

**THE ROLE OF ROYAL DUTCH SHELLS CORPORATE
SOCIAL RESPONSIBILITY TOWARDS NIGERIA
COMMUNITY DEVELOPMENT (2015-2017)**

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Abstract

This thesis aims to start an assessment of the importance role of CSR Company that impacting Nigeria development in 2015-2017. The concepts used by the authors in this study are Transnational Corporation, Corporate Social Responsibility (CSR), and Sustainable development. Royal Dutch Shell highly prioritizes corporate social responsibility in general also implementing CSR as one of the ways to help development in Nigeria. It is interesting to find out more the role CSR program of Shell in takes place in the field of social, economic, and environmental protection provides a positive impact on community development in Nigeria

Key words: Royal Dutch Shell, Nigeria, Corporate Social Responsibility (CSR), Community Development

Background

Historically, Shells is Dutch multinational oil and Gas Company located in the Netherlands. The company started by the merger of Royal Dutch Petroleum and UK-based Shells Transport & Trading, This company is established in 1907 (Shell Global). Within the movement in the area, the company focuses in the oil and natural gas exploration, development, production, refining, and marketing as well as in the manufacturing and marketing of chemicals (Royal Dutch Shell, 2017). From, the specific focus makes this company becomes one of the companies that have a big part in the country.

The existence of Shells on a country occurs because of the investment attraction exists in the country. For examples such as loaded natural resources in the field of oil and gas make Shells company interested in investing in a particular country which is also commonly called as FDI which is Foreign Direct Investment especially in developing countries. The meaning of FDI itself is the investment that been made by a company in one country to do business in another country. FDI is the one that provides a favorable impact on a country where the company is located (Cohen, 2007). FDI done carried out by a company who wants to do cooperation in various fields with the provision of capital to a country with certain regulations. Here, foreign companies become one of the most important actors to establish an investment relationship.

Furthermore, in the area about a natural resource like oil in this world, there are many countries that have oil field and made them become the important figure role in the petroleum industry and oil producing. Some of the areas are Middle East, Africa, America and others (Finances Online). In Africa itself especially had top five countries in the oil producing sector in the continent such as Nigeria, Algeria, Angola, Egypt and Libya (Carpenter, 2015) resulting economic growth also gain development for Africa.

The amount of oil and gas that produce by Nigeria is considered huge particularly in the Niger Delta region (Omofonmwan & Odia, 2009). In the

past before the discovery of the oil in the '50s in Nigeria the development of Nigeria is quite bad. Within the big amount of poor people in the country, Nigeria placed in number 3 after China and India. Furthermore, the condition causes low development, social problem and the environmental degradation that paint the current state on Nigeria at that time (Romanova, 2007).

Nowadays Nigeria success in oil for raising their economic value with the help of foreign oil companies which are known as Transnational Oil Corporations (TNC). Transnational Oil Corporations (TNC) is a big oil company which operates in several countries. The oil companies provide increase state income and state deliver easy access to oil resources through the grant of oil permit and special outline which classifies the rule and finance of the company. The reason is Transnational Corporations oil and gases have the role to have a contribution in an act of corporate activity that is happening in the country and has a commitment to society (Tuodolo, 2009). The oil industry has roles to used their expertise and resources to help Nigeria locate, drill, store, and export crude oil (Salih, 2017)

Royal Dutch Shell is one of the corporations that do this activity. Shells are one of the TNC which is Transnational Corporation exist in Nigeria and has been around since 1937. Royal Dutch Shell has a general business principle which states that there are 5 specific areas for responsibility including to shareholders, customers, employees, business partners and the society (Shell, 2014). Which furthermore makes this company, definitely highly prioritizes corporate social responsibility in general. Royal Dutch Shells also implementing CSR as one of the ways to help development.

Beyond the profit objective transnational corporations are increasingly demanded of to engage with host countries and communities and CSR has become one of the strategies towards this endeavor. In response to this demand and in the attempt to shore up its reputation and to build goodwill with local communities, Shell has developed policies and programs aimed at taking on social responsibilities (Wheeler, Fabig, & Boele, 2002).

The good thing in an instance like the growth of the Human Development Index (HDI) in the country better than before which implies there has been progressing in the Nigeria country. Hence, one of the reasons why HDI is increasing in a country is that of the existence of TNCs to enhance the human development of the country through their CSR programs. Especially in oil TNCs in Nigeria have been gradually helping local communities in development aspects (Lompo & Trani, 2013). For example in Shell, there are CSR in social education program via scholarships and contribute to the local economic growth by providing local employment.

