

## Sustainability, Corporate Community Engagement and Enterprise Development – Lessons from a Case Study in Emu-Ebendo Niger-Delta, Nigeria

### Zrównoważenie, korporacyjne zaangażowanie społeczne i rozwój przedsiębiorstw – lekcja z Emu-Ebendo w delcie Nigru, Nigeria

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#### Abstract

Corporate community engagement remains an under researched area in sustainability debates. Presenting a case study, based on in-depth interviews and site visits, of how one indigenous company Energia Ltd has formed a strong partnership or bond with the Emu-Ebendo community in the oil rich Niger Delta, the dynamics of corporate community engagement are critically discussed. Evidence of how both the company and community has benefited from this relationship is presented. The case analysis concludes that the company has effectively utilised a clearer understanding of the culture of the host community, leading to a transformational relationship. The approach adopted by Energia Ltd in the Emu-Ebendo community is unique in context. The key conclusion reached is that community benefit funds and community enterprise development, as a derivative of corporate engagement, can play a transformational role in societal and economic development.

**Key words:** community engagement, community enterprise development, sustainability, local content, Niger Delta, Nigeria, oil and gas

#### Streszczenie

Kwestia korporacyjnego zaangażowania społecznego nie jest często podejmowana w ramach debat o rozwoju zrównoważonym. Lukę tę uzupełnia niniejsze studium przypadku, oparte na szczegółowych wywiadach i pracy w terenie. Pokazujemy, w jaki sposób kompania Energia Ltd wprowadziła zasadę partnerstwa, w wyniku której nawiązała się silna więź pomiędzy firmą a społecznością Emu-Ebendo zamieszkującą bogatą w ropę Deltę Nigru. Przedstawiono dowody, jakie korzyści odniosły zarówno kompania, jak i społeczność. Przeprowadzono analiza pokazuje, że firma efektywnie wykorzystwała zasady wyznaczające ramy kultury lokalnej społeczności, co prowadziło do pozytywnych zmian odnoszących się do wzajemnej relacji. Podejście przyjęte przez Energia Ltd wobec społeczności Emu-Ebendo jest nowatorskie. Okazało się, że fundusze świadczeń społecznych i społeczny rozwój przedsiębiorstw, będące pochodną zaangażowania korporacyjnego, mogą odgrywać podstawową rolę w przemianach społecznego i ekonomicznego rozwoju.

**Słowa kluczowe:** zaangażowanie społeczne, społeczny rozwój przedsiębiorstwa, zrównoważoność, lokalna wartość, Delta Nigru, Nigeria, ropa i gaz

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#### Abbreviations

ECCR – Ecumenical Council for Corporate Responsibility; MoU – Memorandum of Understanding;

NOGIC – Nigerian Oil and Gas Industry Content Act; LNG – Liquefied Natural Gas

## 1. Introduction

Businesses and communities, and their impacts on society and environment, are core to sustainability debates. Yet corporate community engagement is an under-researched topic in the sustainability literature. In particular, as Bowen et al. (2010) point out: there is a lack of evidence on the tangible benefits that can flow to companies and communities, from corporate community engagement initiatives. This article responds to their specific call for further research into this issue by presenting how the engagement approach of one company has led to transformational change in shared company-community benefit provision. In the following paragraphs, Nigeria is presented as the national context for this research.

Nigeria is Africa's largest oil producer. According to the United States (US) Energy Information Administration (2015) Nigeria it is also one of the world's major exporters of liquefied natural gas (LNG). While endowed with these vast fossil fuel resources, Nigeria and in particular the Niger Delta, has proven to be a very challenging context for government (national, state and local), foreign oil corporations, and communities alike. Indeed, communities often report that they have failed to benefit adequately from the wealth created from oil and gas extraction, and claims of corruption and nepotism amongst governmental and corporate players has soured relationships (see for example: Kemp, 2010). In such a toxic environment, government-company-community relationships have often been characterised by significant levels of mistrust, antagonism and at times even considerable violence, with this regularly receiving international media coverage.

