

GLOBAL MEMORANDUM OF UNDERSTANDING (GMOU) FRAMEWORK AND RURAL POVERTY: A STUDY OF SELECTED COMMUNITIES ACROSS NIGER DELTA

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Abstract:

The study examined the impact of the GMoU framework on poverty related issues in rural oil bearing communities in the Niger Delta region with emphasis on the GMoU frameworks of Chevron and SPDC. The descriptive and Chi-Square (X^2) statistical methods were adopted to present and analyze primary data obtained through the questionnaire, focus group discussions and transect walk. Findings from the study indicate a significant relationship between incidences of rural poverty and community resistance of oil multinationals' operations in the region. It also shows that although the GMoU framework tends to serve immediate domestic socio-economic needs of host communities and business interests of funding companies, the framework proved too weak to drive and implement big-ticket development projects across the Niger Delta. Stemming from the findings, it is recommended that development stakeholders and other oil multinational companies operating within the region adopt and adapt the GMoU framework in the implementation of development intervention projects and programs that impact on the rural communities of the Niger Delta region.

Keywords: GMoU, Poverty, Multinationals, Stakeholders

Introduction

The Niger Delta region is known for its poor development indices; often attributed to oil and gas exploration activities of Multinational Companies operating in the area and other factors such as difficult terrain. The natural habitat and ecological environment of oil bearing communities are destroyed through oil spills and gas flaring. The hitherto very rich streams, rivers, farmlands, and other natural endowments of communities within the region are seriously polluted and rendered almost useless for livelihood support. Oil exploration and its poor management, as manifested in oil spillages, dislocates such economic life of the people as fishing and farming. The main occupation of the people in the region are decimated, their environment polluted, and their waters poisoned. Consequently, the poverty situation and the decimated state of the region's environment inadvertently entrenched a conflict relationship between oil and gas bearing communities and oil and gas multinational companies operating in the region.

According to the Human Rights Violation Investigation Commission (HRVIC) popularly known as the Oputa Panel Report (2002), the oil companies operating within the Niger Delta region care less about the welfare of the local people from where they drill oil. They only give a token to the communities, which do not improve their standards of living. The companies are also accused of employing 'divide and rule' tactics to cause disaffection and conflict among and within communities through a divisive strategy of compensation payment. Decades after this alleged neglect by the companies, what has changed following series of intervention strategies introduced by both the Nigerian State and the oil companies in dealing with the operational impact of oil exploration in the region. Expectedly, poverty issues in the Niger Delta tend to have defied all previous efforts of the state and other development interventionist agencies and corporate institutions.

Some of the reasons often adduced for failure of intervention projects and programs in the region include among others: the top-down approach of intervention planning and implementation; total exclusion of recipients of such development interventions (which is very common with previous intervention frameworks of the oil and gas multinationals); politicization of development projects by state institutions

to ensure political patronage; lack of ownership of development projects, among others. Consequently, the development and poverty situation in the region have continued to encourage organized resistance against the state which impacted negatively on the smooth operations of the oil and gas multinationals within the region. These unavoidable social pressures on the oil and gas companies have warranted the introduction of several strategies by oil and gas multinationals operating in the region to obtain and sustain a healthy working relationship to enable uninterrupted oil and gas exploitation activities. The failure of one strategy often resulted in the introduction of yet another strategy through various frameworks usually designed to suit business interests in the host communities.

The overall aim of this study is to examine the impact of the GMoU framework on issues of rural poverty in the Niger Delta region. Specifically, this study intends to achieve the following objectives:

- i. To investigate the impact of the GMoU framework on rural poverty in communities under the GMoU program
- ii. To examine the conflict potential of the GMoU through analysis of the stakeholder engagement component of the framework.
- iii. To examine the efficacy of the GMoU framework in addressing incidences of conflict between Oil and Gas companies and their host communities

1.2 Research Questions

The study will be guided by the following questions:

- i. Can Community Investment strategy, such as the GMoU model have any impact on incidences of rural poverty among oil bearing communities in the Niger Delta region?
- ii. How effective is the GMoU framework in addressing conflicts emanating from oil and gas exploration and exploitation activities in the Niger Delta?

1.3 Hypotheses

The following hypotheses will be tested:

H₁: There is a significant relationship between incidences of rural poverty and community resistance of oil companies' operations in the Niger Delta

H₂: There is significant relationship between socially adaptive Community Investment strategy, and incidences of rural poverty in the Niger Delta region

Literature Review

The Stakeholder Theory

The Stakeholder Theory is commonly associated with the works of Freeman who broadly defines a stakeholder as "any group or individual who can affect or is affected by the achievement of an organization's objectives" (Freeman 1984). That is, those who in one way or the other have stake in or claim on an organization or firm. Freeman chose the word Stakeholder on the basis of the traditional term 'stockholder' which according to him takes account of only the economic interest of financiers of a corporation; whereas the term 'stakeholders' takes account of any group or individuals who are affected by or can affect the achievement of an organization's objectives (Freeman 1984).

Organizations have groups and individuals who benefit from or are harmed by and whose rights are violated or respected by the organizations' actions or inaction. Those are the stakeholders of the organization. In their work, Freeman & Reed (1983) distinguished two senses in which the term Stakeholder can be viewed –viz- the 'narrow-definition' which includes those groups who are vital to the survival and success of the organization and the 'wide-definition' which includes any group or individual who can affect or is affected by the organization's activities. In other words, whereas the narrow definition, would accommodate such stakeholders as shareholders and Financiers of a company, managers and staff members of an organization, suppliers, customers and host community, the Media, NGOs, Professional organizations (both national and international) Governments etc. would be accommodated as stakeholders under the broader sense of a wide-definition of an organization's stakeholders.