Shell's success as a company that makes CSR part of its main program was recognized when it gets an award that proves that the CSR program undertaken by the company has provided positive results as evidenced by recognitions under on the SERAs. The SERA–CSR Awards is an annual event to celebrate organizations investing resources in the improvement of lives of stakeholders and contributing to the development of Africa through their social performance and investment programmes. Eversince platforms were instituted in 2006. A total of twenty-six awards were won by corporate organisations and individuals in recognition of their sustainable development and social investment efforts in Nigeria. Shell Companies in Nigeria (SCiN) have emerged the 2017 Best Nigerian companies in Sustainability Innovation in Africa and Shell companies won as the Best Company in Affordable and Clean Energy, and got the second runner-up prize for the Most Socially Responsible Nigerian Company for the year. Then other awards such as Best Company in Poverty Eradication, Best Company in Provision of Clean Water and Sanitation Best Company in Partnership for Development, and Best Company in Support of SMEs (Shell, 2017).

Furthermore, Shell Companies in Nigeria have been recognised for their work in local content, including the Local Content Operator of the Year Award by the Petroleum Technology Association of Nigeria (PETAN) in 2013 and 2015. In 2016, PETAN honoured SPDC with the Distinguished Achievement Award (Corporate) in recognition of the company's pioneering

role in Nigerian content development. PETAN also conferred a Professional Award to Bayo Ojulari, Managing Director of SNEPCo, for his notable contributions to the development of Nigerian content in the oil and gas sector. In 2017, PETAN bestowed Shell Companies in Nigeria with the Aret Adams Award for Excellence in recognition of their amazing contributions to the development of local content in the Nigerian oil and gas sector (Okafor, 2017).

Theoretical Framework

Concepts of Transnational Corporation

The meaning of a concept is one of the most important symbols in communicating the language that represents an object or another phenomenon and points out the relevant characteristics of certain studies (Mas'ood, 1990).

United Nations Conference on Trade and Development (UNCTAD) stated "*Transnational corporations are incorporated enterprises comprising parent enterprises and their foreign affiliates. A parent enterprise is defined as an enterprise that controls assets of other entities in countries other than its home country.*" (UNCTAD, 2005). From the definition of TNC above it means that Transnational corporation is a company that is controlled by one main company as its headquarter that located in one country and has several subsidiaries company in other countries where transnational companies operate. Hence, the definition Transnational Corporation can portray corporation had many branch companies around the world.

Concepts of Corporate Social Responsibility

World Business Council for Sustainable Development (WBCSD) also define the CSR as

“way the corporation duty to the Business commitment to participate to advancement of the economy within the collaboration with worker, the local community and society in the bigger scale to enhance the life value” (World Business Council of Sustainable Development, 1998).

This explains that the corporation is committing in the economic development then also increases the worker welfare and this definition also revealed that not all of the CSR has the ability to reach the goals that relate to their corporate responsibility. Therefore, the overall idea from the definition can become tools to understanding what the meaning of the CSR itself.

According to the Howard R. Bowen, in the book of “Social Responsibilities of The Businessman *“The term social responsibilities of businessmen refers to the obligations of businessmen to pursue to follow those lines of action which are desirable in terms of the objectives and values of our society. This definition implies that businessmen as members of society. It is assumed, however, that as servants of society, they must not disregard socially accepted values or place their own values above those of society.”* (Bowen, 2013),

In sum, CSR is the corporation roles that already become one with the society, which leads to the unethical reasoning if the corporation chooses to ignore the social need and just focus on their own interest only. Howard R. Bowen views the corporation as an actor to help the social problem in the country which is really helpful in running their corporation and create one of their agenda consideration as the act to social responsibility to the society.

Concepts of Sustainable Development

The perspective of the Brundtland Report view is the concept of Sustainable development *“Sustainable development that meets the needs of the present (people) without compromising the ability of future generations to meet their own needs.”* (World Commission on Environment and Development WECD, 1987)

From the concept, it has meant that quality of life must be better than the use of natural resources, so it can match the condition for future generation. This concept also emphasizes that the goal is to provide progress in the country economy by balancing the environment. The components are broadly divided into three elements namely social, economic and environmental.

Research Methodology

This study uses qualitative analysis methods, where the writer tries to describe and explain the role of Corporate Social Responsibility Royal Dutch Shell toward Nigeria. Then, the data collected for this analysis are the secondary data. These data sources are in the form of books, mass media, journals, documents, reports, and materials from the Internet. Data collection techniques used in this study is library research that is by collecting data and information from the literature that relate and have a resemblance to the issues discussed.