Attempting to address host community tensions, both government and oil and gas companies have embarked on ambitious stakeholder management programmes. Perhaps the most pressing requirement for Nigeria, given its economic reliance on oil production is to address head-on the issues confronting relationships among local communities, oil companies, and the government in the key oil rich region of the Niger Delta. Consequently, the analysis presented in this article is based on a case study of one particular company, Energia Ltd, and one specific community, the Emu-Ebendo community.

The reason why this case is of interest is that unusually in the context of Nigeria, and for that matter other developing nations where foreign oil companies dominate, Energia Ltd has effectively utilised a clear understanding of the culture of the host community, leading to a transformational relationship or bond between the company and community. Schein (1990), Schein (1985), Schneider (1988) and Weeks and Galunic (2003) have outlined how important it is to use a *cultural lens* when trying to understand companies and communities. Going further they contend that culture accounts for values, beliefs or

practices, with Hoecklin (2000) concluding that companies who do not possess a cultural understanding of their host community will run into multiple problems. In the context of this research, the company's cultural understanding of the host community has been one of the key factors in building an effective relationship, and this comes through in our analysis.

As evidence of this, and again unusually in Nigeria, a formal Memorandum of Understanding (MoU) has been signed between the company and community, which gives cognisance to cultural sensitivities. This stipulates that a share of the proceeds from the sale of oil produced within the Emu-Ebendo community is paid into a (trust) fund. To date this has been used to fund community projects and enterprise development ventures worth many millions of dollars. Drawing an international comparison, the distribution of profits back into local community projects has some similarity with the development of oil resources in say, the Shetland Islands of Scotland. And more recently in the United Kingdom (UK) the provision of community trust funds for renewable energy projects.

The following section of the article provides a review of key theoretical concepts, and further lays out the central focus of the research. In the next section, the case study of Energia Ltd and the Emu-Ebendo community is introduced. In the fourth section the key results around transformational engagement are presented. Conclusions and areas for future research are then reached in the final section.

## 2. Theoretical Perspective

In this article the work of Zimmerman (see for example: Zimmerman, 2000; Zimmerman and Warschausky, 1998; Perkins and Zimmerman, 1995) is particularly helpful in making the argument that community engagement and empowering communities has become necessary in the relationship between business and society, and that corporations' should play an instrumental role in that process. Zimmerman's emphasis on *improvement of the quality of life of host communities*, and the *provision of opportunities for citizen participation* (Zimmerman and Warschausky, 1998; Perkins and Zimmerman, 1995), is drawn upon here as it allows one to think through the ways in which corporate community engagement is initiated and its effects.

To this end Zimmerman's (2000, p. 44) conceptualisation of empowerment as being productive is generative for grasping how corporations' could be transformational in their role in society. It is here also that Zimmerman's attention to the switch in nomenclature of corporations' as social change agents from *client* to *participant* and *expert* to *collaborator* in the empowerment process is of value for informing how to understand how companies as *collaborator* learn about the communities' through *their cul-*

tures, their worldviews and their life struggles in contemporary business and society relationships. Having provided this insight into the theoretical lens that underpins the study, the concepts of community and corporate community engagement are now discussed and explained further.

### 2.1. Corporate Community Engagement

Community engagement has been defined by a number of different authors. Bowen et al. (2008, p. 14) state community engagement is, *the process of working collaboratively with and through groups of people to address issues affecting the well-being of those people*. Similarly, Colombo (2012, p. 2) defined community engagement, *as the process implemented by companies to work collaboratively with and for individual citizens and geographically defined community groups to address issues affecting their social well-being*. For Muthuri et al. (2009) this process helps organizations assess and resolve community needs and creates opportunities with the ultimate aim of contributing to community development.

However, such collaborative intent is often obscured due to a conceptual ambiguity around what in practice constitutes community. For instance, a geographical perspective of community might overlook the interactions amongst members within that geographical space (Bowen et al., 2010). Sama and Aref (2011) assist here by outlining four basic constituents surrounding the concept of community. These are: people; area; interaction; and, interest.