Freeman tried to revitalize the concept of managerial capitalism (description of a change in the control of capitalist enterprises from owners to control by salaried managers) by replacing the notion that managers only have a duty to stockholder with the notion that managers bear a fiduciary relationship to stakeholders.

Pressures to an organization are traceable to three categories of an organization's stakeholders including primary stakeholders (such as owners, employees, customers, and suppliers); secondary stakeholders (such as the community, non-governmental organizations (NGOs) and activists, governments; and general societal trends and institutional forces). The third is the generic societal pressures and trends (or institutional pressures) which include a proliferation of international regulatory bodies that set standards for best practices, the steady emergence and development of global principles and standards that are raising public expectations about corporate responsibility, and new reporting initiatives emphasizing the triple bottom lines of economic, social, and environmental performance.

The concept of CSR therefore is simply practice of the stakeholder theory as businesses today are under pressure to manage for responsibility. That is the way businesses involve the shareholders, employees, customers, suppliers, governments, non-governmental organizations, community, international organizations, and other stakeholders is usually a key feature of Corporate Social Responsibility (CSR).

Evolution and Arguments for CSR

CSR has been debated and practiced in one form or another from the ancient times till date. For example, the ancient Vedic and Sutra texts of Hinduism and the Jatakas of Buddhism include

ethical admonitions on usury (the charging of excessive interest) and Islam has long advocated Zakat, or a wealth tax (Manfred Pohl & Nick Tolhurst 2010). However, CSR only entered the popular lexicon in the 1950s with R. Bowen's landmark book, *Social Responsibilities of the Businessman*.

The ideas of charity and stewardship helped to shape the early thinking about CSR (described as the classical view of CSR) often limited to philanthropy. The growth of the global economy and increasing public concern about business activities and a decline in trust soon informed a shift from mere philanthropy to addressing business-society relations in which businesses are expected to positively contribute to addressing social issues especially those emanating from their operations.

Defining Corporate Social Responsibility

One of the inherent difficulties in defining CSR is the lack of consensus on the moral obligation, if any, of a corporation to various stakeholders, including society in general. Generally, however, CSR is considered as a business' contribution to society and sustainable development. In other words, how businesses take account of their economic, social and environmental impacts in the way it operates – maximizing the benefits and minimizing the negative impacts of its activities as well as their long-term business success. It describes an organization's obligations to act in certain ways that serve and protect both its interest and interest of other external stakeholders. Okodudu (2008) defines CSR as the requirement placed on organization to be accountable for its impact on all stakeholders. That notwithstanding, the following standard definitions are common among CSR practitioners and organizations:

- i. CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" ' World Business Council for Sustainable Development
- ii. "CSR is about how companies manage the business processes to produce an overall positive impact on society." Mallen Baker
- iii. "Corporate social responsibility is undertaking the role of "corporate citizenship" and ensuring the business values and behaviour is aligned to balance between improving and developing the wealth of the business, with the intention to improve society, people and the planet"

Amongst other things, these definitions emphasize that:

1. The way and manner enterprises interact with their internal and external stakeholders (employees, customers, neighbours, non-governmental organizations, public authorities, etc.) is an important aspect of CSR;

2. CSR covers social and environmental issues,
3. CSR is not or should not be separate from business strategy and operations: it is about integrating social and environmental concerns into business strategy and operations;
4. CSR is a voluntary concept.

For the purpose of this work, we choose to define Corporate Social Responsibility as an organization's responsibility to act in ways that protect its interests and those of the external stakeholders.

Justifications for Corporate Social Responsibility

There are numerous justifications for Corporations to take issues of CSR seriously. First is the *moral obligation* which is that companies need to be seen to be doing the right thing. This reason aligns to the naturalistic view of CSR which accepts that though business organizations are established to make profit, they should draw the line between exploiting natural resources and destroying fauna and flora.

Second, is the *sustainability justification* which locates the need for CSR in terms of the need to ensure "environmental and community stewardship." This aligns to the humanistic view of CSR which suggests that the environment needs to be protected and enhanced for business activities to be sustained. In other words, shareholders should not be smiling at the expense of other stakeholders. Simply put: companies need to be seen to be responsible to the environment that sustain their business.

Third is the *license-to-operate* reason which is most pragmatic in the sense that CSR is a license to engage in certain businesses. Organizations depends both internal and external stakeholders to obtain the necessary resources for their continued operation and development. The legitimacy of the use of these resources depends on the correspondence of and adherence to its behavior to rules and values upheld by society. Accordingly the organization will obtain a "license to operate" on the condition of not being considered as a violator or societal norms and a predator of the natural environment. That is a utilitarian legitimacy on the part of the Corporation.

Currently, it appears that oil and gas companies operations need to take issues of responsibility very seriously to have unhindered operations within the Niger Delta region. It also appears that the introduction of the GMoU framework by CNL & SPDC is geared towards obtaining the much desired 'license-to-operate'.

Fourth is the need to maintain a particular *reputation*. Companies often aim to protect the brand name and reputation in the form of their corporate-social image. Besides the financial performances, investors integrate in their choices of portfolios, the risk of loss of "reputation capital", which can also be translated by a loss of financial capital. When employees have the choice, they will prefer to work in a socially responsible company.