Results and Discussion

It can be carried out by the company by attitudes and opinions that generally has in him the attitude and outlook of generosity. Furthermore, Ife (2002) states that Community Development (CD) for industrial environments can be used as a medium to increase community commitment can coexist symbiotically with business and their operations. Thus, the program is expected to provide benefits to the company's existence and can be used to develop a harmonious relationship between the company and the community around the company

As part of the Transnational Company, in this case, Shell based on the theory of sustainable development proves their roles in a country in 3 aspects of life in the form of social, environmental, and also the economy. As a form of Shell's responsibility, they carried out the corporate social responsibility activities to help develop community development in Nigeria by implementing a CSR program

following the hypothesis that had been proposed before. The factors that determine community development was identified as the following: health, education, and employment along with environmental protection.

However, excludes community-driven development programs and initiatives in the Nigeria delivered through the Global Memorandum of Understanding (GMOU). A GMOU is an agreement that brings a group (or cluster) of communities together with representatives of state and local governments, SPDC and NGOs. Under the terms of the GMOUs, the SPDC JV provides secure five-year funding for communities to implement development projects of their choice. Under the terms of the GMOUs, the SPDC JV provides secure five-year funding for communities to implement development projects of their choice, which are managed by Cluster Development Boards (CDBs) under the guidance of mentoring NGOs. Projects include power supply improvement, construction of market stalls, sanitation, water supply improvements and community centers (Peters, 2010).

Currently there are 37 active GMOU clusters in Rivers, Delta, Bayelsa and Abia States. Since 2006 a total of \$228 million (N41.10 billion) has been disbursed to these clusters to fund development projects. This partnership model is aimed at bringing about sustainable initiatives; improving interface with communities; and engendering socio-economic development in communities where Shell Companies in Nigeria operate (Shell, 2017).

The partnership for human, institutional development and provision of physical infrastructure between the Shell Petroleum Development Company (SPDC) and the Niger Delta Development Commission (NDDC) in Nigeria. SPDC is undertaking partnership with NDDC as part of its overall CSR strategy for the region its success will be influenced by four key challenges. These are political support for NDDC, funding constraints, public perceptions and expectations of NDDC, as well as institutional priorities (Ite, 2007).

Shell also has been working alongside with the influential NGOs and community development organizations to strengthen education and health care,

provide vocational training and establish protected nature reserves. The Shell had been working with The Nature Conservancy for the Conservancy helped company to develop a nature-based approach to control pipeline, Shell has worked with Wetlands International on projects that range from managing biodiversity and water issues in to combining wetland conservation with the creation of sustainable livelihood opportunities for local communities in Nigeria that partner with the United Nations Development Programmed (UNDP) to implement programs in countries where need their expertise, Earth watch in Earth Skills Network for mentoring managers of protected areas to share business insights and knowledge and provide mentorship, United Nations Development Program & The Global Environment Facility, also joined with the government, forest communities and NGOs to develop Biodiversity Action Plans (BAPs). Also being a part of the International Petroleum Industry Environmental Conservation Association (IPIECA) and the International Association of Oil and Gas Producers (OGP) through the joint Biodiversity Working Group (Triple pundit, 2011).

A. The Social Area

1. *Health Facilitation*

The condition of Nigeria a community can come together, pool resources and ensure collective access to best medical care. Shell Companies in Nigeria have supported community health projects and programs in the Niger Delta and other parts of Nigeria since the 1980s by providing health centers to outreach initiatives that take free health care services to the doorsteps of remote communities in the Nigeria that are equipped with supply and pharmaceutical donations, emergency care and screening services(Royal Dutch Shell plc, 2014).

