

6 The Relationship Between Living Earth And Shell

In this chapter I provide an account of the emergence of the relationship between Shell and Living Earth¹. To begin with I will briefly locate you in some finer detail of the context and background surrounding the relationship. This involves describing some organisational characteristics, political, ethnic and ecological history. I have sought to keep this as to-the-point as possible but the detail may be slightly overwhelming. However, it is important to know at least some of the complex and shifting ground upon which this relationship stands and so bear with me in this section. After this I describe the seeds of the relationship in detail, the process of engagement and then touch upon some outputs of the relationship in the communities. In the chapter 7 I present the relationship in the format of a learning history.

This section of the thesis has been produced following time spent with staff at Shell International (SI), Living Earth UK (LEUK), Shell Petroleum Development Company (SPDC) and Living Earth Nigeria Foundation (LENF), members of the communities of Akeplai, Emakalakala and Opume in Nigeria and various other interested parties between September 1999 and February 2000 (the interview list can be found in appendix B) as well as observation of project and organisational documentation.

It is possible to identify four distinct organisations that are involved in the relationship: Shell International (SI), Shell Petroleum and Development Company Nigeria (SPDC), Living Earth Foundation UK (LEUK) and Living Earth Nigeria Foundation (LENF). In order to understand the relationship the following is provided as a brief introduction to the four organisations² and the context in Nigeria.

In 1907 the Royal Dutch Shell Group of Companies was formed from the merger of interests between the Royal Dutch Petroleum Company and the “Shell” Transport and Trading Company

¹ This chapter draws from Shah (2000).

² The use of “Living Earth” includes reference to both Living Earth Foundation UK and Living Earth Nigeria Foundation. Similarly the term “Shell” includes Shell International and Shell Petroleum Development Company Nigeria and the wider group of companies. Each of these organisations can be considered as distinct entities as well as being part of the broader appellations and organisational entities “Living Earth” and “Shell” respectively. Thus when referred to as “Living Earth Foundation UK”, “Living Earth Nigeria Foundation”, “Shell International” or “Shell Petroleum Development Company Nigeria” this is a deliberate attempt to differentiate the individual organisations from the broader appellations of “Living Earth” and “Shell”.

Ltd. The group currently operates in over 100 countries around the world with over 100,000 employees. Shell International³ is a “Service Company” for the Shell Group operating companies and provides advice and services to them. As such it tends to be more concerned with determining the overall strategy and direction of the Shell operating companies.

Living Earth Foundation UK⁴ was set up as an environmental NGO in 1987, providing educational materials for schools in the UK and then setting up an environmental education programme in Cameroon in 1989. During the early 1990’s its activities expanded into Venezuela, with funds from a number of sources including the EU and DFID. The organisation employs 14 staff; it is a non-membership organisation and has an annual expenditure of £1.1mn, with 52% of annual grants receivable coming from the private sector (figures for year ended 31 March 1999 Living Earth, 1999). The organisation says it “works with people and organisations to enable them to learn to resolve environmental issues that concern them”. According to a Living Earth UK director they “are not setting out to be martyrs...the sort of charity that is beating itself all the time”, but instead sees itself as a solutions oriented organisation that works in partnership with all sectors of society – business, government and non-government. The organisation does this in three broad areas: participatory development, organisational development and institutional development⁵.

Shell Petroleum Development Company⁶ is the “largest oil and gas exploration company in Nigeria” (SPDC, 1998). It is the operating company for the joint venture between Nigerian National Petroleum Corporation that has a 55% stake, Shell (30%), Elf (10%) and Agip (5%). Essentially, it is in the business of exploration and production of oil and gas in Nigeria, which produces in excess of 80% of government revenue and 95% of export earnings in Nigeria. The Shell group has had an operational presence in Nigeria since its first commercial oil strike in 1956 in the area of Oloibiri. As an operating company Shell Nigeria is responsible for its own performance and long-term viability and so acts as an independent company. At the same time it does receive strategic direction and advice from Shell International. Shell is the largest of a number international oil companies operating in Nigeria. Each of these rely heavily upon a number of

³ To be referred to as Shell International or SI

⁴ To be referred to as Living Earth UK or LEUK

⁵ << <http://www.livingearth.org.uk/>>> accessed 13 January 2000.

⁶ To be referred to as Shell Nigeria or SPDC

service providers or contractors (in themselves fairly large Western companies), such as US-based Willbross Company, who conduct various specialist engineering and support activities.