Porter and Kramer (2006) suggest a fifth justification which is hinged on the *interdependence of business and society*. By this, they note that "a broad understanding of the interrelationship between a corporation and society while at the same time anchoring it in the strategies and activities of specific companies". This position aligns with the "Business and Society" argument for CSR which suggests that there is no waterproof partition between the company and the society. That is, the company and society are intertwined and share a mutually beneficial relationship due to their constant interactions. The company maintains a relationship with the society which is not exclusively trade in nature and this relationship results in a shape of social contract authorizing a social control by the society and the possibility to "punish" a company's irresponsible acts. So, the proponents of this justification also suggest that the contracts of cooperation which establish the confidence between the firm and its stakeholders get a competitive advantage to the company. Njoga (2007) study of the role of CSR in enhancing corporate image indicates that CSR is an image booster for corporations which should not be applied as a mere public relations exercises that adds little or no value to the communities but only serves to assure the corporations of enhanced publicity and media value. Njoga (2007) recommends that CSR be regulated at national and international level to come up with a specific model to assure communities of real value and deter corporations from selfish investments.

CSR therefore insists that companies should revisit their strategies by integrating the social and environmental dimensions to answer the various pressures from the society. At the pragmatic level, this

approach is often summarized by the concept of the “*triple bottom line*” (John Elkington); that is the consideration in the management of economic, environmental and social objectives.

Concept of Poverty

There is no unanimity amongst scholars as to the definition and conceptualization of poverty. According to (Kotler, Roberto, & Leisner, 2006), there are three approaches to poverty viz; monetary poverty, capability poverty and social exclusion poverty. Monetary poverty refers to ability of the individual to meet his needs relative to the available resources. Capability poverty could be defined as the individual's ability to develop themselves such that they will be able to be functional at a certain minimal level in the society. According to them, going above the monetary poverty level is a necessary but not sufficient criterion to prevent the chain effect of poverty. Finally, the social exclusion poverty is the denial of persons from being involved in an activity within his country whether or not he wants to get involved.

Causes of Poverty

According to Rank (2009), the causes of poverty can be categorized into three major factors viz; individual factors, cultural and neighborhood factors, and structural factors. The individual factor has to do with the belief system which an individual has with respect to hard work and responsibility to acquire his basic needs. This view is prevalent in the United States where every individual is given the opportunity and a conducive environment to excel. Consequently, the failure or inability to excel is a function of lack of motivation or mere laziness. The cultural and neighborhood factor of poverty is predicated on the fact that the poor has certain values, beliefs and behavioral patterns in respect to hard work, sex, spending etc. which they have developed over time in a certain environment and which tend to confine them to poverty as opposed to the rich. Furthermore, the structural factors relate to the impoverishment of the people largely caused by the structure, both economic and social within which individuals make a living.

Empirical Review

Literary works on the Niger Delta is replete with how activities of Oil and gas multinationals operating within the region have not only induced, but aggravated incidences of the seeming perennial conflict and poverty situation in the region. Considering the nature of this work, we shall evaluate very few that are closely related to the problematic in order to further elucidate the very point of departure of this work from existing literature.

Examining the relationship between Multinational Petroleum Companies (MOCs) and poverty in the selected rural coastal communities in the Niger Delta region of Nigeria, Bieh (2013) observed that operations of MPCs in the Niger Delta are the dominant causes of massive poverty experienced by the people in the coastal areas of the region. The work obtained samples from coastal rural communities cutting across three states of Akwa-Ibom, Rivers and Bayelsa. Adopting the chi-square statistical method, the study reveals that MPCs operations in the region which often lead to oil spills is the primary cause of poverty experienced by the people in coastal areas. Thus, the study found that environmental pollution by MNCs is the primary cause of rural poverty in the Niger Delta as inhabitants are systematically dislocated from their original source of livelihood – the lands and waters. Following the findings, the study recommended that new legislations should be made to replace existing weak, insufficient and obsolete ones to protect the environment with stringent implementation strategy. He suggested that the new legislations and proper enforcement would help reverse the alarming poverty trends of the coastal communities. Although, the work investigated the primary causes of coastal poverty, it did not attempt to evaluate the steps taken by the MNCs to mitigate the impact of their operations on these communities – which constitutes the major thrust of this work.

Wosu (2013) argued that lack of genuine community engagement interface by the TNCs in oil activities is the major problem of Niger Delta Crisis. Using the interview method and secondary data gathering methods he concluded that lack of genuine and transparent engagement strategy by SPDC in the oil

exploration activity has resulted to the destruction of the ecosystem as well as livelihood strategy of the host communities which reinforces poverty and hardship in the communities. Although he alluded to the fact the GMoU framework may have some benefits, he however questioned the sustainability potentials of the framework in light of negative consequences of globalization on the rural host communities. Like Bieh (2013), the paper also attributed the destruction of the ecosystem and systematic displacement of inhabitants from their primary sources of livelihood as major cause of poverty within the region.

Egbe and Paki (2011) examined the place of CSR in the Niger Delta using the SPDC GMoU as case study. Adopting the Donaldson's Moral Minimum for Multinationals (MMM) framework Egbe and Paki (2011) evaluated SPDC's CSR activities in the Niger Delta and found SPDC falling short in virtually all aspect of the MMM framework and thus concluded that SPDC CSR activities as inadequate and not making the desired impact. In a somewhat contradictory conclusion however, the paper recommended that the GMoU framework be adopted across the (rural) Niger Delta communities due to its 'bottom-up' approach to development having identified the top-down approach to development as a major development problem in the Niger Delta region. The conclusion that the GMoU framework be adopted across oil bearing communities in the Niger Delta with deliberate bias in favour of women appear a bit hasty and illogical considering that there was no data obtained and analyzed to warrant the sweeping conclusion. In other words, the adoption of the Donaldson's Moral Minimum for Multinationals (MMM) by Egbe and Paki (2011), is inadequate to warrant the conclusion of the work.

