

**COMMUNITY RELATIONS: A CATALYST FOR DEVELOPMENT IN UMUECHEM OIL PRODUCING COMMUNITY IN ETCHE LOCAL GOVERNMENT AREA OF RIVERS STATE**

**Ukaegbu, Michael Ibe, PhD., Iwuh, Faustina Chinyere and Eniya, Nengibo**  
**Department of English and Communication Art, Faculty of Humanities**  
**Ignatius Ajuru University Education, Port Harcourt, Rivers State, Nigeria**

*Email: michaelibe22@gmail.com, zimizu2012@gmail.com, Enireal30@gmail.com*

**ABSTRACT**

*The study aimed to examine the community relations policies of the Shell Petroleum Development Company (SPDC) in Umuechem community of Rivers State as a catalyst for the development of the oil producing community in Rivers State. Part of the objectives of this study are to ascertain the rate at which community relations policies of (SPDC) has stimulated the development of Umuechem community in Etche Local Government Area in Rivers State and to identify the challenges of the community relations handlers of SPDC in their relationship with Umuechem community in Etche L. G. A., Rivers State, etc. The study is underpinned by the stakeholder's theory of public relations. The study adopted survey research design using census sampling technique. It sampled fifty four (54) members of the indigenes of Umuechem community consisting of the executive council of the community development committee, youth bodies and women group. Questionnaire was used as the research instrument as well as the instrument of data collection. Out of the fifty four copies of the questionnaire distributed, fifty copies were retrieved and upon which the data were presented and analysed. Consequently, the study found among others that community relations policies of SPDC have not lived up to its expectations as the host community do not feel the impact of its policies. The study concluded that it is not only the oil multinational companies alone that should be blamed for the under-development of the oil producing companies in Rivers State, but the host communities need to be blamed for lack of transparency in the management of Global Memorandum of Understanding which is designed to help in the development of the oil producing communities. Also, the study recommends among others that the community relations policies of SPDC should be over hauled holistically to give room for the implementation of the Petroleum Industry Act which is meant to serve as a bond between the oil production companies and the oil producing communities in Niger Delta and Nigeria at large.*

**Keywords: Community Relations, Catalyst, Oil Producing Communities, Development.**

**INTRODUCTION**

Every organization with an office or operational base whether publicly owned or a private establishment must have a community where it carries out its responsibilities as defined by the law establishing it hence the concept of community relations becomes sacrosanct. The community where the organization is located whether profit-based or non-profit generating organization desires to be impacted positively by the organization it plays host to. This impact is associated with meeting the yearnings and inspirations of the host community in areas of socio-economic development, infrastructural development, human capital development, etc. Nkwocha (2017) states that the international oil and gas companies (IOGs) operating in the Niger Delta area of Nigeria popularized community relations practice in Nigeria in the late and early 1990s. Then, host communities were relegated and neglected while their environments (homes, water and farmlands) and means of livelihood (fishing and farming) were destroyed through oil and gas exploration, production and distribution activities (Don-Pedro, 2005; Azaiki, 2008; Orukari, 2010) as cited in Nkwocha (2017). Oil spillage, for instance, devastated both waters and farmlands, and

## **Community Relations: A Catalyst for Development in Umuechem Oil Producing Community in Etche Local Government Area of Rivers State**

made life miserable for inhabitants. Gas flaring and acid rains have their own health hazards on the oil producing communities (Obeta, 2008; Geoge-Ukpong, 2012) as cited in Nkwocha (2017). According to Total Upstream Oil Company House Journal (2015), states that businesses exist to meet the needs of society but beyond the provision of goods services and profit-making, a responsible organization must add value to the lives of their host communities through development-oriented projects and programmes.

