

CORPORATE SOCIAL RESPONSIBILITY TOWARDS HOST COMMUNITIES IN NIGERIA: FOCUS ON EXXON/MOBIL IN AKWA IBOM STATE

Ibok, E. E.

*Department of Political Science/Public Administration
University of Uyo, Uyo, Akwa Ibom State, Nigeria*

Mboho, K. S.

*School of Business Management
Akwa Ibom State University, Obio Akpa Campus, Nigeria*

ABSTRACT

The activities of corporate citizens towards their host communities in Nigeria have continued to gather momentum considering the effects of such operations. Akwa Ibom State is not an exception with the presence of Exxon/Mobil. This study therefore aimed at examining the efforts of Exxon/Mobil towards its host communities in an attempt to remain a responsible corporate citizen. Through quantitative data, it is evidently clear, that Exxon/Mobil has done a great job of showing in practical terms through numerous community assistance programme and projects over the years, as a socially responsible corporate citizen of the state and Nigeria. However, it was observed that there will always be a difference between community expectations and what Exxon/Mobil can do within its budgetary limit. On this premise, the study recommended that Exxon/Mobil should see the need to increase its efforts towards youth training and empowerment as a way of curbing youth restiveness especially in their area of operation.

Keywords: *Corporate Social Responsibility, Host communities, Exxon/Mobil, Projects*

INTRODUCTION

Corporations, workers and consumers are not social problems, but some of the changes that affect them clearly are. Corporate power is increasingly concentrated in a small number of large-scale private bureaucracies that are insulated from public control. This concentration of power can itself be a social problem when citizens acting through democratic institutions are unable to control them. Thus, when plant closing throws thousands of employees out of work; when industrial pollution poisons streams and rivers kills fishes and endangers the health of those who drink the water; when jobs are exported to corporate subsidiaries in other countries at the expense of the domestic economy, in these and similar situations corporate power creates social problems (Komblum and Jilian, 1995; Soporen, 1975).

Social policy today is largely governmental but may also involve non-governmental actions as well. Many non-governmental social policies are directly or indirectly shaped by government through tax policy and regulations. Social welfare administration is not an easy field to define. At a superficial level, it means a study

of the social services. A social service is usually defined as a service provided by the state, whose object is the improvement of the welfare of the individuals. To distinguish social services from public services and utilities, the element of individual welfare is always stressed. The provision of roads and motorways is a vital public service that benefits the whole community. The provision of retirement pension benefits the individuals in a highly particular manner. The individuals do not share collectively in the benefit but receive it personally for his or her specific use. This concept of collective provision to meet individual need is the hallmark of a social service (Muriel and Parne, 1976).

On the other hand, social administration is an eclectic field of study. It takes facts, methods and ideas from the basic social sciences as are relevant and applies them to the understanding and solution of social problems. The major academic disciplines that underlie this applied knowledge are sociology, economics, statistics, politics, history, public administration, psychology, as well as moral and social philosophy. Another way of appreciating the meaning of social administration is to accept that the social services cannot possibly be studied in a vacuum. They can be understood only by reference to the problem they are trying to tackle and in the context of the overall political, economic and social structure of the country (Muriel and Parne, 1976).

Social policy sometimes is termed “social welfare”, “social programs”, or “social protection”, depending on the period and the country. Social policy involves the introduction of certain goals or values in all policy arenas including economic policy. Hill (1997) sees social policy as policy activities which influence welfare. Whilst non-state bodies may be described as having ‘policies’ a generic expression like ‘social policy’ is primarily used to define the role of the state in relation to welfare of its citizens. In the light of these, it is observed that provision of social services is not only governmental but also involves non-governmental organizations. This aim of this work is to examine the role of corporate bodies in social welfare administration with the host communities, and Exxon/Mobil as the focus.

A BRIEF HISTORY OF MOBIL PRODUCING NIGERIA NOW EXXON/MOBIL, QUA IBOE TERMINAL, IBENO

The importance of petroleum in Nigeria can only be fully appreciated when one realizes the dominant role it plays in the economy. Petroleum production and export is the main stay of the Nigerian economy providing almost 90% of the country's export earnings. Agriculture, which traditionally had been the main stay of the economy from the early fifties has since been pushed to the background. The Development of Nigeria's Oil Industry, Oil prospecting began in Nigeria as far back as 1908, when a German company, the Nigerian Bitumen Corporation started exploration of the Araromi area of the present Ondo State. Their pioneering efforts, however, ended abruptly with the outbreak of the First World War in 1914.