In February 1998 Living Earth Nigeria Foundation⁷ was established as an overseas sister organisation to the UK office of Living Earth. Nigerian staff were recruited and the organisation was incorporated as an indigenous Nigerian NGO. It currently receives the great majority of its income from funds raised by Living Earth UK.⁸ It is conducting programme work in 14 communities in two states: in Bayelsa State, in the Niger Delta, the focus is education and training for sustainable community development and natural resource management, while a smaller programme in Cross River State, outside of the Delta, aims at improving natural resource management. The organisation is based in Port Harcourt which is the largest city in close proximity to the central oil extraction region of the Delta (although actually outside of Bayelsa State) and where most of the oil companies have a large presence. Port Harcourt and the Delta are the base for a number of indigenous activist NGOs - the most prominent being Niger Delta Wetlands Centre, Niger Delta Human and Environmental Rights Organisation and the Environmental Rights Action.

In May 1999, former General Olusegun Obasanjo was elected as Nigeria's first civilian president since 1993. His election to the position followed the death of General Sani Abacha, who had seized power in 1993. As the most recent of a succession of military run dictatorships, Abacha's regime arguably became Nigeria's most brutal and hated. Corruption was endemic. Nigeria's population (approximately 120mn) consists of over 300 ethnic groups; the three most populous groups Yoruba, the Hausa-Fulani and Igbo have held the majority of political and economic control since Independence from British rule in 1960. The Niger Delta has a population of approximately seven million, consisting of 24 minority ethnic groups. The cases of human rights abuses against members of the minority tribes in the Delta by members of the Internal Security Force and the Mobile Police, under the direction of the majority tribes, already a feature of state policy before Abacha, increased under his rule (Manby, 1999; Rowell, 1996 and various personal communications in Nigeria).⁹

⁷ To be referred to as Living Earth Nigeria or LENE

⁸ For the year ended 31 March 1999: For Nigeria projects of Living Earth Foundation in Nigeria the breakdown of funding sources is as follows: Private Sector: £602,376; EU £114,740; DFID: EU: £54,836

⁹ In what is a heavy and sometimes deeply depressing reality Abacha's death was regarded, as well as with deep relief, with mild amusement in Nigeria for the circumstances in which it took place - it was said that he died whilst "entertaining" a number of women who had, as was his habit, been flown in from around the world.

The Niger Delta is a wetland area that houses the third largest mangrove forest in the world and is extremely rich in biodiversity. Spread over 20,000 square kilometres the wetlands, the largest in Africa, is a floodplain of the Niger and Benue rivers. The Delta is comprised of four main ecological zones - coastal barrier islands, mangroves, fresh water swamp forests and lowland rainforests. (Manby, 1999). The mangrove forest is home to a number of endangered and unique species including the Delta elephant, river hippopotamus and the white-crested monkey.

The Delta also contains the vast majority of Nigeria's fossil fuel reserves, which the Nigerian constitution deems to be the property of the state. These reserves are extracted at approximately two million barrels per day and account for 40% of the country's GDP. The federal government allocation formula currently dictates 13% of accrued revenue to be set aside for the areas in which it is produced. In 1967 the revenue allocation formula royalties were split with 15% to federal government, 35% to a pooled account and 50% to the state where the revenue was derived (see Manby, 1999 for a fuller exposition of the detailed complexity of the revenue allocation formulas). Crude extracted in Nigeria is regarded to be of particularly high quality since it is "light" and "sweet" and requires less subsequent processes in order to render it useful. From 1992 the allocation of revenues to oil producing communities was cut to 3%. Following Obasanjo's arrival this has been increased to 13% however the battle for a just share of the oil revenues for the Niger Delta people goes on. Abacha's government like others before neglected the people of the Delta and thus, despite the natural resource base and huge oil revenues accruing to the country the Delta became impoverished and underdeveloped under his regime¹⁰.

The peoples (particularly the women) of the Delta have traditionally and successfully relied upon its natural resource base (non-timber forest products) for their livelihoods. Bayelsa state is densely populated and there are large numbers of villages located in close proximity to various oil installations. Some of the activities of the oil companies are readily visible - natural gas that comes out of flow stations is, unlike the rest of the world, flared off, pipelines (leaking in instances) and seismic lines run their way across the Delta; acid rain is cited as destructive of agricultural land - while other long term health impacts are less visible (Essential Action, 2000). Since the arrival of oil companies in the 1950s, the influx of oil workers from outside of the Delta, the environmental

¹⁰ It has been said that one of the catalysts to the emergence of the struggle against the environmental and development impacts in the Delta was a national gathering that Abacha called in his newly constructed capital city. The apparent wealth of

impact of oil related activities and increase in local population have degraded the renewable natural resource base in the region as well as affected habitats and biodiversity. The oil companies claim that the impact of oil on the environment in the Delta is insignificant in relation to the damage done by poor farming practices and environmental care by the communities. This is a contested claim and stands against the influx of non-local people to the Delta from the arrival of the oil industry.