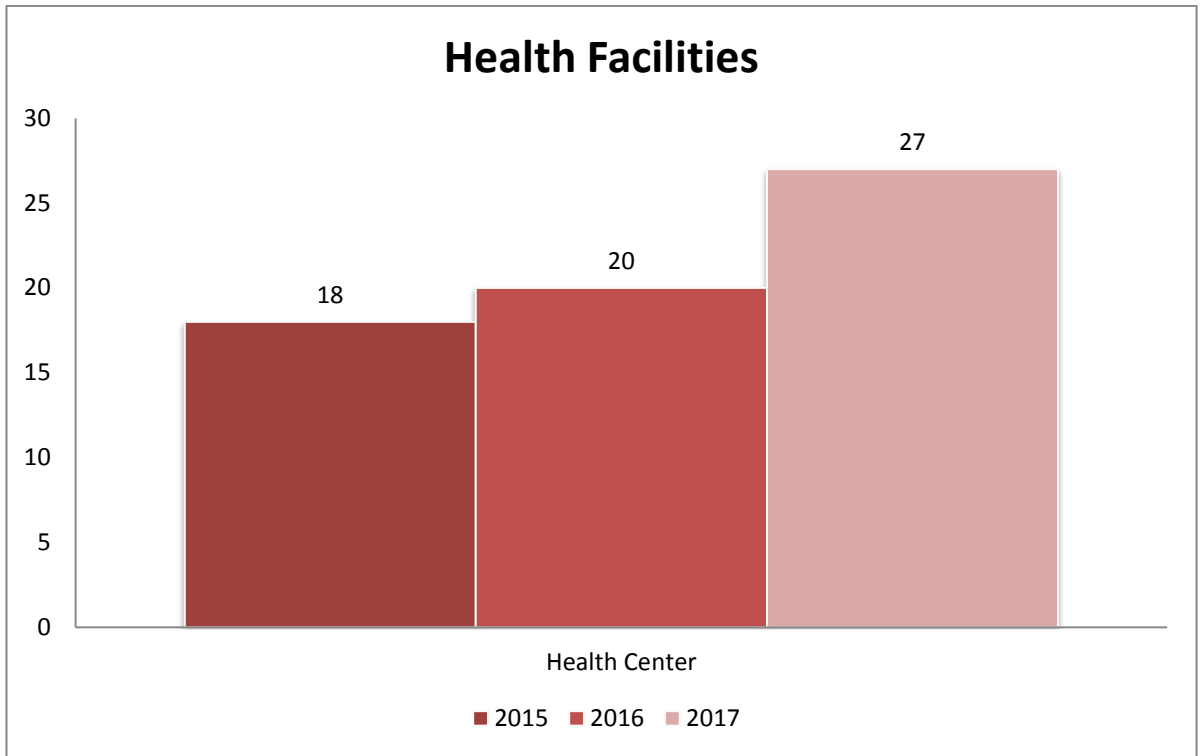


Figure 4. 1 Graph of Shell Health Center in Nigeria (Royal Dutch Shell plc, 2017)

The graph shows the number of health facilities in the form of health centers originating from CSR programs by Shell Nigeria for the past three years. Based on the data contained in the 2015 report of sustainability until 2017, it means that the health center is multiplied in Nigeria, which spread in various regions of the country itself. In 2015 Royal Dutch Shell provided support in the form of 18 health centers in Nigeria. Then in 2016, about two health centers were expanded with a total of 20 health center facilities, as time goes by the Shell provides seven more health centers as a total around 27 health center units in Nigeria (Shell, 2016).

Based on the Corporate Social Responsibility Program in Health Facilities Centers that have been provided by Royal Dutch Shell, it is explained that it is beneficial for the Nigerian community to improve public health and contribute to the prevention of diseases that bring harm to their community. Therefore, the

health center is beneficial to support the quality of life to stay healthy also contribute to improving and saving the lives of people in the communities (Shell Nigeria, 2014).

2. *Education Through Scholarship*

Shell implemented the importance of education to promote academic excellence and improve the skills of young Nigerians. By giving CSR programs to the community in the form of educational assistance in the form of scholarship. The scholarships can be obtained in 2 categories, namely the National Merit Award (NM), open to all Nigerians and the Areas of Operation Merit Award (OM) is for Nigerians who are native people from Shell's operational areas which is Nigeria. The aid of Scholarship carried out at three levels of education, namely:

1. The Shell Nigeria Secondary School Scholarship for the host communities which is very useful for helping Secondary Schools children stay in school as well as enhance academic achievement in host communities. This scholarship is spread in various secondary schools in Nigeria.
2. The University Scholarship is on the company's interest in the promotion of capacity building in the country. Shell Scholarship in this level of study is offered in all Subject Areas Courses at Nigerian Universities
3. Postgraduate Scholarship is to provide an opportunity for qualifying students from these Niger Delta states from Rivers, Delta, Imo and Bayelsa State to further their education in courses that are relevant to the oil and gas industry. This is an overseas scholarship program that gives award ten scholarships for one year post-graduate MSc studies. The candidates are from Royal Dutch Shell operational areas to study for postgraduate qualifications at three top British institutions which are: Imperial College London, University College London and the University of Leeds.