In 1937, oil prospecting resumed in Nigeria. Shell D'Arcy (the forerunner of

the present Shell Petroleum Development Company of Nigeria) was awarded the sole concessionary rights covering the whole territory of Nigeria. The activities were again interrupted by the Second World War, but were resumed in 1947. However, it was not until 1956. In 1961, other companies such as Mobil, Agip, Safrap (now Elf), Temeco and Amoseas now Texaco/Chevron had begun exploration activities for oil in the Onshore and Offshore areas of Nigeria. The exploration rights, which had formerly been granted to Shell alone, were now extended to new-comers in line with the government policy of increasing the pace of exploration in the country (NNPC, 1986).

Mobil Producing Nigeria Unlimited

Mobil Producing Nigeria Unlimited (MPNU) is the second largest oil producer in Nigeria. It started business in the country in 1955 as Mobil Exploration Nigeria Incorporated (MENI). In December 1961, after unsuccessful exploration efforts in the former western and northern regions, MENI was granted two offshore oil prospecting licenses (OPLs) in the then South Eastern State. In early 1964, MENI made its first discovery. The prospecting licenses were converted to four oil mining licenses in 1968 and by the end of that year a total of 50 exploratory wells and its appraisal wells had been drilled.

On June 16, 1969, Mobil Producing Nigeria was incorporated to take over and continue the business of MENI. MPN began production of crude oil on February 15, 1970 in the offshore areas of South Eastern State, now Akwa Ibom State with a profit ratio of 40 (Mobil) to 60 (Federal Government). In February 1985, after 15 years of production, MPN hit the ONE MILLION BARREL Mark. In April 1991, MPN struck another landmark when, along with its Joint Venture Partner, the NNPC, signed loan agreements for about 900 MILLION US DOLLARS WITH INTERNATIONAL lenders to develop and produce its Oso Field Condensate, reserves estimated at about 500 million barrels.

The company's overall contribution towards the country's economic and social development has followed closely in the wake of its production growth. It was the recognition of this contribution that it won, together with its parents and sister companies - Mobil Oil Corporation and Mobil Oil Nigeria Plc, the 1985 Honor Award of the Nigeria Chamber of Commerce. MPN was also the first corporate citizen to win the honor award of the Society of Occupational Health Physicians of Nigerian (SOHPON). In 1989, MPN won the energy press award for making notable contribution to the growth of energy journalism in Nigeria and for pace setting relationship with the media and thus emerged the first corporate body to win the award (Akpabio, 1990 and EMN, 2006)

THE ROLE OF MOBIL NOW EXXON/MOBIL IN THE DEVELOPMENT OF THE HOST COMMUNITIES

Mobil Producing Nigeria Unlimited Public Relations activities derive from the philosophy of its parents company, Mobil Oil Corporation, on contributions to the

welfare of the host communities. This philosophy is based on being a good corporate citizen by supporting and identifying with worthy causes in the country, especially in the immediate vicinity of where it operates. Following this guiding principle, Mobil Producing Nigeria Unlimited operates a planned and sustained programme of Community Development in Nigeria. In Akwa Ibom State, where its field operations are based, Nigerian National Petroleum Corporation and Mobil Producing Nigeria Unlimited are said to be making contributions to the social and economic lives of the people (Akpabio, 1990). Among such contributions are the provision of pipe-borne water, the electrification of Eket and three Ibeno villages which adjoin its Qua Iboe Terminal, assistance in health-services and contribution of a road linking its terminal and the adjacent village with Eket.

PROJECTS

In 1980, the Rural Water Supply, Sanitation and Expanded Programme on Immunization (E.P.I) said to have been founded by the Nigeria National Petroleum Corporation and Mobil Producing Nigeria Unlimited Joint Venture was commissioned in Akwa Ibom State (Akpabio, 1990). The three piece package aimed at improving the quality of life of rural communities comprised nineteen water wells, immunization and Oral Rehydration Therapy (O.R.T) centres. The project was executed under the auspices of the (UNICEF). Other projects include:

1. Eket Urban Electrification
2. Mkpanak Village Electrification
3. Pipe Borne Water, Airstrip Villages, Eket
4. Mkpanak Water Supply
5. Atibe Water Supply and Electricity, Eket
6. Mkpanak Erosion Control
7. Hand-pump Borehole water supply to Ibeno and Esit Urua-Eket.