Study Method

The study adopted the survey research design in the collection, analysis, and interpretation of data. The nature of data was primary which was sourced from the indigenous adult population drawn from 9 clusters across selected states within the Niger Delta Region. The instrument employed was a combination of structured and semi-structured interviews, field notes, and recordings of responses. Face validity method was used to ensure the instrument was valid for the study. In addition, a test-re-test method was adopted to assess the reliability of the instrument by administering 20 copies in five communities, which yielded a correlation coefficient of 0.91. Therefore, the responses were consistent and the instrument reliable for the study.

Sample and Data Collection

436 copies of questionnaires were administered to 86 communities drawn from 9 clusters across selected states within the Niger Delta region. Out of which, 313 questionnaires representing 72% response rate was retrieved. The 313 questionnaire retrieved forms the basis of this analysis.

Methods of Data Analysis

Descriptive statistical methods were predominantly used to analyze the primary data collated from the field. While, Chi-square (χ^2) was used to test the hypotheses in section (1.3) above.

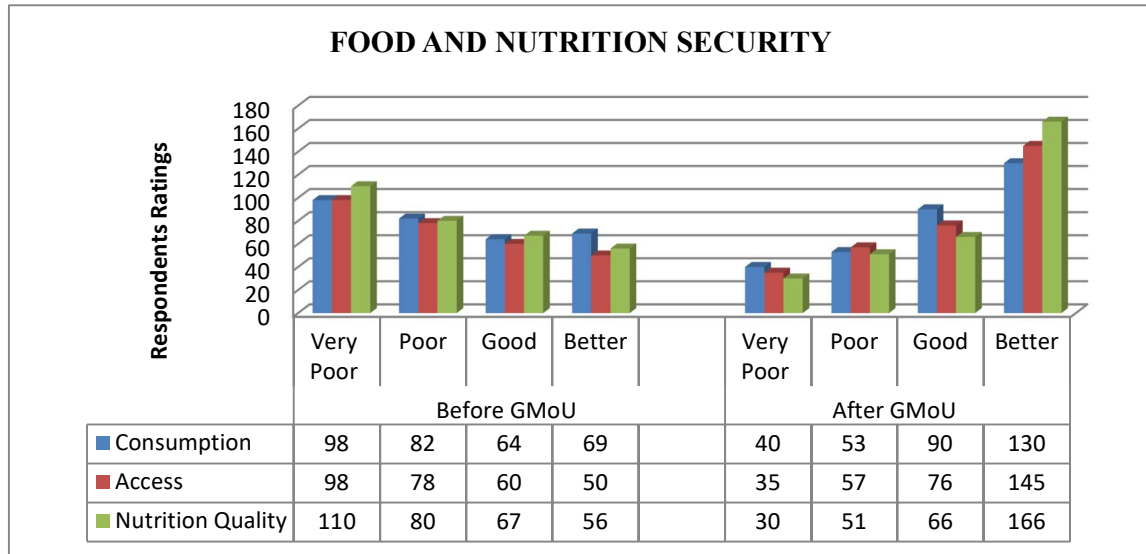
Results

The results of our data analysis in line with the research questions are presented as follows.

Research Question 1: Can Community Investment strategies, such as the GMoU model have any impact on incidences of rural poverty among oil bearing communities in the Niger Delta region?

Figure 1: Respondents' ratings on their perceived status of food and nutrition security before and after the GMoU introduction

Source: Author's computation from field survey (2017)



From fig 1.above, respondents rated their food and nutrition security in terms of consumption, access and nutrition quality. The chart above indicates that most respondents rated their food and nutrition security in terms of consumption, access and quality as poor during the pre-GMoU era. However, respondents ratings of over 50% to either good or better indicates a notable improvement.

Figure 2: Respondents' ratings of their perceived status of domestic water supply before and after the GMoU introduction

Source: Author's computation from field survey (2017)