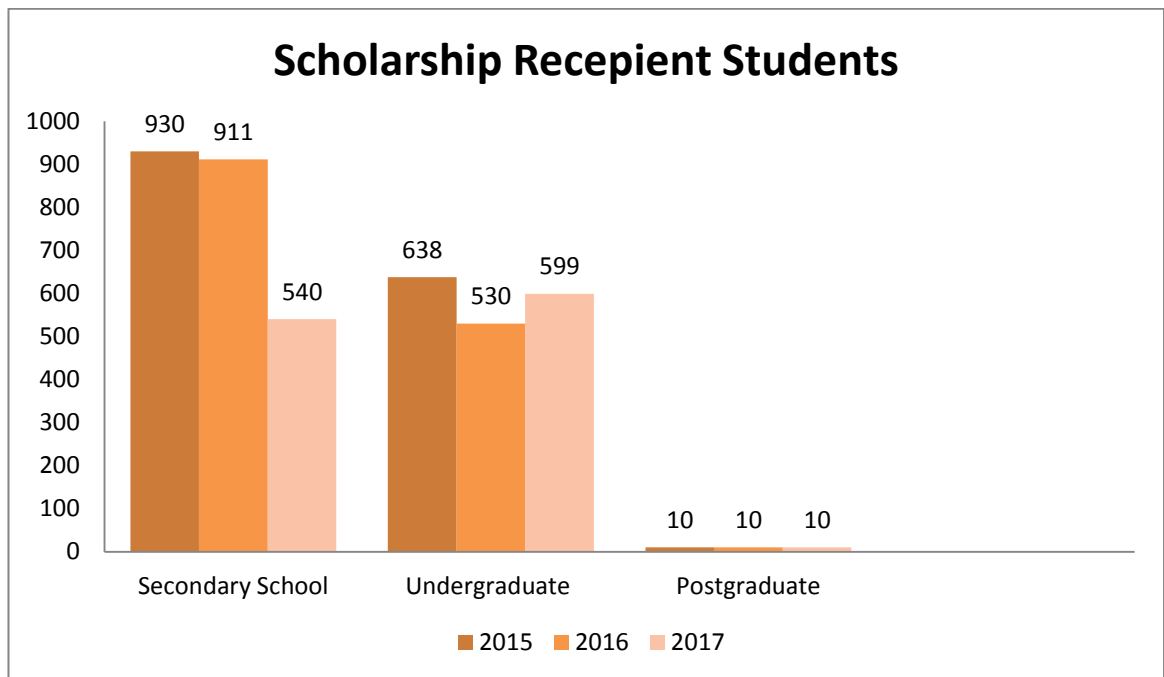


Figure 4. 2 Graph of Shell Scholarship Receptient (Royal Dutch Shell plc, 2017)

Every year the company gave the scholarship and provided funds to actualize this program happen. In 2015 Shell Nigeria invested an operating fund around \$ 3 million in scholarships for support education programs. The total acceptance of the scholarship was awarded to 1578 divided into 930 secondary school students and 638 university undergraduates also ten postgraduate scholarships.

Shell Nigeria in 2016, Shell Companies in Nigeria invests around \$ 4 million as scholarships funds to support education programs. The total recipients of the scholarships awarded to 1450 people divided into 911 secondary school students and 530 university undergraduates also ten postgraduate scholarships.

In 2017 Shell Nigeria invested operating funds around \$ 5.2 million in scholarships to support education programs. The total recipient of the scholarship was awarded to 1149 people divided into 540 secondary school students and 599 university undergraduates also ten postgraduate scholarships.

Based on the explanation above, it can be seen that the Shell contributes to Community Development in the term of education in the form of scholarship that has been realized every year even though the scholarship recipient number varies according to those in need. This aid explains that the scholarship further enhances the thinking of the recipient itself to make use the knowledge they had in improve their quality of lives. The existence of this scholarship is also relieved the burden for many parents and guardians of getting education opportunity on the children which are considered very valuable. Indeed, this can also produce features of community development by education in Nigeria.

B. The Local Economic Growth

1. Local employment

The significance of employment has rightly been reflected more closely in the focus of development. The secure jobs with social benefits and fair pay offer a way out of poverty, which explains why employment is a crucial pillar of development among society. The income generated as a result boosts demand among local seller thereby creating a cycle that promotes economic growth.

As one of the world's leading energy companies, Shell plays a crucial role in helping to meet the world's growing energy demand in economically and socially responsible ways within employment to the local for help in tackle poverty and provide people with security and drive economic growth. As the company that reenacts and upholds their value of the people in the community is also applied in the term of the Shell Labor policy which prioritizes in give the local opportunity in change their life by work in the company though it can be obtained for people with the right skills and with the appropriate criteria.

The Policy bound to be applied in Nigeria for accommodates the company there. Most of the worker there are Nigerian, which is particularly important to assist the economic growth in the Nigeria that can be called as developing

countries (Ikein, 1990). In the last three years of the company running in Nigeria, the local employment showed the number keeps increasing every single year.

In 2015 the number of a local worker in Shell which was 94% of employees was Nigerian. It includes the total number of the people were around 4,000 local as local employees working at Royal Dutch Shell in Nigeria. For 2016 the number of the local were increased 1 percent become 95 % proportion of employees who are Nigerian which means The company employs more than 4,500 people directly of whom 95 percent are locals. Furthermore, in 2017, the Nigerian worker who has a job at Nigerian Royal Dutch Shell has grown to 6000 local direct employees of which over 96% of them are Nigerians (Shell, 2016).