SCIENCE/LABORATORY EQUIPMENT FOR SECONDARY SCHOOLS

1. Etinan Institute, Etinan
2. Girls High School, Eket
3. Secondary School, Okat, Onna
4. National High School, Etebi
5. Ikono Ibom Comprehensive Secondary School, Ikot Ayan, Ikono
6. Independence High School, Essien Udim
7. Comprehensive Secondary School, Edeobom 1, Nsit Ubium
8. Methodist Boys High School, Oron
9. Secondary Grammar School, Ibeno
10. National Association of Akwa Ibom State Students, University of Uyo
11. Nigerian Union of Pensioners, Eket
12. Eket Public Library.

SPORTS

Mobil Producing Nigeria Unlimited is also said to have substantial contributions to sports development in Nigeria. The company in collaboration with Mobil Oil Nigeria Plc has been the sole sponsor of Nigeria's major athletics events, for example, the Nigeria/Mobil Track and Field Championships since 1990.

CIVIC AND HEALTH

Mobil Producing Nigeria Unlimited has established a Chair of occupational health in the University of Ibadan. Mobil Producing Nigeria Unlimited has donated medicines to the Sacred Heart Hospital Abeokuta, annually for five years and sponsored various health institutions in Enugu, Eket, Uyo as well as Nigeria Medical Association (NMA). It has also built and equipped a health center at Mkpanak, a village adjacent to its operation terminal. In 1991 Mobil Producing Nigeria Unlimited completed a road and bridges across eight kilometers of swamp linking Eket town with Ibeno villages in Akwa Ibom State at a cost of N85 million. The following Health Institutions in Akwa Ibom State benefit from Mobil Producing Nigeria Unlimited.

1. Emmanuel General Hospital, Eket
2. St. Luke's Hospital, Anua
3. General Hospital, Iquita Oron
4. Mary Slesor Hospital, Itu
5. Psychiatric Hospital, Eket
6. General Hospital, Ikot Ekpene
7. General Hospital, Etinan
8. Mercy Hospital, Abak
9. St. Mary's Hospital, Urua Akpan
10. General Hospital, Ikpe
11. Government Medical Centre, Akai Ubium
12. General Hospital, Ikot Okoro
13. Infectious Diseases Hospital, Ikot Ekpene
14. General Hospital, Ikot Abasi
15. Leprosy Hospital, Ekpene Obo, Etinan
16. Primary Health Centre, Uquo
17. Methodist Hospital, Ituk Mbang
18. Health Centre, Okon
19. Motherless Babies Home, Idung Iniang Eket, (Akpabio, 1995).

THE ROLE OF MOBIL IN THE DEVELOPMENT OF IBENO

Mobil Producing Nigeria Unlimited is said to recognize the community in which they operates as shareholders in its business. Their mission statement clearly reflects this and their business decisions are said to be guided accordingly. Mkpanak is the next door community to Qua Iboe Terminal. In 1984 Electricity Project was

commissioned for the village, at about =N= 500,000.00. Mobil Producing Nigeria Unlimited has been responsible for maintaining the system for continuous service to the community. For reason of proximity, Mkpanak was tied to Qua Iboe Terminal water supply in 1981. All maintenance on the system is done from the terminal.

In 1990, a health centre was built, equipped and handed over to the Mkpanak Community. Mobil Producing Nigeria Unlimited has also constructed a staff quarters for doctors at the centre. In 1994 and 1995, the health centre was upgraded through roof restructuring, electrical works, window and doors. Rescuing parts of Mkpanak village from the menace of marine erosion done by Mobil Producing Nigeria Unlimited in 1991 at the cost of N35 million. Two classroom blocks were constructed at Mkpanak primary school. Up till 1991, the access to village around Qua Iboe Terminal itself was only by crossing the Qua River by boats. Now with an eight kilometer road constructed by Mobil Producing Nigeria Unlimited, not only the villages and terminal are linked to the outside world by road, but also major marine food basket and a sprawling beach tourism potential have been exposed for development.

Mkpanak village road are also being built. The first 2 kilometers road which joins Qua Iboe Terminal was initially built in 1986. But the surface material could not cope with the soil condition at Ibeno, which led to significant damage to the road. In 1995, the road was re-built using asphalt. Work on second phase is in progress. Mobil Producing Nigeria Unlimited has also constructed 2 dormitory blocks for Ibeno SS Peter and Paul Technical and Vocational College at Mkpanak. Mkpanak SS Peter and Paul Nursery School also benefits from Mobil Producing Nigeria Unlimited for construction of 4-classroom blocks. Ukpenekang is another village in Ibeno that benefits from Mobil Gesture. The collapse of the major ward building at the Polyclinic, Ukpenekang, has been saved by Mobil's rehabilitation work. Work-scope included: replacement of damaged roofing sheets, ceiling tiles, electrical works, and revamping of the sewage system. The face-lift completed by re-painting the building.