For the people of the Delta, there is a dual struggle: the economic and environmental effort to improve the state of their development and livelihoods in the “here and now” and the political effort to gain more control over the natural resources that their land holds. For activists and the local communities the oil companies, as the largest presence in the Delta (far more present than the government), have played a significant role in the continued repression and degradation and hence now have a considerable responsibility to the region (Manby, 1999; Essential Action, 2000). Meanwhile the wealth of oil has been shared in a highly skewed manner with a few tribal chiefs and their families in the Delta benefiting from the investment of oil companies and the vast majority of money leaving to other parts of Nigeria and “repatriated” overseas.

6.1 Seeds of relationship

In 1991 Roger Hammond, Director of Development at Living Earth UK, approached Shell International with the intention to discuss a perceived discrepancy between the actual on-the-ground operations of one of the Shell operating companies in Venezuela and statements made by Shell International in London. This led to a number of conversations between one or two individuals over a period of years, in particular between Roger Hammond and Malcolm Williams, the head of Public and External Affairs Department at Shell International. The first formal manifestation of a relationship between the two organisations was a monetary sponsorship in Venezuela provided by Shell International for the printing and dissemination of educational materials that Living Earth had developed from an EU funded project in the early 1990s. While there was no other specific collaboration, over the next few years the relationship between Shell International and Living Earth UK was maintained through personal contacts between the individuals who were involved early on. Shell International continued working with Roger

resource and building seen by many youths transported to take part galvanised their resolve against the regime.

Chapter 6 - refs

Hammond, for example using him as a sounding board and consultant during a Global Scenarios meeting in 1997; his external perspective enabled him to offer advice and perspectives to Shell, regarding environmental and community issues management:

They [Living Earth] went to South Africa to share ideas at a Shell internal workshop with a few of the Shell companies, from the Philippines, South Africa, Colombia and Nigeria. Just to talk about the challenges we faced and how we were going about it to see if there were any best practices that we could learn from. We invited Roger, basically as a listener to share ideas. (Alan Detheridge - SI 6)

So we...asked him to act as agent provocateur and really have a poke at us and challenge us and we found that very useful...I used Roger in the beginning...when we were actually in the middle of some real crises - Nigeria, Brent Spar etc. It was "how would you have approached this?" and we used him as the consultant, not just for positioning ourselves outside, but I realised that we had to do a lot of re-learning inside. So I used Roger an awful lot as an adviser and a consultant and I used to invite him to quite a number of workshops that we had on issue management, environmental workshops, community based workshops, where he would come along and challenge what we were doing and how we were thinking. So he played quite a role and was a catalyst inside the organisation (Malcolm Williams SI - 8)

For Living Earth UK developing a relationship with Shell accorded with their stakeholder-based approach to solving environmental problems where "working with business and industry is a natural extension of the environment movement if it is to have maximum impact"¹¹. As Roger suggests:

If your NGO's aim is to shut down the oil sector, then we're probably not the people you want to work with. If your NGOs goal is to achieve reform of the oil sector and change some of their practices then there maybe something we can do - at least talk, we don't have to act together. We need pressure groups; we need whistle blowers, we need people who will zoom the boat out and take over oil

platforms. There isn't simply one solution for the social problems which involve companies and private sector.(Roger Hammond - LEUK 2)

The management of Living Earth recognises the impact and power that large corporations have on the environment and in society as considerable. The organisation thus conceives of environmental education as going beyond the provision of teaching aids for school children, to effecting more widespread impact by fostering change within large corporations. Thus at the time of initiation the emerging relationship with Shell International seemed to hold potential for creating such change.

At this early stage, the senior management of Living Earth UK and members of the Public and External Affairs Department of Shell International developed a degree of confidence in each other and looked to see if opportunities existed for closer collaboration between Shell and Living Earth on the ground.

6.2 Crises for Shell International and Shell Nigeria

In 1995, Shell International was beginning to experience considerable problems over Brent Spar and the protests and claims of environmental devastation caused in Ogoniland in the Niger Delta. It was becoming clear that both of these emerging situations heralded considerable threats to Shell's international reputation and consequently to sales and profitability. It was very much the reaction in its major consumer markets in Europe and North America that caused Shell International to respond to the crises over Brent Spar and Nigeria. In order to overcome the threat to "reputational capital" (Bendell, 1998), it was important for the Western public to see Shell doing the right things for its host community in Nigeria (as well as attempting to resolve the issues over the disposal of Brent Spar).

One of the results of the Brent Spar and Ogoni crises was a realisation within Shell that it needed to improve its relations with members of society whom previously had not been considered central to their operations but who, nevertheless, held considerable power to influence public opinion of Shell's activities. Towards the end of 1996, Shell International commissioned two reports - "Shell's Global Reputation" and "Society's Changing Expectations" – in order to assess the damage to the

¹¹ Living Earth (2000), << <http://www.livingearth.org.uk/>>> accessed 13 January 2000.

company's status and standing in society and determine what organisational changes were needed to be changed. The reviews made clear that the public held a negative image of Shell with regards to environmental care, sustainable development and human rights and that the company was not meeting the expectations that society held for it (MORI, 1997; Wade, 1996). A significant conclusion from both of these studies was the need to work more closely and develop partnerships with other sectors of society. It was also noted that such partnerships should be developed both at the centre, within Shell International and in the various operating companies around the world. As a result of these studies certain sections of Shell International perceived the need for Shell to form partnerships with NGOs.