Haastrup(2007), Ogedengbe (2007), Azaike (2008) and Orukari (2010) in Nkwocha (2017) point out that organizations should take their relationships with host communities very seriously, and manage such relationships effectively to achieve a peaceful business operations Some of the expected targets of the host communities especially the oil producing communities in the Niger Delta region of Nigeria are:

1. Provision of social amenities e.g. drinkable water, healthcare delivery, good road network, electricity, etc.
2. Creation of employment opportunities
3. Land remediation
4. Royalties
5. Micro business support

Nkwocha (2007) pinpoints the following as the desires of the host communities:

- i. Scholarship schemes
- ii. Youth empowerment programmes including skill
- iii. Acquisition training and start-up pack
- iv. Sports development
- v. Employment opportunities for indigenes of the host communities
- vi. Provision of micro credit facility for women and other vulnerable groups
- vii. Recognition and invitation of community leaders to company events.
- viii. Involvement in and promotion of community's socio-cultural activities and heritage.

Nkwocha further posits that infrastructural development such as rehabilitation of roads, building of schools, rural electrification, construction of boreholes, provision of healthcare facilities among others are also the heart beats of the oil producing communities.

In response to these projects and programmes, the host communities are expected to reciprocate the gesture by creating an enabling environment for the organizations to carry out their mandate without community – driven conflict or crisis. This is what effective community relations does to both an organization and its host community. But in most cases, such fruitful relationship does not exist between corporate organizations and their host communities especially in Rivers State, Nigeria.

However, to address such unwanted relationship between oil exploration and production companies and their host communities in Nigeria, the Petroleum Industry Bill (PIB) was passed in Law in 2021 and assented by the president of the country, Muhamadu Buhari.

But to what extent has this Petroleum Industry Act changed the lives of the oil producing communities in the Niger Delta region of Nigeria? Given the fact the law is supposed to give 3% of the profit of the oil companies to the oil bearing communities with the intent to develop these poor oil producing communities. This is the rationale behind this study.

### **Statement of the problem**

Most of the multinational oil companies in Rivers State, Nigeria such as Shell Petroleum Development Company, Agip Oil Company, Total Exploration and Production Company entered into Memorandum of Understanding (MOU) with the oil producing communities with the aim of stimulating a win relationship.

Ironically, it has been argued that the oil giants have often reneged from the MOU which is designed to serve as a reference point in assessing the relationship between the former and

the latter. This MOU is also designed for the development of the oil producing communities where and whenever it is signed. But the Niger Delta indigenes have been lamenting on the neglect of the MOU by the multinational oil companies. Many have equally argued that the insensitivity of the oil companies towards the development of the oil producing communities has triggered the agitation for resource control by the Niger Delta militants and other vices such as pipeline vandalism, hostage taking and kidnapping of oil workers, sabotage of oil facilities, violent agitation and picketing of the oil producing companies by the oil producing communities leading to loss of lives, property and revenue. It is on this backdrop that this study was set out to determine the community relations policies adopted by Shell Petroleum Development Company (SPDC) in Umuechem community in Etche Local Government Area of Rivers State to avoid the crisis between SPDC and Umuechem community.

### **Objectives of the Study**

The following objectives are set to guide the study which are to:

1. Determine the role of community relations policies of the oil producing companies in the development of the oil producing communities in Rivers State.
2. Identify the community relations policies of Shell Petroleum Development Company (SPDC) in Umuechem community.
3. Ascertain the rate of contribution of community relations policies of Shell Petroleum Development Company (SPDC) in Umuechem community.
4. Identify the challenges of the community relations handlers of Shell Petroleum Development Company (SPDC) in their relationship with Umuechem Community in Etche Local Government Area of Rivers State.

### **Research Questions**

The following research questions are poised to guide the study:

1. What is the role of community relations policy of the oil producing companies in the development of the oil producing communities in Rivers State?
2. What is the community relations policies of Shell Petroleum Development Company (SPDC) in Umuechem community?
3. What is the rate of contribution of community relations policies of Shell Petroleum Development Company (SPDC) in Umuechem community?
4. What is the main challenge of the community relations handlers of Shell Petroleum Development Company (SPDC) in building relationship with Umuechem community in Etche local government area?

### **Scope of the Study**

This study is restricted to investigate community relations policies of Shell Petroleum Development Company (SPDC) in Umuechem community and the relationship between Umuechem Community in Etche Local Government Area of Rivers State, Nigeria and Shell Petroleum Development Company (SPDC). The reason for the choice of this community and the oil company is based on the frequent crisis between the company and the community which is often attributed to lack of corporate social responsibility projects and programmes in the community which is meant to stimulate its development.