Notwithstanding the difficulties of defining community, there are a number of other difficulties within the academic literature. These are associated with the range of descriptions given to the term community engagement (Boele and Wheeler, 2001). As Bowen et al. (2010, p.299) has outlined several terms are used interchangeably. These include: *community involvement; public involvement; stakeholder engagement; citizen engagement; public engagement; community consultation; community development; community relations; public participation and community capacity building*. The overall effect of the different semantic choices is one of confusion and lack of agreement about what the term *community engagement* actually means, as Sarrami Fouroushani et al. (2012) have said.

Another problem is the different ways in which the relationship between community engagement and stakeholder theory has been conceptualised. While some commentators perceive *community* as being one of many stakeholders that a firm may have, others depict community engagement as interaction with any or all external stakeholder groups (Kepore and Imbun 2010).

Also, the manner in which the many different definitions have been presented implies that different levels of community engagement might exist. Kepore and Imbun (2010, p. 221) for example indicate that

community engagement, *is any channel of communication purposely set by a business organization in order to receive feedback on its activities from external stakeholders*. This describes a simple, one-way direction of communication, used by the firm for its own (unknown) internal processes and decision-making. On the other hand, the World Bank (2006, p. 12) perceives community engagement as, *a broad, inclusive and continuous process between a company and its stakeholders, such as community members, NGOs, and local/regional government*. This appears to suggest a greater two-way process, with many flows of communication, quite different from the first definition.

Arguably, the most popular model of community engagement is Arnstein's (1969) ladder of citizen participation. The ladder presents a tiered range of interaction with the bottom rung of the ladder being the firm dominating the relationship and acting unilaterally in dictatorial fashion, but nevertheless possibly influencing the education and ambitions of members of the host community. In contrast, at the top rung of the ladder, is a more enlightened relationship with full empowerment of the public, to be equal partners in all aspects of the running of projects, within the local region (Attree et al., 2011; Menon and Stafinski, 2011).

Brenner et al. (2011, p. 87) further refer to a continuum model for community engagement. This starts from, *community consultation, to community participation, and ends in community consent*. A common concept in the community engagement literature is the *continuum of community engagement*, where engagement approaches are set out in a linear format, showing from least engaged to most engaged. Various typologies that form the basis for this continuum exist.

A particularly influential continuum model is that of Bowen et al. (2010, p. 304), which borrows terminology from the leadership literature and describes *transactional, transitional, and transformational* engagement, as three forms of engagement that are typified on a *continuum of community engagement*. According to Sarrami-Fouroushani et al. (2014), the first, *transactional* phase in Bowen et al.'s (2010) model indicates that although the community has a passive role it receives benefits of a tangible and intangible nature. These benefits include philanthropic gifts, people prepared to work for the community part-time on a voluntary basis and of course being kept up-to-date about corporate activities.

The second *transitional* phase is concerned with interactive engagement between the parties. Here this is open and transparent exchanges of ideas and significant levels of co-operation, but much of the interaction will be prompted at the request of the company and undertaken at corporate level. In essence, the community will be treated as a minor stakeholder.

In the final *transformational* phase, joint decision-making is the hallmark that signals a genuine partnership of equals has evolved (Bowen et al., 2010). Transformational engagement concerns purposeful actions taken by the company with the intention of effecting change in society through robust two-way communication and co-creation of value.

The concepts and models outlined above help to evaluate what community, and community engagement is, and this will assist further in the evaluation of the engagement strategy pursued by Energia Ltd. Bowen et al.'s (2010) continuum model is the most helpful here, with it being based on such a rich body of literature. But before moving onto a discussion of the method of analysis that underpins this research, the concept of community enterprise development is explained.

## 2.2. Community Enterprise Development

Sustainability aims to encourage organizations to act responsibly and contribute to the development of their host communities. In this pursuit many oil companies budget and spend huge sums of money on developmental projects. But despite increasing levels of money spent by some of these companies, the contribution made by funds to improve peoples' standard of living remains elusive (see for example: Aghalino, 2011; Lawan, 2008).