To ensure availability of health workers round the clock at the polyclinic, the company considered it necessary to also revamp an existing nurse's quarters that had been abandoned for years. Still at polyclinic, a completely new staff quarters to accommodate other health workers was constructed. The newly constructed staff quarter comprises twin flats of one bedroom unit each. Mobil has equally constructed a polyclinic at Ukpenekang. The main school block of Secondary Grammar School, Ukpenekang was rehabilitated and 6 abandoned Staff Quarters completed for use. In addition, the access roads to the school were constructed. Also, a 26 seater bus was donated, and science equipment provided.

Another access road to Ukpenekang primary school and Ibeno Jetty/Market road were constructed. Now civil work on electrification is in progress. Another village in Ibeno that benefits from Mobil Producing Nigeria unlimited is Iwochang. The Iwochang market road was constructed. Classroom block has also been

constructed. Mobil Producing Nigeria Unlimited also rehabilitated water supply and classroom block in Okorutip. Natefre also benefits from Mobil gesture as a Health Centre and classroom blocks were constructed. Mobil has constructed classroom blocks in Atabrikang. Opolom also benefits from Mobil with the construction of a classroom block (MPN, 2005).

EXXON MOBIL EARMARKS N94.5M FOR ADOLESCENT EDUCATION

A community's future depends largely on the type of education its youth are exposed to. When the future leaders are exposed to qualitative education, the society's foundation is strengthened. This principle justifies Exxon Mobil Corporation's allocation of about N95 million to empower girls and boys in Akwa Ibom State in a programme tagged Better Life Options (BLO), to be implemented in partnership with an international non-profit organization, The centre for Development and Population Activities (CEDPA).

Meeting recently with community women leaders at Mobil Guest House, Eket, CEDPA's country Director, Mrs. Ejiro Otive-Igbuzor explained, "Exxon/Mobil is embarking on the BLO project as part of its community assistance programme with the aim of raising the education and health status of young girls and boys aged 9 to 10 years in Akwa Ibom State. This goal is based on the twin premises that education and health are key ingredients of prosperity, a fulfilling life, and a protection against poverty and disease (MCN, 2006).

STATE EDUCATION BOARD GETS PHYSICS TEXT BOOKS

With the donation of physics textbooks to the State Secondary Education Board by the NNPC/MPN Joint Venture, the acute scarcity of science textbooks in post-primary school libraries is gradually being addressed. A representative of Mr. Udo Isim Ema Ubo, Chairman, State Secondary Education Board stated this when he took delivery of a consignment of physics textbooks worth about N1.5 million. The book donation is part of the Joint Venture's efforts to encourage the development of science education in the state. At the donation ceremony which took place at the Governor's Office Annex, Uyo, Rita Umoren, Manager, Public Affairs, QIT said the gesture was a demonstration of the Joint Venture's commitment to assisting government builds capacity among teachers and students as well as uplifting the standard of education in Akwa IboM (MCN, 2006).

MNC PARTICIPATES AT FIRST AKWA IBOM STATE EDUCATION SUMMIT

Public Affairs Representative, Yemi Fakayejo explained that the Joint Venture has over the years contributed significantly to the improvement of infrastructural facilities in primary and secondary schools in Akwa Ibom and Rivers States. He added that "annually, the Joint Venture also awards 500 scholarships to students in tertiary institutions, particularly those studying science and technology courses. Again, the annual sponsorship of the state-wide secondary school quiz competition, school's

challenge, the Mobil Employee Voluntary Education Program (MEVEP) and the sponsorship of a workshop for science teachers are deliberately designed to improve the standard of science, technical, and general education in Akwa Ibom State.

The summit has as its theme: Repositioning Education for the Sustainable Development of Akwa Ibom State. It was jointly organized by the Ministry of Education and the State Investment and Industrial Promotion Council (AKIIPC). The topic: Technical and Vocational Education as a strategy for Accelerated Economic Growth and Development was presented by Prof. L. E. Ekpenyong of the University of Benin and discussed by Mr. Anieti Ukpe.

UNIUYO VC APPLAUDS NNPC/MPN JOINT VENTURE

Prof. Akaneren Essien, the immediate outgoing Vice-Chancellor of the University of Uyo has lauded Mobil Producing Nigeria for contributing in several ways to the development of the institution. The VC gave the commendation while acknowledging the oil company's assistance to the Lagos branch of UNIUYO Alumni Association which donated 25,000 books and 40 computers to the University. Prof. Essien recounted MPN's donation of equipment to the Faculty of Engineering, the endowment of a professorial chair in Engineering worth N3 million, the provision of office equipment and furniture to the College of Health Sciences, and the gift of 14 computer system among other previous supports (MCN, 2006).