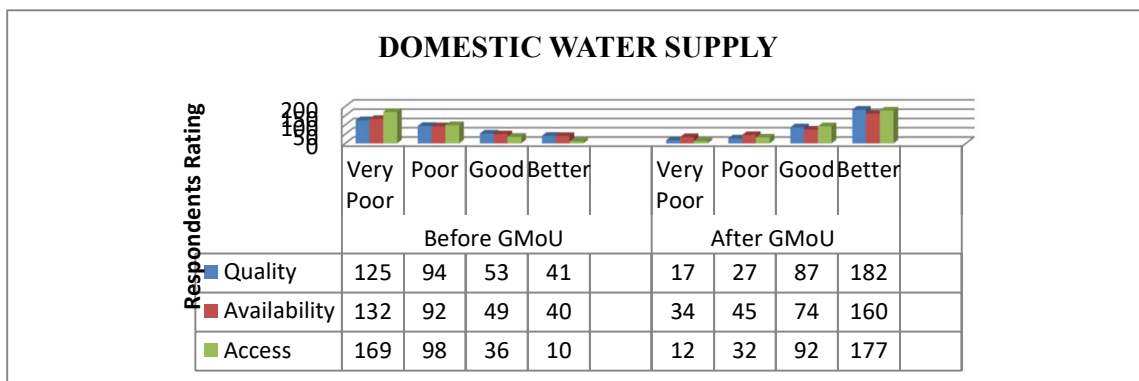
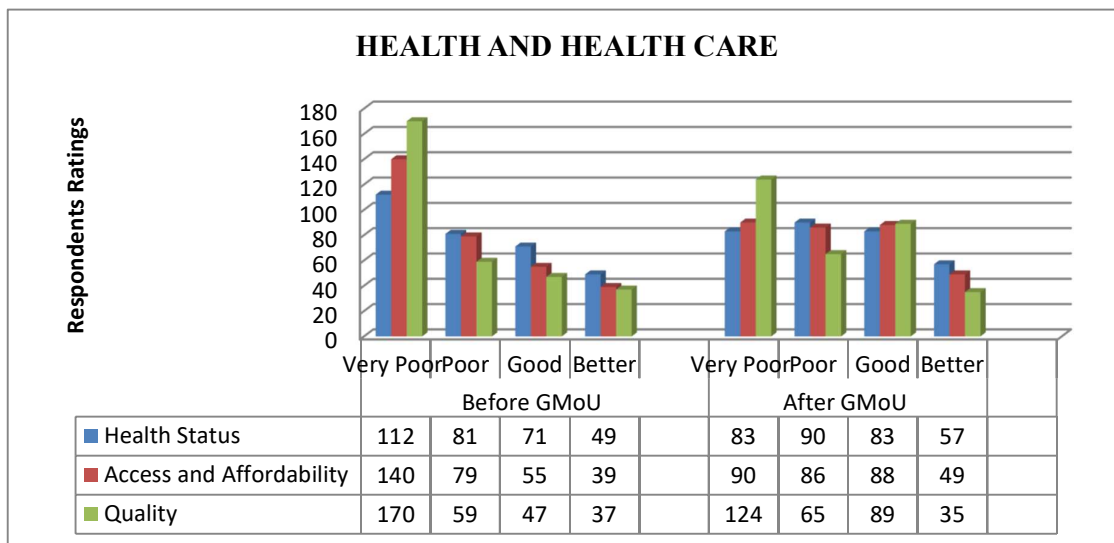


Figure 2 above show respondents' ratings of domestic water supply in terms of quality, availability and access before and after the GMoU framework was introduced. The ratings show that most respondents are of the view that domestic water supply was very poor before the GMoU framework. Findings from focus group discussions indicate that some of the communities had sourced their domestic water from the streams and rivers which were often polluted by oil exploration activities

Figure 3: Respondents' ratings on their perceived status of Health and Health Care before and after the GMoU introduction

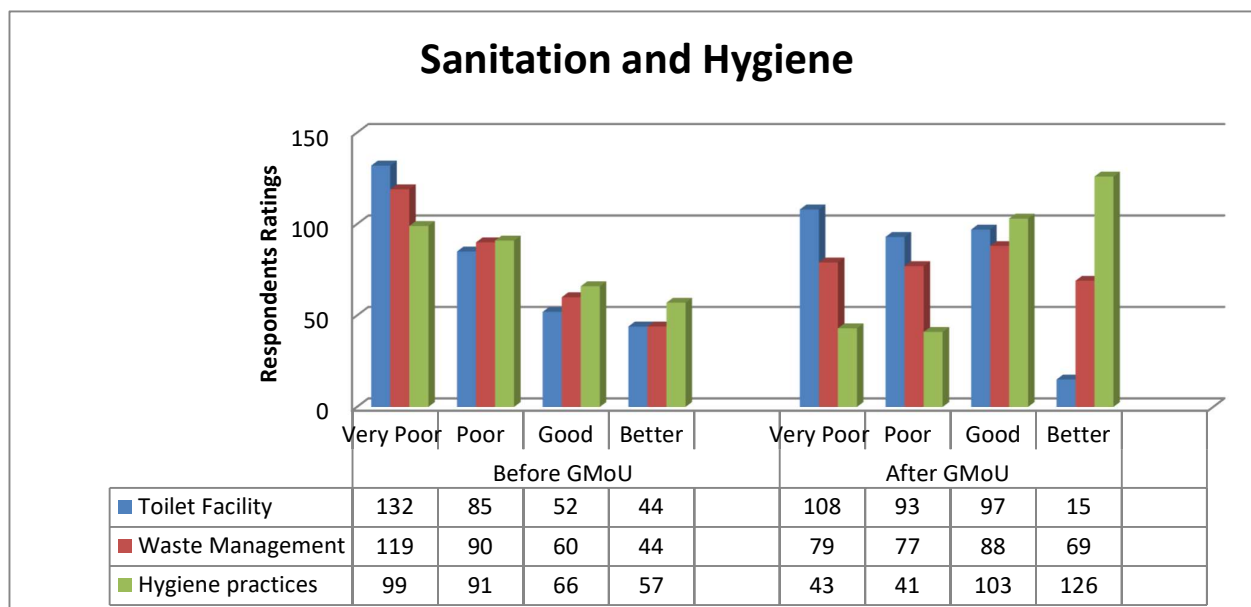
Source Author's computation from field survey (2017)



From fig 3 above, the ratings indicate that the GMoU framework has not been as impactful as in other areas of poverty assessed above. As indicated in the graph, a smaller number of respondents suggest a little improvement on their health status, access and quality. In other words, not much has been achieved in terms of health even after the introduction of the GMoU framework.