For this reason, there is increasing attention given by companies to assist hosting communities create social and business ventures (commonly referred to as community enterprise development) in order to empower citizens, with the aim of reducing poverty. Somerville and McElwee (2011) outline that interest in community enterprise development has arisen for many reasons. Charity, as conceptualised in the West, has not solved the problem of endemic poverty in developing countries (Saiia et al., 2003). Also, the renaissance of the African 'Ubuntu' concept – *the belief in a universal bond of sharing that connects all humanity* – has done little to solve the poverty problem (Newenham-Kahindi, 2009, p. 104). Moreover, communities increasingly realize that governments and corporations have failed to live up to their responsibility to create more egalitarian societies (Frynas, 2005).

Historically, community enterprise has its pedigree in civil society. Public interest promotes these kinds of organizations but such enterprise tends to be autonomous of control from the state (Tracey et al., 2005). Community enterprise, often conceptualized as a division of social enterprise, has been advocated as a tool for societal change in bringing about a common good. Communities have also taken an interest in the strategy of social enterprise business models, as a means to financial sustainability (Haugh, 2012; Nwankwo et al., 2007).

Community enterprises tend to be not-for-profit entities. Profits or monetary are surpluses re-invested

into the actual enterprise or the communities it serves. A clear difference between social enterprises and community enterprises is that community enterprise members participate in the running and overall management of entity. This is often through boards of trustees elected by the community, which may include local representatives. Their role is to help shape a clearer vision and provide strategic direction. In addition, and under this model, assets tend to be held in trust for the community (Nwankwo et al., 2007). In summary community enterprise is, *an enterprise whose social foundation lies in a community of some kind... insofar as they are controlled by their members and have social as well as economic aims* (Somerville and McElwee, 2011, p. 4).

The extant literature presents various forms of community enterprises including *community co-operatives*, where *the emphasis is more on membership control* (Somerville and McElwee, 2011, p. 4) and *community-based enterprise* (CBE) which involves *a community acting corporately as both entrepreneur and enterprise in pursuit of the common good* (Peredo and Chrisman, 2006, p. 4).

Whatever shape community enterprise activity takes, benefits accruing from community enterprise development, such as individual and community aspiration, as well as future economic growth and development, appear to make it one option for developing nations to pursue solutions to reduce poverty.

## 3. The Research Strategy

### 3.1. Research Site

The Emu-Ebendo community is located in the Ndokwa West Local Government Area of Delta State. It is 398 kilometres south of Abuja, the capital of Nigeria. There is no government population consensus data available and so it is estimated that approximately 20,000 people live there. In Nigerian terms, it is a small community.

Energia Ltd is the operator of a marginal oil field, located in the Emu-Ebendo community. Incorporated in 2001, it is an indigenous company. Established by key oil and gas technology services experts, its aim is to exploit the legal requirement that stipulates that only companies owned by Nigerians should be awarded licences to exploit marginal oil fields.

The mission statement of Energia Ltd is to, *exploit, produce and process sustainable energy sources for the development and upliftment of mankind and its environment, in collaboration with the communities in our areas of operation, with a workforce that continuously improves its work methods and technology, while maintaining a healthy balance between our operations and the environment*. The core values of the company are, *transparency responsibility; accountability; commitment; integrity; respectfulness; prudence; and, professionalism* (Energia, 2013).

To avoid any confusion Energia Ltd is not a community enterprise. It has as part of its core business strategy promoted community engagement, and enterprise development initiatives, in its host community.

### 3.2. Data Sources

In total thirty-five interviews (with senior figures in government, regulatory bodies, energy companies, associations and local communities) were undertaken as part of a broader study of corporate social responsibility in the Niger Delta. A purposive sampling strategy (Patton, 1990) was chosen since respondents must have a good knowledge of the corporate community engagement issues in community. In conducting interviews all were held in spoken English, so there were no interpretation or translation issues. In addition, the principal author is a Nigerian citizen, so intricacies of spoken English in Nigerian, and any values, beliefs and wider cultural issues, were navigated sensitively.