At this time the current estimated salary earned by Shell workers is ₦450,000 - ₦ 500,000 equal to equal \$1230 - \$1367 per month for permanent workers while contract workers earn around ₦250,000 - ₦ 300,000 monthly equal to \$683 - \$820 depending on the importance of the position that they acquired.

Every year Shell increases the number of employees working in the company, the local employees' percentage proportions increased by 1% every year. Shell is also a company that wants to prioritize local as a choice of the worker for the company. With the existence of a permanent job, it will also generate a stable income (Djojohadikusumo, 1994). From there local economy conditions immediately undergo improvement with reduced unemployment number in Nigeria.

2. *Shell LiveWIRE*

Shell LiveWIRE is a Royal Dutch Shell social programme in an aim to help young people to start their own business and create employment. Since 1982 there quite impressive amount over 9.2 million young entrepreneurs have benefited from Shell LiveWIRE programs.

Shell LiveWIRE broaden the options profession for young people's by assisting them to change from being an employee to becoming an employer or making the transition from seeking employment to creating employment. Then, provide potential young entrepreneurs with access to the essential business knowledge and customized support they need to transform their enterprising ideas into a viable and sustainable business.

Nigeria is the country where Shell LiveWIRE programs most successful among other Shell host country. LiveWIRE Nigeria is a programme for youth enterprise development. It started in 2003. The programme delivers coaching, business development services and start-up funds to establish and expand their businesses. The Shell LiveWIRE programs in Nigeria have helped young entrepreneurs apply new approaches to the way of running their businesses. Provides opportunities for young people to realize their potentials through the creation and development of their businesses to determine the rate at which their business is growing and calculate the profit follow up by young entrepreneurs expand and create more employment opportunities for others (Shell LiveWIRE, 2013).

Ever since this program established 14 years ago, many benefits felt by the community of Nigeria especially in the field of employment. The program keeps running every year until today. Nowadays the total people programs generate over 6,780 youth as trained beneficiaries in enterprise development and management from the LiveWIRE program.

For the last three years, Shell in Nigeria Give the opportunity of the young entrepreneurs to join the program, the total was 250 people were trained in 2015. During that time the program already has trained 6,200 Niger Delta youth in enterprise development and management and provided business start-up funds to 3,100. The company has given the financial arrangement for the young entrepreneur to enable them to start-up and grow their businesses with the budget over N15 million (the US \$ 41.200).

In 2016 there were 380 people were trained, which indicate the total number of the youth that has been trained at that time over 6,580 youths have been trained and 3373 have received business start-up grants. Shell LiveWIRE Nigeria has funds with a total of N25 million (the US \$68.600) to help the programme for start-up funding young entrepreneurs who have completed its enterprise development programme (Shell LiveWIRE, 2016).

A year later in 2017, there was 230 people were trained. To date, the LiveWIRE programme has trained beneficiaries 6,780 Niger Delta youth in enterprise development and management, and provided business start-up grants to 3,493. The company has given financial aid the program for the young entrepreneur around N28 million (the US \$77.300) to start-up and grew their businesses (Shell LiveWIRE, 2018).

From the explanation above, it has proven the Shell LiveWIRE Nigeria programmed in a creating job in as part Shell Corporate Social Responsibility can drive the dominant force for change by driving economic growth, creating jobs, and enhancing lives of the people. Following that, it guides the trained people to be more aware of the method in building their path of success to produce goods and services, innovate and design, build brands, manage opportunities and risks in the future of their business (Kumar, 2016).

C. The Environment Protection

1. *Oil spill prevention*

Shell is committed to responsibly operating the company facilities with due regard for the environment. As an oil company in Nigeria, it also brings out have a negative impact due to its business operations. Examples of negative things that come up if there is oil spill which gives direct consequences on the

surrounding population's wellbeing, the environmental contamination, human health risks and safety (Ite, Ibok, Ite, & Petters, 2013).

When spills occur from Shell companies facilities in Nigeria, the company responds as quickly as possible. Usually, Oil spills happen due to crude oil theft and sabotage of facilities, as well as illegal refining that will cause the environmental damage from oil and gas operations. A key priority for Shell is to achieve the goal of no spills from its operations work hard to prevent them.

One of the ways is using the oil spill prevention act. Royal Dutch Shell cleans up and remediates areas impacted by spills that come from its facilities. In the case of operational spills, Shell also pays compensation to people and communities impacted by the spill. So Shell has the standards that the company follows in overcoming oil spill with remediation practices which is the Environmental Guidelines and Standards for the Petroleum Industry in Nigeria (EGASPIN). Based on these standards, Shell has adopted techniques for cleaning up oil spills in most useful for the condition of Nigeria yang thee soil and climate conditions in the equatorial heat. After engagement with the communities, managed the clean-up will consist of four phases: clean-up of free-phase surface oil; remediation of soil; restoration of mangroves; and monitoring (Shell, 2017). Once the clean-up and remediation complete, the work is inspected, and, if satisfactory, approved and certified by the Nigerian government.