Following the Ogoni crisis in 1995 the number of disruptions to Shell's oil production by community disturbances in the operating areas of the Niger Delta increased significantly from 70 in 1994, to just under 100 in 1995, over 150 in 1997 and to in excess of 350 in 1998 (SPDC, 1996, 1997, 2000). Thus, an emergent and distinct problem was also developing for Shell in Nigeria in the form of actual threats to the production of oil.

Disturbances included Shell employees being taken hostage and youths breaking into oil operations. The causes of these disturbances may well be multiple and include the lack of distribution of revenues to oil producing areas; lack of community infrastructure and development due to government inaction; change in traditional community structures with the 'youth' having little to lose in agitating and gaining more power while traditional rulers and elders have been benefiting from patronage, and the continued degradation of the natural environment in the Delta and associated loss of cropland and livelihoods. It has also been suggested that the responses of the oil companies have not helped the situation, with projects failing to respond to community needs and creating intra and inter community tension. People began to consider the under-development and environmental impact in their region relative to the fact that it was host to reserves that created 80% of Nigeria's governmental revenue. With severe government neglect in some areas of the Delta and virtually no presence others, Shell and the other oil companies – who were present through their drilling and extraction activities - came to be regarded as a 'government'. They therefore came to be held responsible for the (lack of) economic development and their environmental problems in the region. Shell quickly understood that if they wished to carry on extracting oil from the Delta, it would have to appease the communities and those who

threatened to disrupt their operations by ensuring an effective and visible level of development that was more commensurate to the level of wealth in the land.

Shell Nigeria has conducted various forms of community programmes in Nigeria since the 1950s. In development language the nature of Shell's community work during that time could be labelled as 'assistance' insofar as it was a complement to government spending in the communities. Thus, much of the work was skills and training oriented, for example the provision of scholarships for students in oil producing areas. As government presence in the Delta declined, particularly during the 1980s, the demands of local communities drew oil companies into providing development assistance of a more infrastructural nature.¹² As an engineering company, Shell Nigeria's structural and organisational set-up had a tendency to providing such projects in what was essentially a top-down, blueprint-led approach. The result of the provision of roads, classrooms, hospitals was that "we [Shell] painted ourselves into a corner and dependency on us and companies like us grew to do things like that in poorer communities, less and less emphasis was placed on the communities to get a handle on their own destiny. And for them to be involved themselves" (Malcolm Williams SI 8).

As the threat to operations from community disturbances rose, the initial response from Shell Nigeria was to increase the absolute level of spending very much in line with an unfocused blueprint and engineering approach. Thus, community development spending rose from approximately \$10mn to \$35mn between 1992 and 1996¹³. However, although this large amount of money was being spent in the communities, it became increasingly clear that it was not actually leading to satisfactory development in the communities. The pressure upon oil companies was not easing either as the Ogoni issue flared up. Shell commissioned a review of its community programmes that revealed numerous classroom blocks, hospitals and water schemes were built without adequate consultation with the communities. Additionally, it had become clear that much of the money that was earmarked for these projects was being siphoned off by a number of parties

¹² The question of whether SPDC *should* be providing such fundamental community infrastructure as water bore-holes, electrification, schools and hospital is difficult to answer (and not in the domain of this study). The lack of government presence in the area is undoubtedly the major factor here. Whether by its existence and activities Shell has contributed to a situation where the military government felt able to neglect the region is also difficult to answer. The point is that while outsiders, such as myself, make clear distinctions between the Government and oil companies for those living in the region such differentiation is less significant. Talking to individuals in the Delta one notices that Shell and other oil companies are clearly seen as a parties responsible for development in the communities.

¹³ In 1989 community spending was approximately \$ 1/3mn; this was prior to the developments in Ogoniland and Ken Saro-Wiwa's execution and the arrival of Abacha's regime. By 1998 Shell's community spending had risen to \$42.6mn.

from Shell staff, tribal chiefs to engineers contracted to build the infrastructure. The result was unwanted and collapsing white-elephants for which the communities felt no ownership appearing across the Delta.

...we didn't think that the services that we delivered were valued by the communities, evidenced by the fact that if you build a block of classrooms for the people, and the window got broken or the door got broken then nobody fixes it – they just wait until it decays and then they call on Shell to fix it and they call it 'Shell's school'. (Basil Omiyi 28 - SPDC)

While the threats to production from community disturbance remained insignificant, putting money into this form of community assistance may have proved sufficient for Shell's needs. However, as community discontent at the state of their development was translated into further real pressure upon production levels the importance of the issue to Shell's core business rose. Shell Nigeria increasingly came to regard positive community relations as vital for their ability to maintain operations on the ground.