In response to information received regarding leaders in the Emu-Ebendo community, the first interviews were held in July 2013 with the community development chair and the public relations officer of the community youth association. Also, to get a different perspective to what those in the community governance structure presented, one youth from the community was also interviewed. With their consent the interviews were recorded and subsequently transcribed and analysed using NVivo 10 software. The forty-five minute to one hour interviews provided important background and contextual information and in-depth details about their perception of Energia Ltd and their community engagement strategy, and effect on the community.

In addition, research site visits were also made to projects executed within the community including the completed ultra-modern market stalls, road-under-construction and vehicles purchased from funds of the oil proceeds. What emerged from the analysis were perspectives (from both corporate and community) on community engagement and community enterprise development. These perspectives show how corporate and community engagement has evolved within the Emu-Ebendo community.

While there are no ethical or other issues in naming the company and the host community here, rightly in order to preserve interviewee anonymity as far as possible, we developed a coding system to identify specific interviews. *Gov* indicates that the interviewee works for the government (officer); *Comp* refers to company; and, *Com* refers to community. The number at the end differentiates interviewees within the same category of respondent.

## 4. Key Findings and Discussion

### 4.1. Emu Ebendo Community Experience Before Energia Ltd's Entry

Prior to the entry of Energia Ltd in Emu-Ebendo, Elf had operated there. In addition, respondents were aware of other oil majors in other localities. However, the community perceptions of these companies were not at all positive. Key community representatives (Com 1 and Com 2) were of the view that the community as a whole had not secured enough advantage or benefit from oil activity in their region, and had not been empowered sufficiently. Illustrating this Com 2 said that,

*We had Elf. And we know about Shell and Chevron. None of these companies give a percentage of oil proceeds that I know about.*

*The most they did is to give out things like scholarships. This is a handout.*

*After the scholarship had elapsed, they may then employ us, but not always. Employment becomes the key benefit to the individual and their families.*

*But other people are cheated. Nothing goes to them, the wider community.*

Comparing the different approaches adopted from these companies, and Energia Ltd Com 2 stated,

*But, now today, we have an indigenous company.*

*They give us a percentage of the proceeds, with the whole community benefiting.*

The type of engagement adopted by the oil and gas majors outlined by Com 2 can be classified as routine practice in Nigeria. Drawing on Bowen et al.'s (2010) typology such engagement can be defined as *transactional engagement*.

In comparison Energia Ltd's approach has been very different. The predominant level of engagement perceived by the Emu-Ebendo community is that their approach has been *transformational*. Not only in terms of the percentage of proceeds given back to the community. But also in terms of the: communication strategies employed; number of community partners involved; community control over processes; and, learning by doing by the company and community (Com 1 and 2).

Presenting specific examples of engagement, the next section details the impact of corporate and community engagement and enterprise development activities on the community. In short, community engagement is achieved in practice through social and enterprise development activities, since the engagement process has produced several initiatives and business activities within the community. Community enterprise development activities here go beyond Bowen et al.'s (2010) *transactional engagement* common within other localities in the Niger Delta.

#### 4.2. Marginal Oil Fields and Impacts of Corporate Community Engagement in the Niger Delta

Following on from Zimmerman's (2000) empowerment concept and its application as a lens for this study, the conclusion reached is that the indigenous firm's engagement strategy processes is an exemplar of transformational engagement. The Nigerian Oil and Gas Industry Content Act (NOGIC) (2010) has been the catalyst for encouraging Nigerian companies to become operators in marginal oil fields, with nine marginal fields now under the management of indigenous companies (Osahon 2013; Ihua et al., 2009).