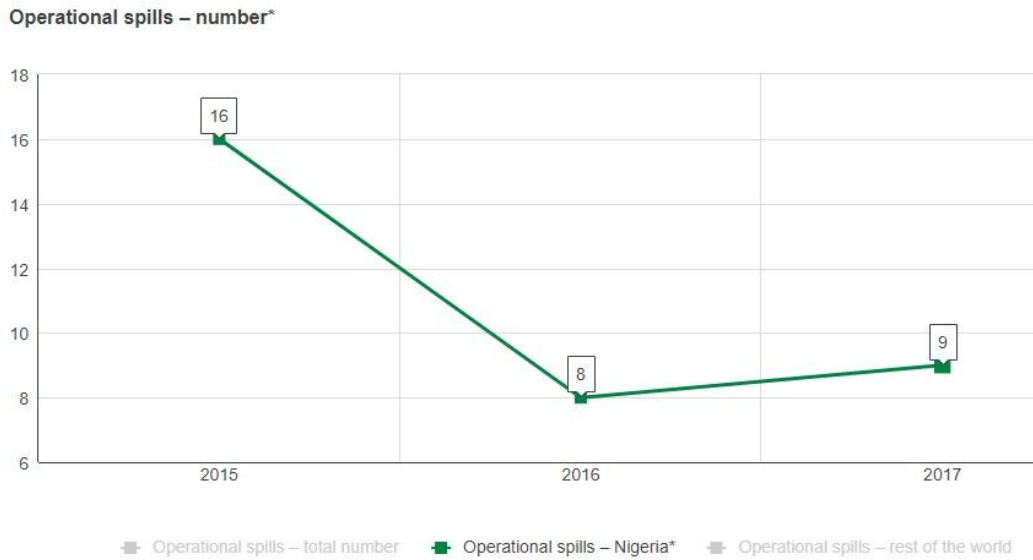


Figure 4. 3 Graph of Operational Spill (Shell, 2017)

The number of operational spills from Shell companies in Nigeria fell from 16 in 2015 to 8 in 2016, which prove Shell's seriousness in handling oil spill events that occur in reducing the amount of the spill operation half amount than a year before. However, unfortunately, in 2017 the operation spill increase one number to 9 but does not hide that Shell has worked hard in dealing with the oil spill (Shell Nigeria, 2017).

The Royal Dutch Shell also works with communities and civil society across Nigeria to build a greater trust in preventing oil spill happen and make it easier for people to participate also involve in the act of preserve the condition of the country. Then, continue by surveillance as well as installing antitheft mechanisms on equipment and pipelines to lessen unnecessary interference and ensure that spills are detected and responded to as quickly as possible. There were daily checks over the pipeline network to identify any new spill incidents or illegal activities by the company efforts. To assure the oil spill never happened.

From the action of the Shell Company in Nigeria intake the several dangerous actions in term of oil spill prevention making Shell a company that prioritizes environment protection in CSR programs in Nigeria. From this, Shell is also participating in protecting the environment of Nigeria as part of the Nigerian community and appreciation to the country.

2. Freshwater

In a country like Nigeria water plays a significant part in it, it is crucial to Shell develop water management plans for company facilities. These plans describe the long-term risks to water availability and define measures to reduce Shell use of freshwater or recommend alternatives to fresh water, such as recycled water, processed sewage water and desalinated water (Shell, 2016)

For these reasons, Shell taking steps to manage the company use of water responsibly. By includes looking for ways to reuse and recycle this valuable resource. Shell design and operate the facilities to help reduce freshwater use then, handle water use carefully, and adept use of fresh water to a local condition in Nigeria because water constraints affect people in the country. One way Shell to maintain fresh water is by using it consciously and start withdrawn the use of it in general.