And as they [Shell] are beginning to see, communities are their core business. Community relations is now core business. They used to say that community relations is not core business and they put in the kind of person that they want to retire. But now it's critical that they put people who really understand the communities there. Because they have seen that without having a good community relations policy and actually showing that you are working in the community in a more participatory manner then you don't get the licence to operate. (Ben Arikpo 29 - SPDC)

Thus, while it was sufficient for Shell International to improve the image of its relations with the communities in the Delta (largely for the benefit of an outside audience) Shell Nigeria needed physical improvements to the state of development on the ground in order to maintain production levels. Part of Shell Nigeria's strategy to achieve this was to improve the efficacy of its community work in the Delta.

6.3 A problem solving relationship: the unfolding of engagement

It is difficult to determine one specific incident that acted as the initial seed for collaboration between Shell and Living Earth in Nigeria. To be sure, the process was greatly facilitated by the close relationships and trust built up between Roger Hammond and Malcolm Williams in London over the previous few years. As described by Malcolm “[we] were both learning from two different points of view and we called it, at the time, ‘learning to dance’” (SI 8). In June 1995 Roger and Malcolm discussed the situation faced by Shell in Nigeria. It was seen that Living Earth could potentially make a tangible contribution to the livelihoods of the people in the Delta and to easing Shell’s problems in the region. Although Shell Nigeria was not directly involved at this stage, it was decided that Living Earth UK should conduct a scoping study funded by Shell International in Nigeria. The aim of the report was to provide Shell Nigeria with an independent review of their community development initiatives, to look at the potential for Living Earth to establish a programme for community environmental education for sustainable development in the Delta and to draw up a proposal for a three-year programme.

Members of Living Earth UK first visited Nigeria in 1989 and, while the environmental education programme in Cameroon was ongoing, the attention they received from neighbouring Nigerians indicated the potential for conducting similar work in the Delta. The communities in Niger Delta were seen as dependent upon their natural resources for much of their income. “Oil exploration, large-scale agriculture, up-stream dams on the River Niger and other human activities” were seen to be degrading these environmental resources and therefore threatened the livelihoods of many communities¹⁴. Living Earth felt that the area could benefit from the organisation’s approach to environmental education for natural resource management problems.

As Roger explains:

“I think also one motivation was that other people had abandoned Nigeria....[A] part of it is [that] I’ve been out there before. So on a personal level it felt really unfair that Nigeria was being punished for a government that it really didn’t want. And people in the communities were being punished all the time. So the aid sanctions and everything else were just crazy...we felt people were running when they should be staying in.

¹⁴ Living Earth (2000), << <http://www.livingearth.org.uk/>>> accessed 13 January 2000.

People need help when they're bobbing up and down in the water, rather than when they've got to the shore. So we thought we might be able to do something" (LEUK 2).

Thus, management of Living Earth UK saw the possibility of funding from Shell as an opportunity to expand their reach into Nigeria and help the communities in the Delta.

As Living Earth's knowledge of the situation grew, the understanding emerged that "...they've [Shell] been spending lots and lots of money on community development and community assistance, but the funds have been wrongly spent. In fact most of the funding has done more harm than good, because the so-called funds never get the intended beneficiaries at the end of the day" (Dara Akala LENF 13). Living Earth reasoned that if Shell were to carry on spending money in the Delta then it would be to the benefit of the communities to ensure that it was done with effective development methods. Thus, "one of the understated aims for our programme in Nigeria was basically to set up a model for participatory development in the Delta that demonstrated the benefits to communities for sustainable natural resource management and we hoped that this would be a model that influenced the way that Shell worked with its communities. They work with over 200 communities right across the Delta and their style of development assistance is extremely top-down and we hoped to change the way that they worked with the communities by example" (Tunde Morakinyo LEUK 4). Shell's activities have a broad and far reaching impact within the Delta and beyond; if Living Earth could foster change within Shell towards adopting a participatory approach to development in the Delta and, more generally, a participatory mindset within the organisation as a whole, then the partnership would be justified for the considerable community benefit afforded.

Two members of Living Earth UK, one of who was specifically recruited as part of this emerging Nigerian project, conducted the scoping study in March 1996. Over a period of six weeks they visited 16 communities, various individuals at Shell Nigeria, local government officials and NGOs in the Delta. Prior to conducting the study, Living Earth UK were given assurances that there would be opportunities for implementation funding from Shell International for any programmes that might emerge from the scoping trip. Living Earth felt they needed "to be reasonably sure that if the scoping study is going to develop a project...that the money is going to be there. Because you can't just go out and say well that's a good idea and then disappear for three years while you

scramble around trying to raise the money, because that raises expectations and seems unfair” (Roger Hammond - LEUK 2). While Living Earth UK and Shell International negotiated over the study Shell Nigeria’s community unit had recently experienced problems with a local NGO with whom they had been working, and hence there was some initial apprehension towards the work and presence of Living Earth within Shell Nigeria. Nevertheless, the direction and influence from management at Shell International ensured that Living Earth were well accommodated whilst in Nigeria for the scoping trip.