Given that the oil industry in Nigeria has long been seen as a bastion of male supremacy, it is particularly satisfying to note that the Act has resulted the first indigenous female owner and chief executive officer of a marginal field. Comp 1 highlighted the company's efforts at providing community employment as a core goal,

*How else do you want us to add value?*

*We employ 100% Nigerians. Considering the fact that we are a small company in operation for only 5 years.*

*If oil companies operate that way, more Nigerian people will be in employment.*

Demonstrating community-focused commitment by offering employment to empower the citizens of their host communities Comp 1 continued,

*34% of our employees are indigenes of our host communities. We are the first indigenous company to train five marine employees from our host communities for five months in the USA within our first two years of operation. These five marine employees were the Nigerian crew that brought back a vessel MV Princess Royale from Homma Louisiana to Nigeria.*

Gov 2 confirmed the performance of the indigenous oil company in helping Nigeria to maximise returns from marginal fields,

*Operationally, the performance I would say has been quite phenomenal because one would have thought that those indigenous companies would not have the requisite skill, technologies and expertise to operate those fields.*

*But that has been proven wrong because they have indeed surpassed expectations. They have all met their obligations and more.*

Gov 2 continued,

*But, that is not surprising. They have seen the mistakes their former companies made in the past. They have addressed those and they have learnt to overcome those challenges in operating their (new) fields.*

With respect to community engagement Gov 2 was effusive about the better relationship between the indigenous company operators, compared with the previous oil company operators:

*In terms of community engagement. They have seen the mistakes made by former operators. So now every year a work programme is produced. This details plans and activities for the previous year, current year, and next year.*

*Community comments, observations and recommendations are sought. Engagement. The community feeds into that process as an equal partner.*

This view was echoed by nearly all of the respondents who cared to comment on this issue, with clear and tangible benefits evidenced to both the company and community. A typical set of comments, this time drawn from Gov 1 would be,

*Armed police escorts are no longer required.*

*Unusually there are peaceful relationships between the company and community. This prompted me to ask why? What is the secret? The company has signed an MoU. They (the company) are faithful to the MoU; they benefit directly and indirectly.*

*The community ensures that there is peace and no hostility towards the company...the community is benefiting from a community fund and seeing themselves as principal stakeholder.*

*By ensuring that there is no rancour. The company benefits because there is no disruption to oil production activities.*

Moreover, Gov 3 confirmed that the indigenous company has an excellent working relationship with the host community,

*the marginal field operator is trying hard....they have an excellent relationship with the host community from what I have seen.*

The next section illustrates how social and community enterprise development has become possible in the Emu-Ebendo community.

#### 4.3. Social and Enterprise Development, and Governance Structures

In supporting social and community enterprise development, Energia Ltd has agreed to pay income from oil related activities, as previously outlined. This money is paid into a community trust fund and this is then reinvested into the community via social development activities and the creation of new business ventures. In illustrating this Com 1 stated,

*(The) benefits have accrued to our community have been many. Some of which are:*

- a) Road construction;*
- b) Payment of electricity bills, which has helped educational attainment;*
- c) The purchase of two Toyota Hilux 4WD cars and 2 Toyota mini buses, with only one of these vehicles retained for community use, while the others are leased out and income generated from them; and,*
- d) Monetary contributions are given as a grant in support to business ventures for women who are in farming.*

Some of the other social projects initiated and executed successfully include the:

- Elders' Welfare Programme;
- Educational Remedial Programme;
- Funding of the Emu-Ebendo Vigilante Security Surveillance System;
- Construction of an Ultra-Modern Market;
- Scholarships;
- Youth entrepreneurship;
- Sustainable water supply; and
- Promotion of indigenous capacity through contractors' support.

In order to ensure effective governance of the trust fund, social initiatives and business ventures, an Ebendo Community Trust Fund Board has been set-up. This Board comprises of community members, representatives from Energia Ltd, and a chairperson who is not an indigenous member of the community. Furthermore, the Emu-Ebendo community and Energia Ltd jointly agree who should become a member of the Board. Citizens of the community who do not hold any leadership position in the community are also chosen for Board membership to provide balance and to help with transparency. These measures are designed to prevent corruption or embezzlement of funds (Com 1, 2 and 3).

