOs are the voice of the region while the community based ones are the voices of the communities. These rural CSOs may be part of the urban CSOs. Our concern is that the urban CSOs must realize that there is a gap between their agitations and alliances with the state, TNCs, international development organizations on one hand, and the local communities on the other hand. That is why the living standard of the households in the region has not improved. Also, CBOs must explore all avenues of mobilizing resources for their members (Oruwari, 2001).

The process of resource allocation and utilization at the local level needs to be closely monitored for transparency and accountability to ensure compliance with guidelines. It is only then that the people can 'feel the growth in their pockets.' For benefits of growth to be shared fairly and equitably, efficiency in resource allocation and utilization at all levels starting from the households, through the communities, the local governments, the state levels and the federal government must be promoted. Obviously, all these

suggestions are very difficult to implement, but a minute step in the right direction is an important step towards solution of the problem.

### **Box 5: A philosophical solution**

..."So persuasive is the power of the institutions we have created that they shape not only our preferences but actually our sense of possibilities. Huge institutions producing costly services dominate the horizons of our inventiveness. The consumer is trained for obsolescence, which means continuing loyalty toward the same producers who give him the same basic packages in different quality or new wrappings. Industrialized societies can produce such packages for personal consumption for most of their citizens, but this is no proof that these societies are sane, or economical, or that they promote life. The contrary is true. The more the citizen is trained in the consumption of packaged goods and services, the less effective he seems to become in shaping his environment. His energies and finances are consumed in procuring every new model of his staples, and the environment becomes a by-product of his own consumption habits. ...The rich countries export outdated versions of their standard models. ...The alliance for progress is a good example of benevolent production of underdevelopment. It has modernized the aspirations of the majority of citizens and fixed their demands on unavailable products. ...The translation of social goals into levels of consumption has made third world nations to be in need of a profound revolution of their institutions. The answer to underdevelopment of third world nations is a response to basic needs that is planned as a long-range goal for areas which have a different capital structure. The direction should be towards alternatives that are contextual – e.g. community food storage is an alternative to expensive kitchen equipment; labor intensive production system is an alternative to technology that uses machines instead of cheap, abundant manpower. ...However, defining alternatives to the products and institutions of the developed world is difficult because they shape the conception of reality. ...What is needed is research on fundamental alternatives to current products which now dominate the market. It must assume the continued lack of capital in the third world countries is a major concern. Also, human ingenuity must be recognized."

#### **Source:**

Illich, Ivan D. (1971) *Celebration of awareness: A call for institutional awareness* London: Calder and Boyars

### **Endnotes**

1. This is a just completed project by Centre for Advanced Social Sciences (CASS), Port Harcourt, Nigeria. The project was funded by OSIWA, Dakar
2. Source: Office of the Accountant General, Federal Ministry of Finance, Abuja, Nigeria

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