A few months later, in August 1996, Shell Nigeria invited a number of local Nigerian NGOs, as well as Living Earth UK, to take part in a workshop for its community assistance programme in Nigeria. Living Earth UK facilitated a session in which they outlined the findings of their scoping study. Senior members of Shell Nigeria regard the workshop, including Living Earth’s input, to be a key moment “when we decided that we actually needed to go from community *assistance* to community *development*” (Basil Omiyi SPDC 28) in order to improve the efficacy of Shell’s work with the communities and reduce the potential for disturbances.

Shell was faced with two problems in making this transition to community development. The first concerned developing Shell Nigeria’s internal capacity for undertaking what was far beyond the organisation’s competence. Traditionally, those interfacing with the community in Shell Nigeria were engineering managers and the department was run according to organisational norms and structures appropriate for their “engineering-type” activities. Additionally, some members of the organisation had vested interests in retaining control over the development spending, since they had been benefiting from a system that permitted patronage. It was possible to redress this situation to some extent by internal restructuring and the recruitment of development workers. Thus, subsequent to the workshop, Shell Nigeria instituted a major internal review of its external relations department, which resulted in establishment of the Community Development Programme Unit. This department was made significantly stronger than previous incarnations with specialist development workers recruited from, for example, positions at the World Bank and international development agencies. An American, Deirdre Lapin was the head of this unit with a background in handling large community development budgets.

As identified within Shell, the new approach of long-term community development was fundamentally different from their previous methods:

...the difference really is that you build total engagement of the recipient into the process of delivering the product or service...you facilitate them to articulate their needs, their future, to do their prioritisation. Whatever product you need to deliver as a result of that you also, as much as possible, involve them in the delivery process, preferably let them deliver it and hopefully if they thought it out and they are the ones who fashion and delivered it to themselves they will not call it a Shell product, they would call it 'our project; we did it, our sweat is in it'. (Basil Omiyi SPDC 28)

The second issue to be addressed concerned community perception of Shell and its activities. Oil companies were either seen as an outside presence that was the effective equivalent of a government or as the organisations that were extracting wealth from the people's land without providing benefit to the communities. With the lack of government funded infrastructure and services, Shell Nigeria's input into the region in terms of community assistance was coming to be seen by the people as the duty of oil companies and due recompense for their existence and operations of oil companies. If the projects were to take root Shell would also have to change the community perception of its development activities. It was recognised by some individuals at Shell Nigeria that breaking away from their label as a "donor" was a vital but difficult task. By working with NGOs, they reasoned that in addition to benefiting from their development expertise, the NGO staff would be able to conduct work on Shell's behalf in the communities, without having the face and labels associated with being from an oil company:

What we value...the reason we are involved in that process is not that we believe that the NGO will deliver better product than the in-house community development group because, lets be fair, our in-house group is first class – we bought them from NGOs themselves, they don't think the way the normal Shell engineers think, they work and live with the communities, they are community advocates within our system.... But we recognise that the greatest benefit, where we really want to learn something is re-engineering the society, via involvement in development activity. (Basil Omiyi SPDC 28)

Shell Nigeria thus set about looking for appropriate local NGOs who would be able to help them with their work in the communities:

...there were about 3 different types of NGOs...There were those that were more activist....But those were not the ones that could actually get involved in development. There was another group that saw themselves as the policemen...they would tend to be rather specialist and not community based... but at least they could give you good advice as to what was wrong. And the third clump is where I put Living Earth, Pro Natura and a number of others, who have actually kept in close contact with those other NGOs...but they said “no, we actually have something to offer - we can actually help on the ground with projects, with training and help break this syndrome”. So it was with that group that we needed [to work]...because they’re the ones that are going to help us now, on the ground....And that is why the partnerships with them became more and more important. (Malcolm William SI 8)

Shell had felt that local “capacity” in Nigeria was inadequate:

I think it is fair to say that the number of “developmental” NGOs on the ground in Nigeria was few and far between. Lots of NGOs, lots of “rights” NGOs – human rights, environmental rights...the whistle blowers not the doers...It was the doers that we felt were in short supply and were desperately need. (Emeke Achebe SI 6)

Shell International promoted Living Earth as an appropriately skilled “doer”, who, although not having any on-the-ground practice in Nigeria, did have considerable experience running environmental education programmes gained in Cameroon since 1989. In addition, Living Earth’s experience also extended to capacity development of local NGOs, for example successfully setting up Fundacion Tierra Viva in Venezuela.