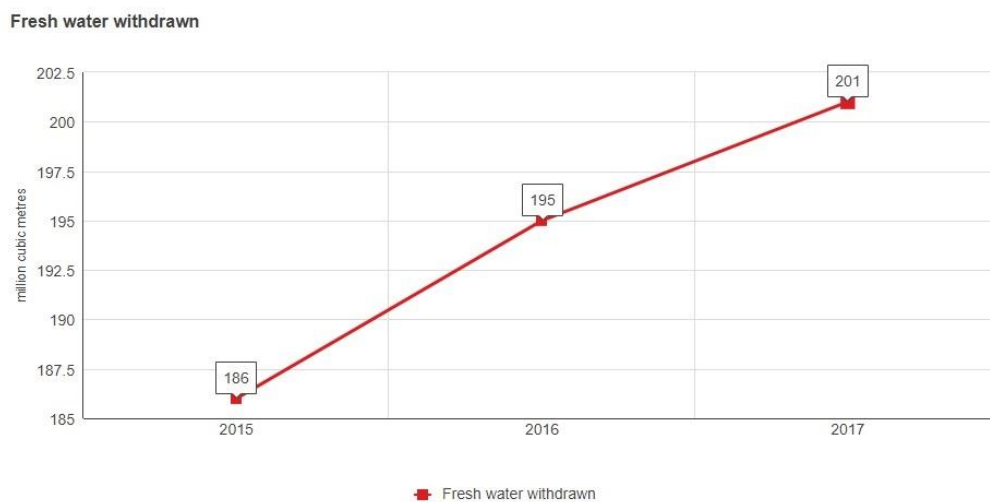


Figure 4. 4 Graph of Shell Water Withdrawn (Shell, 2017)

From the graph shown above shows that the freshwater withdrawal that Royal Dutch Shell has done as part of saving their environment is real. In the last three years from 2015 until 2017 Freshwater usage from this company decreases, so that withdrawn company status increases. In 2015 the withdrawn of fresh water was 186 million cubic meters than in 2016, it increased by 195 million cubic

meters. Then the number continues to increase so that the highest number of fresh water for the within three years is 201 million cubic meters. Which define that Shell is aware of the freshwater importance, so the company has taken action in the form of freshwater withdrawn with a tremendous amount and contributes to preserving water in Nigeria so that it can still be used in future in the long run.

CONCLUSION

Royal Dutch Shell was one of the oil companies which is part of Transnational Corporations (TNC) in the world. In the past the giant corporation was two each different corporation which was also a different business area. It comes from a small company name as Shell Transport and Trading Company based in the United Kingdom and the Royal Dutch Petroleum Company based in the Netherlands. Which later on in 1907 The company was the merge into one and nowadays known as Royal Dutch Shell plc Headquartered is located in The Hague, Netherlands. The Royal Dutch Shell company continues to multiply and spread the subsidiaries company almost all over the world. Its development is proven from the many types of operations and product specialties release by this company. Shell takes long time and roads to reach its current position today.

In operating a business in another country Shell as part of the country are highly respect and cares about the condition of the community in it. So to help the community condition, there is one thing that this company must do which is Corporate Social Responsibility (CSR). CSR imply as something that companies contribution as a form of Company responded to the surrounding community. Shell is usually focused on supporting the welfare of the community by adjusting to the area needed by society.

One of the countries focused on this thesis is Nigeria. Oil and Gas is one of the Nigeria main natural resources. The abundance amount of it in Nigeria attracts the attention of foreign Transnational Oil Corporations companies such as Shell. The shell itself entered in Nigeria in 1936. From that time the company already has done the operation in Nigeria for more than 80 years. Shell continued to do its business but also applied aid and assistance to Nigerian communities widely as a form of realization of their CSR programs. The state of Nigeria itself before the existence of foreign companies that helped progress the country was quite alarming because they had a lot of natural resources but could not utilize it for their benefits, so it caused the economy, infrastructure and education conditions in Nigeria very bad. Therefore, Shell as a company entering Nigeria conducts CSR

programs that aim to help improve the progress in general and active communities.

Shell itself has carried out regular CSR programs in Nigeria every year since the program was implemented. The focus of the Shell program is Economy, Social and Environmental Protection, which done trough into education such as scholarships and health facilities, an economy such as local employment and also environmental protection that are focused on avoiding the occurrence of the oil spill and withdrawal of fresh water maintenance. All activities carried out in the name of the CSR by the shell are recorded in a report called the Sustainability report that can be viewed annually in the official website of the company. This report also explains in details about the company's performance and the CSR program journey by Shell. Which reasonable to explain the responsibility act of Royal Dutch Shell in building welfare for the community to remain sustainable.

In this thesis, it can be seen that during the last three years from 2015-2017 Royal Dutch Shell role has proved their existence by tried to change the state of the community in Nigeria which resulted from its CSR program that had a good impact on the society. Furthermore, supported by the data finding in the form of graphs from the research that have been done and the funds provided from the Shell have a positive impact on the development of the Nigerian community in getting good education,an increasing economy because they had stable jobs, and involved in participating and providing environmental protection in Nigeria. It can be concluded that the role CSR program of Shell in takes place in the field of social, economic, and environmental protection provides a positive impact on community development in Nigeria.

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