In one of these crises between the Umuechem community and SPDC, the Royal Highness of the community, Chief Alexdonder A. Ordu was allegedly killed by the armed policemen attached to the company and the facility in the community and property worth millions of naira were destroyed. From the foregoing, it can be seen that the choice of the company (SPDC) and its host community (Umuechem) in this study is apt.

## **Community Relations: A Catalyst for Development in Umuechem Oil Producing Community in Etche Local Government Area of Rivers State**

### **Theoretical Framework**

This work draws its strength from the stakeholder's theory of public relations because of its relevance to the study. The theory was propounded by Edward Freeman in his Landmark book, "Strategic Management" in 1984. The theory suggests that shareholders are merely one of many stakeholders in a company. Among other stakeholders are the communities where an organization is located. Freeman (1984) further posits that an organization's effectiveness is measured by its ability to satisfy not only the shareholders but also those agents who have a stake in organization. The theory sees all affected parties in the operation of an organization as equals.

Aforementioned, it can be said that the communities where the oil producing communities are operating from are stakeholders in the organization's operation. Therefore, should be socially responsible to them.

### **Conceptual Review**

#### **Concept of Community Relations**

Ezirim et al (2016) opine that community relations is the way organizations relate with its host communities since the business of a company depends upon the community and its residents. They further state that community relations do not end when the company succeeds fulfilling its obligation. It starts when the organizations become aware of its role in contributing to community welfare.

According to Ezirim et al (2006), the objectives of community relations are varied. Among others are:

- i. To assist and participate in the civic programmes of the community.
- ii. To contribute to local institutions and civic organizations.
- iii. To support local health programme such as Red Cross, adult education, etc.
- iv. To contribute to the upliftment of the community by helping to provide infrastructure development.

Nkwocha (2017) sees community relations as a branch of public relations that establishes and manages fruitful relationship and interface with host communities' stakeholders including land owners, traditional rulers, chiefs, youth leaders, women leaders and opinion leaders with the aim of helping to enhance the welfare and wellbeing of people in the communities.

This helps in generating mutual understanding, support and goodwill for the company. Every organizations whether international oil company, or domestic company or national company has community that owns the land on which the company is operating, and who are impacted directly or indirectly by the activities of the company especially when the company is an oil exploration and production company.

Alikor (2015) states that community relations is a deliberate and sustained efforts of an organization aimed at creating goodwill and mutual understanding between an organization and its host community in order to have a hostility free operation.

Center and Jackson (2007) hold that community relations is an institutions planned, active and continuing participation within a community to maintain and enhances its environment to the benefit of both the institution and the community. Community relations can be proactive, reactive, defensive, laissez-faire, gunboat-deploring, divide and rule and defensive in nature (Alikor, 2015).

#### **Essentials of Oil Producing Communities**

Jefkins (1998, Alikor, 2015, Nkwocha, 2017) observe that communities that host corporate organizations especially the oil producing communities are important to the survival of the business establishments because of the following reasons:

- i. They are the natural owners of the land where the organizations are operating from.
- ii. They provide skilled and unskilled labour to corporate organizations with profit motives.

- iii. They bear the pain of environmental hazards caused by the organizations operation especially the oil exploration and production companies.
- iv. They are the sources of raw materials used by the organizations.
- v. They provide hospitality for company's staff.
- vi. They provide worship Centre's for companies or organizations staff among others.

### **Overview of Oil Producing Communities**

These are the immediate communities where oil exploration and production companies and allied industry are located. These communities are primarily affected by the policies and actions of the organizations and who in turn impact on the activities of the organizations (Haastrup, 2007, Bakare, 2017). Nkwocha (2017) holds that host communities own the lands on which corporate organizations operate and who are somehow impacted by the actions and inactions of the organizations. A tertiary institution such as a University must have host communities. A telecommunication company such as MTN, Globacom, Airtel and Etisalat must have community where their major installations are located (p. 142). The same goes to oil exploration and production companies. Therefore, such communities must be catered for in terms of corporate social responsibility projects and programmes to enhance their development (Donpedro, 2005). An effective community relation adds to the bottom-line as it ensures that company operations are not disrupted. It also galvanizes community support for the company (Nkwocha, 2017, p.142)

