

THE NIGERIAN PETROLUUM INDUSTRY
AND SOCIAL RESPONSIBILITY:

A CASE STUDY OF GULF OIL COMPANY (NIGERIA) LIMITED

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PROJECT REPORT

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ABSTRACT

This is a study on social responsibility in the Nigerian Petroleum Industry. The problem is to investigate if oil companies are being socially responsible to their host communities by identifying with their plights. The Nigerian petroleum Industry has been the major source of revenue for the country as over 90% of its foreign exchange earnings are derived from the export of crude oil. In spite of all these, the Niger Delta area from where the crude oil is produced remains the most backward, underdeveloped and further exposed to the numerous hazards and damages arising from oil operations. The main problems which have caused more concern is that of environmental pollution through oil spillages and gas flaring. These hazards result in irreversible destruction to arable land, marine and aquatic life of the environment of the oil producing communities.

The issue has received the attention of all tiers of government in the country without an appreciable solution more so, when government revenue is dwindling, it is unable to meet its obligations to provide the necessary transformations required in the oil producing communities. This is one reason why the communities look up to the multinational oil companies operating in their areas, to identify with their plights as part of their social responsibility. In many instances, oil operations have been disrupted due to frictions between local communities and the oil companies. Although the companies claim to be socially responsible, the plight of these communities seem to be deteriorating. This study therefore attempts to analyse and apply the concept of corporate social responsibility to the Nigerian Petroleum Industry, with Gulf Oil Company (Nigeria) Limited as case study. The discussion is centred on the general concepts of corporate social responsibility and its application in the Nigerian Petroleum Industry.

The study is undertaken on the basis of hypotheses built around factors capable of indicating whether the multinational oil companies, who are the main operators in the industry, do identify with the plights of their host communities by being adequately socially responsible.

Data for this study were collected from questionnaires administered to some members of Escravos Community in the Western Operational area of Gulf Oil Company. Another set was administered to some members of the staff of Gulf Oil Company (Nigeria) Limited. The data were collated, processed and statistically tested using the chi-square test (χ^2) to determine whether there is any association between the responses of the oil companies and the needs of the communities. On the basis of the data analysis, useful findings were made. The study was concluded with a recommendation based on the findings.