NNPC/MPN REVIVES OIL PALM PRODUCTION IN TWO AKWA IBOM STATE COMMUNITIES

The cultivation and processing of oil palm in Akwa Ibom State has received a boost, thanks to the Akwa Ibom State Oil Palm Productivity Improvement Programme, co-sponsored by Mobil Producing Nigeria (MPN) and the United Nations Foundation (UNICEF). Two communities, Ikot Akpan Nkuk in Ukanafun and Ikot Oku Ikono in Uyo are the benefiting communities of the success story of the programme. With about N39 million provided by MPN and the UNF, New Nigeria Foundation, NNF, a non-governmental organization, is helping to create wealth in the state by improving the production and processing of oil palm produce to meet local demands (MCN, 2006).

JOINT VENTURE LIGHTS UP THREE NSIT UBIUM VILLAGES

Difficult years without electricity were finally ended recently for people in Nung Obong, Ikot Akpamba, and Ikot Ntung in Nsit Ubium LGA with the commissioning of electricity projects in the communities by the NNPC/MPN Joint Venture. Chief B. A. Ekanem, Chairman and Elder U. J. Ukpong, Secretary, Nung Obong Village Council, as well as Leader Ime T. Udo, President General of Nung Obong Development Association (NODA), expressed appreciation at the commissioning of the 500 KVA transformer and electricity lines. Chief Ekanem said the communities were elated and indebted to the NNPC/MPN Joint Venture for donating money for

the transformer and the lines and, “setting us free from the doom of darkness that engulfed us for the past two years”. He commended the excellent contribution rendered by the Joint Venture to improve the quality of lives in communities in Akwa Ibom State and Nigeria.

POTABLE WATER FLOWS AT DESTITUTE CENTRE, UYO

The NNPC/MPN Joint Venture recently extended its community assistance to the Saint Anthony's Destitute Centre, Uyo where a water borehole project was commissioned for residents of the centre. The Chaplain of the Guild of St. Anthony of Padua, Nigeria, Uyo Diocese, Rev. Fr. (Dr.) Anthony Ekong commended the Joint Venture for donating N500,000.00 which was used to execute the water project. He said the project has alleviated the water scarcity experienced by the inmates. The water supply project was unveiled by the Vicar General of the Catholic Diocese of Uyo who represented the Bishop, Rev. Dr. Joseph Ekuwem.

CONCLUSION AND RECOMMENDATIONS

Exxon/Mobil has enjoyed a relative level of peaceful coexistence with its neighbouring communities for two main reasons: first, the government and the people of the state are peace loving. Usually when they call on government and community leaders at crisis times, they try to help, because they understand that it is in the interest of all parties for Exxon/Mobil business to continue uninterrupted (Umoh, 1996). Secondly, Exxon/Mobil has done a great job over the years, of showing in practical terms, through numerous community assistance programmes and projects, that it is a socially responsible corporate citizen of the state and Nigeria. Exxon/Mobil activities in this regard have received positive commendation. One therefore need to take a drive through the neighbouring communities to see the evidence of the positive contributions to better the lives of the community members such as: road, school buildings, science laboratories, dormitories, water and electricity projects, hospitals, small and medium business support programmes as outline above. In the area of human capacity development, Exxon/Mobil Scholarship Scheme has benefited more than 5,000 students in the last ten years.

However, we recognize that there will always be a different between community expectations and what Exxon/Mobil can do. The important thing is to keep discussing ways to close such gaps. Exxon/Mobil will continue to be responsive to the needs of her hosts, within budgetary limits. To crown it all, Exxon/Mobil in their social corporate responsibility has contributed more than N13 billion to the Niger Delta Development Commission (NDDC), being the three percent statutory contribution from oil and gas companies as required by federal law. Therefore, the activities of Exxon/Mobil in Akwa Ibom State deserved commendation. However, we expect more from them considering the environmental effect on the host communities. Based on these, the study recommends the following:

1. Exxon/Mobil should be willing to dialogue with the host communities on the existing gap between the communities' demands and what it can provide.
2. Exxon/Mobil should be more committed with youth training and empowerment as a way of curbing youth restiveness in the areas of operation.
3. Exxon/Mobil should partner with the host communities in ensuring that their projects to the community are not vandalized.
4. That from time to time, there should be stakeholders meeting between Exxon/Mobil and the communities on measures for peaceful coexistence.

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