Finally, and very importantly the approach adopted by the Emu-Ebendo community is also having a broader societal impact on other Nigerian communities. Com 1 states,

*As the first beneficiary of percentage payments of this kind...other communities have been making efforts to imitate us in their discussion...with other oil companies...we are leading on this.*

In summary, this case provides evidence that suggests that empowerment and transformational engagement can generate significant practical benefit for both companies and communities, as conceptualised by Bowen et al. (2010).

#### 4.4. Discussion

The foregoing discussion has set out salient points as per corporate community engagement and community enterprise development activities. Despite the challenging nature of relationship between companies that operate in the Niger Delta and host communities, the case study indicates that there could be a peaceful relationship between companies and communities if the approach, which respects cultural norms, values and beliefs, followed here is adopted elsewhere. However, the issue of respect from the company to the communities' culture, norms and values underpin the peaceful relationship that exists. Since respect is reciprocal, the community also respects the company.

In comparison, this was absent in Shell's relationship with the Ogoni community which led to a series of

high profile conflicts that culminated in the killing of the Ogoni nine including Ken Saro Wiwa (Campbell, 2002; North, 2001). It is relevant to point out that this is not the first time research on the Niger Delta has highlighted the importance of culture in stakeholder relations. For instance, Groves (2009) argued in a related study that understanding the local culture of the host community is crucial for continuous peaceful company business within the region. He asserts that the failure of Shell in understanding the dynamics of local culture led to the breakdown in communication with the Ogoni community from which Shell was eventually banished.

Although Shell's policy was to promote a culture of respect and civil discussion, their introduction of such a policy intervention was too late to remedy the situation. Similarly, the ECCR<sup>1</sup> (2010) concluded that with regards to corporate community engagement in the Niger Delta, it had failed to respect culture and tradition. The ECCR study asserted that the community perceived the community relations officer of Shell as too arrogant, and disrespectful to the host community. Such a scenario strengthened the distrust between Shell and the community. Moreover, Shell's arrest of persons perceived to be stumbling blocks to their operation was seen as disrespect for traditional institutions because these people were actually high status representatives of the community.

Differing from the Shell case, the dynamics of the relationship in the case presented here changes by virtue of the fact that the Emu-Ebendo community has a valuable stake in the Energia Ltd joint oil field.

## 5. Conclusion

As noted in the introduction, corporate and community engagement is an overlooked issue in sustainability debates. There is not much evidence regarding its effectiveness and practical benefits, particularly in developing nations.

This article has addressed Bowen et al.'s (2010) call for further research into this issue and has provided an example of how one Niger Delta community has benefited from corporate community engagement, and how this has had a significant societal impact. In this case, the relationship between the company and the community is peaceful. Principally, this is because the indigenous oil company took cognizance of the cultural dynamics of the community. This relationship has arisen because the culture of the community has been incorporated into company actions and these have been sympathetic to that community over time.

Funds leveraged for the community have allowed it to undertake developmental projects and run business ventures. This represents a form of transforma-

<sup>1</sup> To clarify the Ecumenical Council for Corporate Responsibility (ECCR) is a church-based investor coalition. Its

role is to: promote economic justice; environmental stewardship; and, corporate and investor responsibility.

tional change since it is a shift in the underlying strategy and processes used previously by oil companies in region and country-wide. Furthermore, the case is an example of transformational engagement because in addition to injecting cash as a share of oil proceeds into the community, the company has also engendered a culture of probity and equity whereby a process of accountability and governance on how funds accruing are approved and disbursed for jointly agreed purposes.

This case has offered a practical demonstration of how community engagement might also play a major developmental role in other developing nations through social and enterprise development. Through learning from this case the oil sector, and for that matter other sectors of the Nigerian economy could learn to replicate this. In addition, it has shown one way to solving wider societal unrest across the Niger Delta could be to grant other communities a principal stake in the work of companies.

While the scenario presented in this article is a good example of how oil companies can engage with Nigerian communities, future research should look to extend the findings to other Nigerian localities and even perhaps to other developing nations.

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Informed consent: *Informed consent was obtained from all individual participants included in the study. Additional informed consent was obtained from all individual participants for whom identifying information is included in this article.*

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