Figure 4: Respondents’ ratings on their perceived status of Sanitation and Hygiene before and after the GMoU introduction

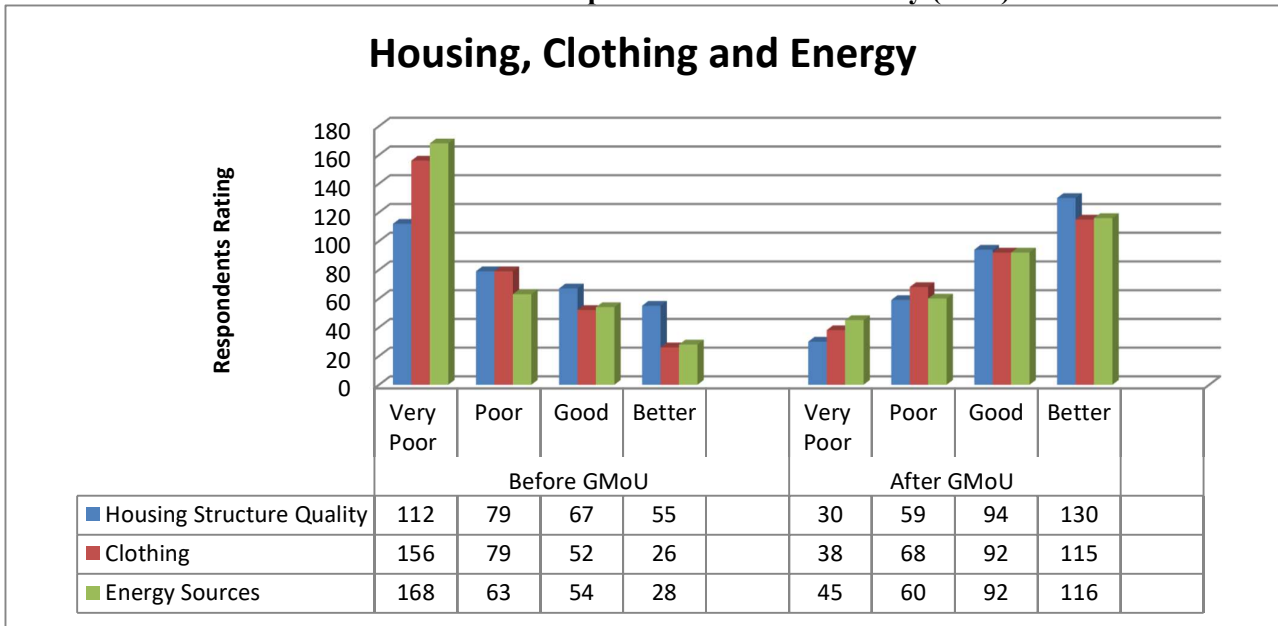
Source: Author’s computation from field survey (2017)



The overall assessment of respondents’ view on sanitation and hygiene before and after the GMoU showed no much impact in terms of the measurement criteria of provision of toilet facility, waste management and general hygiene practices. Respondents from Andoni Cluster particularly rated the impact of the GMoU highly in terms of provision of toilet facilities while most upland clusters could hardly see any meaningful impact in any of the areas of hygiene

Figure 5: Respondents’ ratings on Housing, Clothing and Energy before and after the GMoU introduction

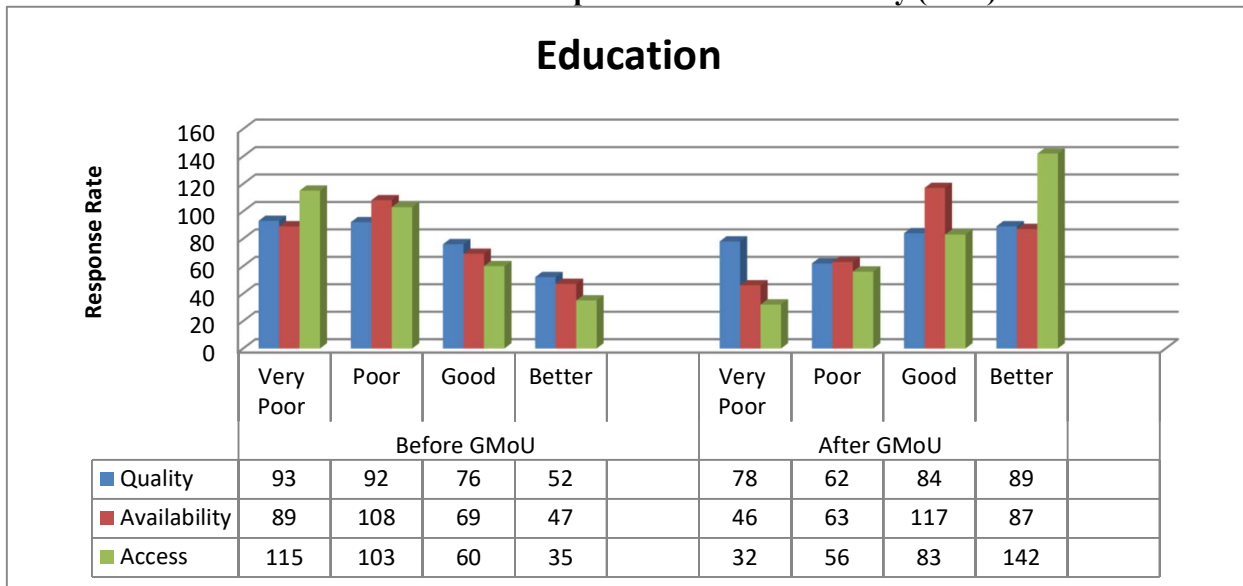
Source: Author’s computation from field survey (2017)



The graph above shows respondents’ ratings on access to housing, clothing and energy before and after the GMoU framework. Ratings in the graph indicate some level of improvement in housing, clothing and energy after the GMoU introduction in the communities.