### **Global Memorandum of Understanding as Community Relations Tool**

Public relations practitioners, scholars and corporate organization managers believe that Global Memorandum of Understanding often called GMoU is an indispensable tool for building and mounting fruitful and meaningful relationship with organizations immediate constituents or host communities. Therefore, should be integrated into the mainstream community relations policies of corporate organizations especially the oil exploration and production companies in the Niger Delta region of Nigeria, where Rivers State belongs to (Obeta, 2008). Alikor (2015, p.59) discussing the concept of Global Memorandum of Understanding (GMoU) states that GMoU is a reference document that governs the operations and relationship between an organization and its host communities or partners. Global Memorandum of Understanding is like a bond between corporate organizations and their host communities (Donpedro, 2006). Alikor further states that whether Global Memorandum of Understanding or Memorandum of Understanding, the concept defines the type and amount of corporate social responsibility projects and programmes corporate organizations are meant to embark in their host communities to stimulate their socio-economic development. It defines the modus operandi of the relationship between corporate organizations and their host communities in order to eliminate hostility in the areas of operations of the organizations (p.60) Weeden (1998) writes that effective Memorandum of Understanding leads to corporate social responsibility investment. In the Wisdom of Weeden, Memorandum of Understanding allays fear from corporate organizations staff. It fosters mutual relationship between organization and its immediate constituent. It also stimulates the development of host communities and increases profit of organizations and reduces host community induced crisis and increases company's production. All things being equal, profit will rise (p.17).

### **METHODOLOGY**

This study adopted quantitative and qualitative research methods because of their relevance to the study. The work adopted survey research design. The population of this study covers the indigenes of Umuechem community in Etche local government area of Rivers State, Nigeria.

The study sampled fifty four members of the executive councils of Umuechem Community Development Committee, Umuechem Women Council and Umuechem Youth League.

The study adopted census sampling technique because of the size of the population of the study. The study engaged questionnaire as its research instrument in data gathering. The questionnaire

## **Community Relations: A Catalyst for Development in Umuechem Oil Producing Community in Etche Local Government Area of Rivers State**

was designed in line with the phenomenon under investigation and the objectives of the study. Consequently, fifty four (54) copies of the questionnaire were administered to the respondents but fifty (50) copies were retrieved. Upon these retrieved copies, the data were presented and analysed.

### **Data Presentation and Analysis**

**Research question 1:** What is the role of the community relations policies of the oil producing companies in the development of the oil producing communities in Rivers State?

**Table 1: Role of Community Relations Policy of the Oil Producing Companies in the development of the oil producing communities in Rivers State**

<b>Community Relations Role</b>	<b>Frequency of response</b>	<b>Percentage %</b>
Image and reputation building for the oil companies	6	12
Profit making for the oil companies	4	8
Building of sustainable and symbiotic relationship between the oil producing companies and the oil producing communities	20	40
Contributing to the socio-economic development of the oil producing communities	20	40
<b>Total</b>	<b>50</b>	<b>100</b>

The table above shows that 12% of the respondents said that the role of community relations policies of the oil producing companies in Rivers State is "image and reputation building" while 8% of the respondents subscribed to profit making" as the role of the community relations policies of the oil companies in Rivers State. Similarly, 40% of the respondents said building of sustainable and symbiotic relationship between the oil producing companies and the oil producing communities is the main role of the community relations policies of the upstream oil sector in the communities under study. In the same vein, another 40% of the respondents opined that the expected role of community relations policies of the oil producing companies in Rivers State is to contribute to the socio-economic development of the oil producing communities.

Sequel to the overall result of the data analysis here, the respondents that subscribed to building of sustainable and symbiotic relationship between the oil producing companies and the oil producing communities and the contribution to the socio-economic development of the oil bearing communities polled the highest percentage each (40%). Therefore, has answered the research question 1 of this study.

**Research question 2:** What is the community relations policies of Shell Petroleum Development (SPDC) in Umuechem Community?