Living Earth produced a concept paper that attempted an initial outline of the work they would like to carry out as part of a three-year programme in the Delta and submitted a budget for \$2.25mn. The exact content, such as the communities in which the work would be conducted and

the roles that Living Earth and Shell Nigeria would play, had not been finalised. Nevertheless, at the end of 1996, three months after the workshop in Nigeria, Shell International committed to provide \$2.25mn to Living Earth UK to establish a local NGO and subsequently conduct an environmental action programme in Nigeria. Whilst the money had been set aside by Shell in London, the actual relationship between Living Earth and Shell Nigeria was embryonic, since it was not entirely clear what work Living Earth would conduct, where it would be conducting this, how Shell Nigeria would get involved nor what the money would be spent on.

In the course of discussing these issues two major challenges to the relationship between Shell Nigeria and Living Earth emerged. Used to dealing with engineering firms as suppliers and sub-contractors, Shell Nigeria had neither the structures nor the ability to treat outside organisations as “partners”. As far as Shell Nigeria could see, a sub-contracting relationship with Living Earth, or any other NGOs whom they might deal with in the future, would also be appropriate. As an independent NGO this was not the form of partnering relationship that Living Earth UK had envisaged for its work with Shell.

Additionally there was discussion about which communities in the Delta Living Earth would conduct its work within. Shell Nigeria had considered it important for any community development work to take place in its “spearhead” communities, those which were located close to core oil related activities such as drilling. Shell had experienced particular problems of disruption in the local government district of Nembe which was a central strategic location for them and wanted Living Earth to begin their work there. Living Earth were initially planning on working in smaller villages and districts rather than a larger town area such as Nembe and not necessarily conducting work in such spearhead communities but rather piloting their work in locations that had a greater chance of bedding in alternative development values.

In February 1997 it appeared that the relationship was faltering on sub-contracting issue. At this stage Shell International approached Shell Nigeria and made it clear that Living Earth were prepared to pull out of the project if the issues could not be resolved. As a result of this intervention and Living Earth’s intention it was decided that Living Earth would not have a sub-contract for conducting its programmes, but instead would sign a Memorandum of Understanding with Shell Nigeria that would outline their relationship and the work to be done. At the same time the decision about which communities to work in was left in the hands of Living Earth and

Nembe was deselected in favour of other non-spearhead communities. The communities were subsequently selected by Living Earth on the basis of a number of criteria:

- the existence of a community cluster that contained less than five settlements
- linguistic, ethnic and political cohesion
- the presence significant natural resources
- functioning (local) community organisations
- limited previous exposure to community development programmes

In the middle of 1997, an initial part of the \$2.25mn budget was received from Shell International and Living Earth UK set about developing its programmes for the Niger Delta. Since they had not conducted any work in Nigeria prior to this proposal and because the programme would be bigger than anything they had previously set up, it was felt necessary to increase the organisational capacity in the UK - recruiting a programme manager and staff in Nigeria for the new organisation.

During this build-up and initiation, members of Living Earth had been talking to staff from Human Rights Watch, MOSOP International, Environmental Rights Action and the Niger Delta Wetlands Centre (in Nigeria) and other NGOs about the proposed work and relationship with Shell. The Movement for the Survival of the Ogoni People (MOSOP) accepted Living Earth's legitimacy to work with Shell but said that neither the relationship nor Living Earth should suggest association with MOSOP or the representation of the Ogoni people. Some NGOs were more vehement, suggesting that Living Earth was naïve in the assumption that Shell would genuinely engage with them and warned that they would be used for "greenwash". Personal relationships with other members of the development community were affected as the perception of 'sleeping with the enemy' developed:

As soon as it hit the NGO grapevine that Living Earth was taking money from Shell and what we were going to do in Nigeria – oh, my god...Basically a lot of my activist friends called me up saying how disgusted they were with me, that I was working for Living Earth and Living Earth were taking money from Shell...Living Earth's reputation would be destroyed completely; no NGO would work with Living Earth; no funder would be give Living Earth funding anymore because

Living Earth had basically taken blood money. It was really, really, really difficult.
(Tunde Morakinyo LEUK 4)

For individuals and the organisation these criticisms were the source of considerable concern and apprehension. Internally, within Living Earth UK there was much discussion over the decision to accept the money from Shell. Some development staff felt that the large amount of money involved would easily give Living Earth a “donor” label, leading to a situation very similar to that experienced by other wealth-abundant providers of community assistance, such as Shell. Others felt strongly about the fact that the money was being taken from an organisation that had been implicated in human rights abuses and were unable to reconcile their personal viewpoint with that taken within management at Living Earth UK. Problems were also created with some other organisations affiliated to Living Earth, particularly in Eastern Europe, where eventually some ties, in previously healthy relationships, were broken. Living Earth UK sought to ease these by planning to include two elements in the agreement with Shell.