Figure 6: Respondents ratings on Access to Quality Education before and after the GMoU introduction

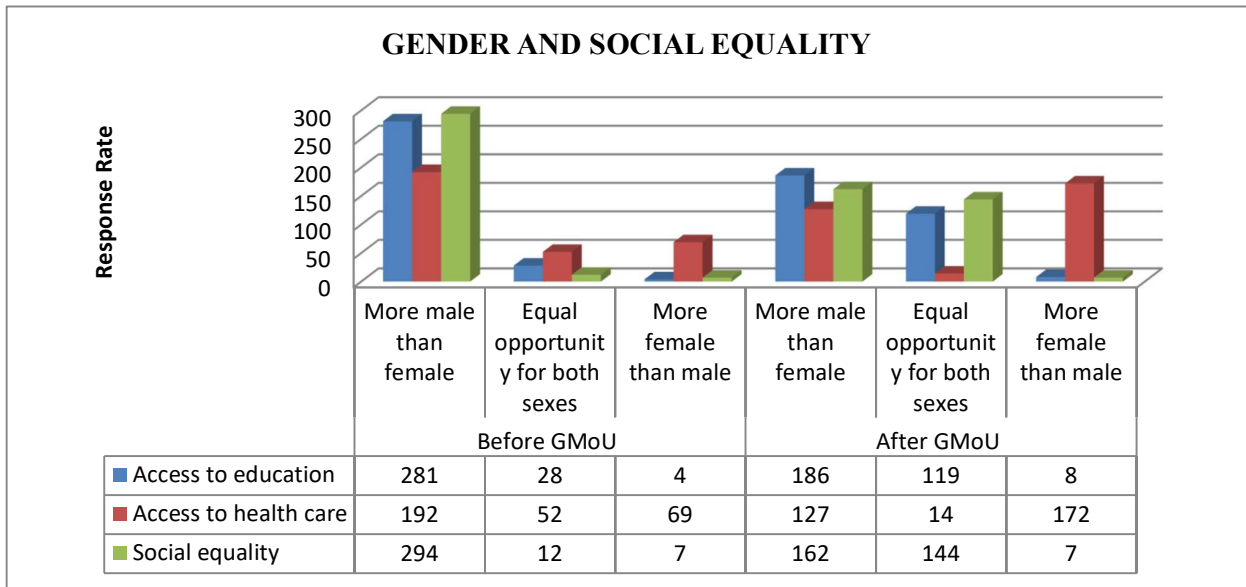
Source: Author’s computation from field survey (2017)



The GMoU framework was also assessed in terms of its impact on literacy level of benefitting communities before and after the GMoU introduction in the communities. Respondents were asked to rate the possible impact of the GMoU on the education of community members in terms of quality, availability and access. From the ratings above, it appears the impact is felt more in terms

of accessibility to education. The ratings show that more persons of school age now have access to school unlike what the situation was before the introduction of the GMoU.

Figure 7: Respondents ratings on the impact of the GMoU framework on Gender and Social Equality

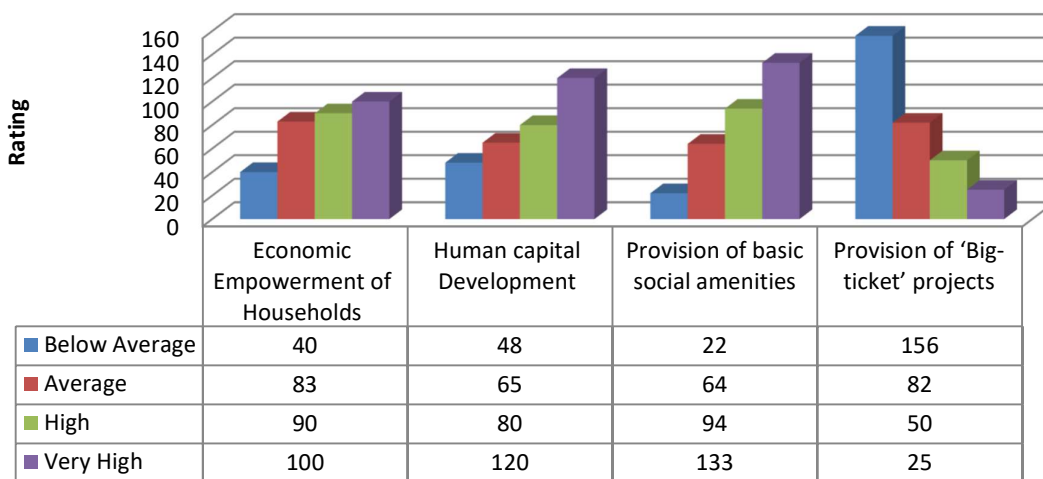


Source: Author’s computation from field survey (2017)

Respondents rated the impact of the GMoU on gender and social equality issues based on three indices of access to education, access to health care and social equality. There is a noticeable adjustment in the ratings after the GMoU introduction in all the three indices of assessment. For instance, over 38% (119) of respondents agree that there appears to be equal opportunity for both male and female folks in terms of access to education after the introduction of the GMoU as against 8% (28) of respondents who claimed equal opportunity for both sexes in terms of access to education before the introduction of the GMoU. A similar figure was recorded in the social equality indices where 46% (144) of respondents affirm social equality for both sexes after the GMoU introduction as against a little above 3% (12) of respondents claiming same before the introduction of the GMoU. Health care ratings for women tend to rise sharply after the introduction of the GMoU as over 54% (172) of respondents believe more women now have access to health care after the GMoU than (22%) before the GMoU introduction.