**Table 2: Community relations policies of Shell Petroleum Development (SPDC) in Umuechem Community**

<b>Nature of Response</b>	<b>Response in Mean Score</b>					
	<b>SA (4)</b>	<b>A (3)</b>	<b>D (2)</b>	<b>SD (1)</b>	<b>WMS</b>	<b>Remark</b>
Community development	32	18	60	6	2.3	Reject
Education and Scholarship	40	45	30	10	2.7	Accept
Establishing and Maintaining a symbiotic relationship	32	24	48	12	2.3	Reject

Enterprise and local employment	40	21	26	20	2.1	Reject
Support for Health programmes.	60	39	32	6	2.7	Accept

The table above shows a divided opinion on the Community relations policies of Shell Petroleum Development (SPDC) in Umuechem Community.

**Research question 3:** What is the rate of contribution of community relations policies of Shell Petroleum Development Company (SPDC) in Umuechem community?

**Table 3: The rate of contribution of community relations policies of Shell Petroleum Development Company (SPDC) in Umuechem community**

Level of the contribution	Frequency of response	Percentage %
Commendable	3	6
Fairly	4	8
Poor	24	48
Abysmally poor	19	38
<b>Total</b>	<b>50</b>	<b>100</b>

The above table shows that 6% of the respondents rated the level of the community relations policies of SPDC to the development of Umuechem community as "commendable" where 8% of the respondents rated the level of the contribution of the community relations policies of the SPDC "fairly" to the development of Umuechem community.

In the same vein, 48% of the respondents rated the contribution level of the community relations policies of SPDC to the development of the oil bearing community as "poor".

Meanwhile, 38% of the respondents rated the contribution level of SPDC to the development of Umuechem community as abysmally "poor".

From the foregoing, the respondents that subscribed as "poor" the contribution of SPDC public relations policies polled the highest score of (24) at the percentage of (48%). This by implication provides answer to research question 3 of this study.

**Research Question 4:** What is the main challenge of the community relations handlers of Shell Petroleum Development Company (SPDC) in building relationship with Umuechem community in Etche local government area?

**Table 4: The main challenge of the community relations handlers of Shell Petroleum Development Company (SPDC) in building relationship with Umuechem community in Etche local government area**

Challenges	Frequency of response	Percentage %
Hostile nature of the oil producing communities	4	8
Lack of transparency by members of Global Memorandum of Understanding (GMOU) in the host communities	28	56
Poor community relations budget	12	24
Unfriendly community relations strategies	6	12
<b>Total</b>	<b>50</b>	<b>100</b>

The above table of data analysis shows that 8% of the respondents suggested that the "hostile nature of the oil producing communities" is the main challenge of the community relations handlers of the oil producing companies in the implementation of their community relations policies in Umuechem community. Similarly, 56% of the respondents said the "lack of transparency by the members of Global Memorandum of Understanding in the host communities" is the core challenge of the community relations policies handlers of SPDC in the implementation of the community

relations in the oil producing community of Umuechem. In like manner, 24% of the respondents said "poor community relations budget is the main challenge the community relations handlers of SPDC is facing in the implementation of community relations policies in Umuechem community. Again, 12% of the respondents said the "unfriendly communities' relations strategies" of SPDC is the main challenge affecting the community relations handlers in the implementation of their community relations policies in Umuechem in Etche local Government Area of Rivers State. From the overall result of data analysis, the respondents that subscribed to "lack of transparency by members of Global Memorandum of Understanding (GMOU)" as the main challenge the community relations handlers of SPDC under study are facing in the implementation of their community relations policies polled the highest respondents (28) and percentage (56%) therefore, has answered the research question 3 of this study.

### **Discussion of Findings**

The following are the core findings of this study:

Expectedly, the roles of the community relations policies of the oil production companies are geared towards building sustainable and symbiotic relationship between the oil production industry and the oil producing communities in Rivers State, Nigeria. A healthy relationship between an organization and its host's community is necessary for the avoidance of rancour. This lends credence to the position of Nkwocha (2017) where he establishes that organizations should take their relationships with host communities very seriously, and manage such relationships effectively to achieve peaceful business operations. Relationship is an integral part of the existence of any entity; be it a private or corporate. This relationship when properly utilized will translate to the organizations performing their roles in community relationship the way it should be. In the context of this study, so many things seem to be lacking with regards to their roles as expressed by respondents through their responses to items designed for that purpose.