Firstly, as suggested above Living Earth recognised that if they could encourage Shell to adopt a more participatory approach to the company’s relationship with communities and their environmental and development problems it would be to the eventual benefit of the communities in the Delta and further afield. By including a specific element in the project concerning the development of Shell’s competence in community relations, Living Earth would be actively contributing towards improving the interface between company and community and developing a participatory mindset within the organisation. Secondly, by including a clause about publicity in the agreement Living Earth would have some control over the nature of any materials produced concerning the relationship and its activities. It was felt that these two elements would combine to ensure that the relationship would not become a public relations exercise but would involve active engagement, change and learning.

Accordingly, Living Earth’s initial proposal contained a specific element pertaining to competence development and learning within Shell Nigeria, including direct reporting of the project to Shell’s board of directors in the UK. While Shell International were content to allow this section to remain in the agreement, management at Shell Nigeria, including the community development unit, felt that it would go beyond Living Earth’s remit and should be taken out. Following much discussion the competence development section was removed from the formal agreement.

In February 1998, staff from Living Earth UK went out to Nigeria for five weeks in order to set up Living Earth Nigeria Foundation; Nigerian staff were recruited and the offices for Living Earth Nigeria Foundation were set up in Port Harcourt. An initial workshop was conducted with members of Shell Nigeria's External Relations Department, (which included the community development unit) in order to introduce members of Shell Nigeria to Living Earth and their programmes, to exchange ideas and to strengthen the relationship between Living Earth Nigeria and Shell Nigeria. Subsequently Living Earth Nigeria began to visit its selected communities and established Participatory Rural Appraisals (PRA) and Participatory Learning and Action (PLA) exercises in order to get their programmes up and running.

In September 1998, after Living Earth Nigeria had been running the programmes for six months, Shell Nigeria, Living Earth UK and Living Earth Nigeria actually signed the Memorandum of Understanding (MOU). The memorandum, backdated to March, outlined the provision of \$2.25mn (some of which had already been received) from Shell to Living Earth UK and Living Earth Nigeria that would fund the establishment of the Nigerian arm and implementation of the Living Earth Environmental Action Programme (LEEAP) "aimed at the sustainable development of communities in Bayelsa State" (Living Earth, 1998b). The agreement went on to state that the parties would combine their experience, expertise and resources to carry out the LEEAP and assist those earmarked communities to generate income and protect and enhance their environment. This would be done through three elements: "environmental education", "participatory development" and "community conservation". A separate project document for the LEEAP says the objective of the programme is "to encourage community participation in the planning and implementation of their own sustainable development with NGOs, the public and private sector in Bayelsa State" (Living Earth, 1998a).

According to the Memorandum of Understanding, Living Earth's obligations in the relationship are to undertake the Environmental Action Programme (LEEAP) and to report back to Shell on these activities. Shell is obligated to contribute the budgeted funds and to assist Living Earth staff, where it is able, in gaining access to Nigeria and to Shell facilities as required. Also included in the agreement was a clause that stated that no publicity information would be produced by any of the parties without prior consent from the other two organisations. The MOU does not make reference to any other activities that Shell should undertake as part of the agreement. The LEEAP

document does suggest that as well as providing funding for the establishment of Living Earth Nigeria, the programmes and management support from Living Earth UK, there should be “co-operation and involvement” from staff within External Relations in the Community Development Unit at Shell Nigeria and “participation in programme development and planning” (Living Earth, 1998b).

Subsequent to this agreement and as at June 2000 Living Earth Nigeria operated its Environmental Action Programme in 14 communities in two clusters in the Bayelsa State; ten are with communities located within concession areas¹⁵ of Shell Nigeria, one is near an Agip concession, with the remaining three in non-oil-producing communities. While Living Earth UK has attracted funds from the EU and DFID for some of the work in Nigeria, the majority of the money for Living Earth Nigeria work comes from the original \$2.25mn allocated to the programme by Shell.

Two-and-a-half years after the first of the funds were received from Shell, Living Earth Nigeria - a local organisation with a level of on-the-ground capacity was created and had begun to set up long-term participatory development projects. There are substantial differences in the way that Living Earth is able to operate in the Delta - for instance Shell personnel (including development staff) are not permitted to stay over night in villages or communities in the Delta because of perceived risk of abduction. When I went out to the Delta the impact of being with the communities as opposed to in Port Harcourt was considerable. During my visit I spoke to a number of villagers about Living Earth's activities and was shown some of their smaller projects, for example *garri* processing mills, palm oil extractors, the establishment of a theatre groups who raised environmental awareness through drama and an environmental education radio programme performed in Pidgin.

The next chapter adds further details about the relationship between the two organisations, although not written as formal prose but in the format of a learning history document

¹⁵ Areas in which an oil company or one of its contractors maintains current operations.

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