Figure 10: Respondent’s socio-economic perception of the GMoU framework

The Impact of GMoU Framework on Rural Poverty



Source: Author’s computation from field survey (2017)

A general assessment of respondents’ view on their perceived impact of the GMoU framework was also made aside the specific areas and indices earlier presented above with the aim of ascertaining in direct terms, how respondents (being the direct and indirect beneficiaries of the GMoU programs in the communities) will rate the framework in terms of economic empowerment of households, human capital development, provision of basic social amenities and provision of big ticket projects.

The ratings by respondents indicate that over 60% (190) of respondents rated the GMoU framework as either ‘high’ or ‘very high’ in terms of their perceptions of the impact of the framework on economic empowerment of households. 13% (40) rated the framework ‘below average’ in this regard while 27% (83) rated it as having performed on the average in term of economic empowerment of households in the communities

H₀: There is no significant relationship between incidences of rural poverty and community resistance of oil companies’ operations in the Niger Delta.

Table 1: Contingency Table of Operational Variables

S/N	PERFORMANCE CRITERIA	AGREE		DISAGREE		TOTAL
		Responses	%	Response	%	
1	Community resistance actions against CNL and SPDC has nothing to do with the impact of their operations on livelihood access of the communities	4	8.2	45	92	49
2	The GMoU framework has a positive impact on the communities livelihood support	24	80.0	6	20	30
3	Your working relationship with the company Pre-GMoU was cordial	7	11.3	55	89	62
4	The deployment of the GMoU framework has a positive impact on your current relationship with the company	70	87.5	10	13	80
5	The community quarrels with the company has become more frequent post GMoU	14	15.2	78	85	92
	TOTAL	158		155		313

Source: Author's computation from field survey (2017)

Table 2: Result of the Test Statistics

Level of Significance (α)	Degree of Freedom	X ² Calculated Value	X ² Critical (table) Value
5%(0.05)	4	163.2	9.48

The result of the test of hypothesis in Table 2 show that the calculated X² value is 163.26, while the critical or table value is 9.48 at 5% level of significance and 4 degree of freedom. Since the calculated X² value is greater than the critical X² value, we reject the null hypothesis. The result of the test suggests a statistically significant difference between observed or empirical distribution from the expected distribution. This implies that the incidence of rural poverty has a significant relationship with the incidences of community resistance of oil multinationals' operations in the region. The result is also indicative of the fact that the GMoU framework tends to serve as the requisite palliative to managing communities' working relationship with the companies.

H₀: *There is no significant relationship between socially adaptive Community Investment strategy, and incidences of rural poverty and community resistance of oil and gas operations in the Niger Delta region*

Table 3: Operational Variables

S/N	PERFORMANCE CRITERIA	TRUE		FALSE		TOTAL
		Responses	%	Responses	%	
1	The GMoU Framework does not give room for community stakeholders to determine the choice of intervention projects and programs to be carried out in their community	13	4	300	96	313
2	The GMoU strategy does not encourage transparency and accountability	40	13	273	87	313
3	The projects and programs implemented via the GMoU strategy do not address actual community needs.	18	6	295	94	313

4	The GMoU implementation strategy has not significantly contributed to the reduction of conflicts between the company and community.	9	3	304	97	313
	MEAN	20	6	293	94	313

Source: Author's computation from field survey (2017)

Table 4: Result of the Test Statistics

Level of Significance (α)	Degree of Freedom	Calculated Value X^2	Critical (table) Value X^2
5%(0.05)	3	114.74	7.8

The result of the test of hypothesis in the table above shows that the calculated X^2 value is 114.74, while the critical or table value is 7.8 at 5% level of significance and degree of freedom of 3. Since the calculated X^2 value is greater than the critical X^2 value warranting a total rejection of the null hypothesis. The result suggests a statistically significant difference between the observed or empirical distribution from the expected distribution. This implies that, the socially adaptive strategy of deploying community investment projects and programs in the communities has the potentials to stabilize the relationship between oil multinational companies and their host communities.

Discussion of Findings

Findings from the study reveal that most community resistance issues against multinationals are sheer manifestation of the poverty situation foisted on them through the unguided oil and gas exploration activities of the multinationals (see table 4.4) as well as poorly packaged deployment strategies of social investment projects and programs. Frustrations arising from fast diminishing sources of livelihood of the rural inhabitants instigate resistance issues by the communities in which the communities sometimes directly confront oil multinationals in whatever guise accessible.

The integration of the principles of stakeholders' inclusiveness tends to engender transparency and accountability in the application of donated funds through the GMoU framework; a situation that ensures that funds are applied to address actual community needs. These principles tend to eliminate potential intra and inter communal conflict resulting from the management of donated funds by the multinationals. This implies that the structural set up of the GMoU framework predisposes it as an adaptive framework that addresses obvious social lapses common with former strategies especially in terms of managing minor conflicts between the companies and their host communities.

Finally, the study shows that although the GMoU framework, as currently deployed tends to serve immediate domestic socio-economic needs of host communities and business interests of funding companies, the framework proved too weak to drive and implement big-ticket development projects across the Niger Delta

Conclusion

The incessant community resistance issues against oil multinationals in the Niger Delta region is traceable to the debilitating poverty indices of the rural communities resulting basically from the devastated environment that had hitherto constituted the source of livelihood of people in the rural communities as supported by findings from this study. It is also the finding of this study that poorly adapted community investment strategies of oil and gas multinational companies also contributed to twin challenges of abject poverty in the rural communities as well as the attendant heightened community resistance issues against the companies. Secondly, whereas the GMoU framework strategy has the potentials to address primary business interests of sponsoring companies and also addressing microeconomic needs of households in the rural communities, the strategy proved to be weak in addressing macroeconomic challenges of the Niger Delta communities

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