The host community tends to disagree with the SPDC community relations policies in their community as they felt it is not being represented in their action and dealings with the community. This specifically addresses research question 2. Credibility of organization in the eyes of its host communities will be translated into positive feedback, acceptance and approval. Putting this side by side the research question 2 of this study, the result is a direct opposite as SPDC is rated abysmally poor vis-à-vis their community relations policies' contribution to the development of the oil producing communities in Umuechem community, Rivers State, Nigeria. Total Upstream Oil Company House Journal (2015), states that businesses exist to meet the needs of society but beyond the provision of goods, services and profit-making, a responsible organization must add value to the lives of their host communities through development-oriented projects and programmes. These vital ingredients cannot be overlooked. Transparency is one ingredient that defines effective engagement. When that is not met, the purpose is lost. It therefore follows that lack of transparency by the members of Global Memorandum of Understanding in the oil bearing communities has been the bane and the challenge of the community relations handlers of SPDC in the implementation of community relations policies in Umuechem community in Etche Local Government Area of Rivers State, Nigeria.

### **CONCLUSION**

The study has revealed that the multinational oil companies alone cannot be blamed for the underdevelopment of the oil producing communities in Rivers State but the host communities themselves need to be blamed because of lack of transparency in the Management of Global Memorandum of Understanding which is designed to help in the development of the oil producing communities. Thus, therefore calls for a paradigm shift.



## **Community Relations: A Catalyst for Development in Umuechem Oil Producing Community in Etche Local Government Area of Rivers State**

### **RECOMMENDATIONS**

The following recommendations are made based on the findings of this study:

1. The community relations departments or units of the multinational oil companies operating in Rivers State, Nigeria should overhaul their community relations policies to make them more people-centred and strategic in order to achieve their predetermined goals.
2. Shell Petroleum Development Company (SPDC) in Rivers State should scale up their relationship with the oil producing communities (Umuechem) through the implementation of Petroleum Industry Act (2021) newly passed and assented by the president of Nigeria which is meant to serve as a corporate bond between the former and the latter.
3. The policy of Global Memorandum of Understanding (GMOU) should be modified or recreated to make it more people participatory than the ongoing promotion of divide-and-rule community relations strategy in the state under study which make the members of the aforementioned GMOU bigger and richer personalities at the expense of the communities in Rivers State, Nigeria.

### **REFERENCES**

- Alikor, W. S. (2015). *Mastery the dynamics of public relations: A multi-dimensional approach* (2<sup>nd</sup>ed.). Port Harcourt: Antony International Services.
- Bakare, S. (2017). *Advertising and public relations Techniques. A guide on marketing communication Techniques.* Lagos. Palms Publications.
- Donpedro, I. (2005). *Out of a black landscapes Lagos:* Foreword Communication Limited.
- Donpedro, I. (2006). *Oil in the water: crude power and militancy in the Niger Delta Nigeria:* Lagos: Foreword communication limited.
- Ezirim, A. C., Opara, B. C., Cingirika, M. A, Asiegbu, I. & Harcourt, H. (2006). *Public relations in action.* Issues, cases and applications. Owerri.
- Haastrup, D. (2007). *Understanding community relations in the Nigerian oil industry.* Lagos: Guardian Newspaper Press.
- Jefkins, F. (1998). *Public relations.* Edinburgh Gate: Pearson Education Limited.
- Nkwocha, J. (2009). *A new model in community relations practices in the Niger Delta: A case Study of EPCL and its host communities.* Paper presented to Nigerian Institute of Public Relations.
- Nkwocha, J. (2017). *Reputation management and braiding with Nigeria case studies.* Port Harcourt: Biz pages publishing and printing company limited.
- Obeta, C. (2008). *Corporate environmental responsibility: The place of multinational oil companies in the Niger Delta.* In 1. Nwosu & O. Soola (Eds.) *Communication in global, information and communication technology and ecosystems: Insight from Nigeria:* Enugu: Precision Publishers.
- Weeden, C. (1998). *Corporate social investment.* San Francisco: Berrett-Koehler Publishers Inc.