Institutional Pressures & Strategic Responses

The Case of Shell and the Ogoni Struggle

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Preface

This research has been written as final piece of a Master of Science in Business Administration specialized in Strategy and Organization at the Vrije Universiteit of Amsterdam.

It was interesting to study and explore institutional pressures and strategic responses with a focus on Shell and the Ogoni Struggle. The research process was not easy and obstacles had to be overcome. At the end of the process, while writing the preface, I can say that I enjoyed writing this thesis.

I would like to thank my supervisor Dr. R.J.A. Klein Woolthuis for all her patience, her time, her feedback and her generous support.

With kind regards,

Annemarijn Handgraaf

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1 Introduction

This introduction provides an elaboration on the topic of this research and describes the research problem of this thesis. Furthermore, this introduction presents the sub-research questions and the main research question and describes the aim and relevance. A brief description of the research method is provided and finally, the structure of this thesis is presented.

1.1 Research Topic

This subparagraph describes the topic of this research. This research focuses on the different types of institutional pressures exerted and the strategic responses used by Shell regarding the Ogoni Struggle in the Niger Delta, Nigeria.

The oil corporation and multinational Shell, has been active in the Niger Delta since 1936. In 1958 Shell discovered the first profitable oil field and as a consequence the corporation increased their oil exploration- and oil production activities all through the Niger Delta. As operating segment of a joint venture, Shell performed extensive oil producing activities in oil rich Ogoniland, a region of the Niger Delta. The relation between Shell and the Ogoni natives has been tense from the beginning. The Ogoni natives have been peacefully protesting against Shell for several years on environmental-, social- and economic issues. When the Ogoni natives experienced a lack of support from the Nigerian federal government and a non-response from Shell, they started a social movement, the MOSOP. The MOSOP generated national and global media attention for their campaign against Shell. Even though the MOSOP campaigned and demonstrated with a non-violence nature, the Ogoni were suppressed by the Nigerian federal military. Due to this military repression numerous Ogoni natives died. Faced with pressure on environmental-, social-, and economic- issues, Shell was forced to halt their production activities in Ogoniland in 1993. In 1995 the representative of the MOSOP and eight other activists were arrested and executed by the Nigerian federal government. Shell was blamed for the execution and global resentment toward Shell rose. Global media, environmental activists and human right activists exerted pressure on Shell. Shell had to defend their actions towards global media, activists, stakeholders and shareholders. The pressure exerted on Shell is considered to be pressure from institutions. The institutional theory describes institutions as social structures, institutions are identified to be; legal authorities, judicial authorities, administrative agencies, governments, regulators and organizations which can enforce behavior, competitors, more
legitimated organizations, professions, educational systems, interest groups, public opinion and society (Scott, 1995:2001; Meyer & Rowan, 1977; DiMaggio & Powell, 1983).

The work of Meyer & Rowan (1977) and DiMaggio & Powell (1983) formed the foundation of institutional theory. Both scholars noted that organizations conform to pressures exerted by institutions. According to Meyer & Rowan (1977), prominent institutional rules and regulations, procedures and processes act as rationalized myths. These rationalized myths are desired to be included into an organization in order to obtain legitimacy, to obtain knowledge, to become more balanced and to increase the possibility of survival. Organizational conformity towards these rationalized myths is identified as isomorphism. The isomorphism with the institutional environment has consequences for an organization. Organizations align their structure in favor of the legitimated institutional environment instead of considering the organizational efficiency (Meyer & Rowan, 1977). DiMaggio & Powell (1983) describe the concept of isomorphism and investigate organizations becoming more similar to each other. Together with Meyer & Rowan (1977), the scholars note that organizational similarity is a consequence of a search for legitimacy.

Meyer & Rowan (1977), DiMaggio & Powell (1983) and Scott (1995), all studied institutional pressures which cause isomorphism. Within their work, different types of institutional pressures became apparent. The institutional pressures are identified to be: regulative pressure, social normative pressure, professional normative pressure and mimetic pressure. The regulative pressure entails organizational conformity towards institutional rules and regulations which are forced upon the organization. Social normative pressure entails organizational conformity towards social beliefs, standards and norms. Professional normative pressure describes organizational conformity towards organizational and professional beliefs, standards and norms. Mimetic pressure describes organizational imitation towards alike- or perceived to be successful organizations.

Organizations perceive conformity to institutional pressures as beneficial. Conformity to institutional pressures could provide an organization with an increase of legitimacy, social status, commitment and loyalty and conformity provides access to important resources, professionals and employees (Meyer & Rowan, 1977; DiMaggio & Powell, 1983; Scott, 1995).
Instead of blindly conforming to institutional pressures, scholars suggest that organizations could strategically choose to conform or resist institutional pressures (Scott, 1995; DiMaggio, 1988). In her work, Oliver (1991) notes that institutional isomorphism highlights organizational conformity and emphasizes the institutional environment. Oliver (1991) stated that strategic organizational behavior which organizations use in response to the institutional pressures was lacking from institutional theory. She notes that organizations respond from conformity to resistance out of the organizational interest. Oliver (1991) proposes various organizational strategic responses to institutional processes. These strategic responses range from organizational conformity to organizational resistance. The organizational strategic responses are established as; acquiesce, compromise, avoid, Defy, and Manipulation (Oliver, 1991).

1.2 Research Problem
In her work, Oliver (1991) described organizational strategic response towards institutional processes. Herein, Oliver (1991) did not address the institutional pressures whom lead to the strategic responses and which institutional pressure causes what strategic response. A link between institutional pressures and organizational strategic response is lacking in institutional theory. A possible relation between the different types of institutional pressures and the strategic responses of organizations will be explored in this research.

In order to obtain possible insights into the relation between institutional pressures and strategic responses this research examines Shell and their struggle with the Ogoni natives. This research will examine which institutional pressures are exerted on Shell and how Shell responds to the different institutional pressures. In this case study, various institutional pressures are exerted on Shell to which Shell responds. Due to the exerted institutional pressures over a long period of time and Shell’s strategic responses over this time a possible relation between the different types of institutional pressures and strategic responses will be examined.

1.3 Research Questions
After studying the case, a problem definition was stated. This problem definition establishes the research area of this research and institutional theory. The main research question of this research is; ‘What is the relation between Institutional Pressures and Shell’s Strategic Response regarding the Ogoni struggle in the Niger Delta?’
In order to provide an answer to the main research question, various sub-research questions have been formulated. The sub-research questions are formulated in order to address the main research question and are stated below.

1. Which Institutional Pressures does Shell face?
2. Which Pressures are dominant in which Perspectives?
3. What is the relationship between Institutional Pressures?
4. How does Shell respond to the Institutional Pressures?

In order to address the main research question, the sub research question will be studied and investigated first.

1.4 Aim of the Research
The objective of this research is to explore a possible relation between the various forms of institutional pressures and the various organizational strategic responses over a longer period of time. The aim is on providing additional knowledge to enhance the model of Oliver (1991). The model of Oliver provides an outline of organizational strategic responses towards institutional processes (Oliver, 1991). Herein, the model of Oliver (1991) lacks a differentiation and categorization of the various forms of institutional pressures. This research attempts to determine a possible relation between institutional pressures and organizational strategic responses.

1.5 Relevance of the research
The emphasis of this research is to provide new perspectives in favor of institutional theory via an explorative in-depth case study. Scholars like Meyer & Rowan (1977), DiMaggio & Powell (1983), Scott (1995; 2001) and Oliver (1991) have provided significant literature for institutional theory and contributed in its development. According to institutional theory organizational conformity and isomorphism arises after various forms of institutional pressures are exerted on Shell. Looking at the case, Shell did not always conform to institutional pressures and also resisted different types of institutional pressures.

Within this research the strategic responses of Shell with regards to the various forms of institutional pressures will be explored, elaborated, investigated, analyzed and discussed. Via this manner a possible relation between the various forms of institutional pressures which were exerted on Shell and the strategic responses used by Shell might be established. Through the combination of these two theories an understanding regarding the impact of the different
types of institutional pressures exerted on Shell and the chosen response strategies of Shell could be generated. Another insight with regards to the used strategic responses of Shell could give insight into the perceived importance of the institutional pressures to the corporation.

1.6 Outline of the Research

In this subparagraph the structure of the thesis is provided. Chapter 2 begins with an elaboration and explanation of the institutional literature. The institutional origins, important institutional definitions, work of profound institutional scholars and the relevance of the institutional literature used within this research are described. In chapter 3 the research method is provided. The research method elaborates on the research design, the research strengths and limitations, the manner of data collection and the manner of data analysis. A short description of the case study is also provided in this chapter. Chapter 4 presents the results extracted from the case description. The results are described in general and per perspective. In chapter 5, the general findings and perspective specific findings are discussed. Last, chapter 6 provides the conclusion of this research. In this chapter the sub-research questions and the main research question are addressed, limitations of the research are considered and recommendations for future research described.
2 Institutional Theory

This chapter elaborates on the existing theory and empirical knowledge of institutional theory. A brief history of the origins and development of institutionalism is provided and important definitions are described. The mechanisms of institutional isomorphism and institutional pillars are discussed and utilized to establish the institutional pressures used within this research. Finally, a description of response strategies of organizations with regards to institutional pressures is provided.

2.1 Institutionalism

Institutionalism finds its origin within the 19th century and made a paradigm shift through time. The first statements regarding institutionalism stems from prominent scholars, such as; Marx (1840), Weber (1946), Durkheim (1887; 1909), Veblen (1898), Commons (1924) and Mitchell (1967) (Scott, 1995, 2001; Louche, 2004). According to Greenwood & Hinings (1996), in the early institutionalism; “issues of influence, coalitions and competing values were central, along with power and informal structures” (p. 1022). A shared understanding stemming from the early institutionalism is that organizations are not independent but operate in the context of institutional arrangements and social processes. The origin of organizational theory stimulated the development of institutional theory and resulted in a paradigm shift.

The new institutionalism shows an important linkage between the institutional environment and organizational behavior (March, 1965). The early institutionalism differs from the new institutionalism, via its; “emphasis on legitimacy, the embeddedness of organizational fields, and the centrality of classification, routines, scripts, and schema” (Greenwood & Hinings, 1996, p. 1022). In the new institutionalism, originated between 1970 and 1980, scholars emphasized cognitive structures. Scholars highlight the importance of compliance to the external institutional environment for organizational survival. They note that compliance to the institutional environment provides organizations with benefits such as; legitimacy, status improvement, an increase of internal and external loyalty, entrance to resources, stability, community and society support, acceptance and security. It must be noted, that these benefits as a result of organizational behavior do not necessarily increase an organization’s effectiveness (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Oliver, 1991).
2.2 Definitions of Institutional Theory

This subparagraph describes important definitions used in institutional theory. Central concepts used in institutional theory and needed for this research are; institutions, organizational field, isomorphism and legitimacy.

2.2.1 Institutions

Institutions are social structures which guide actors to behave according to a certain way. “Institutions inevitably involve normative obligations but often enter into social life primarily as facts which must be taken into account by actors” (Meyer & Rowan, 1977, p. 341). This definition of Meyer & Rowan (1977) practically describes institutions as a reality for people to oblige to. The definition of North (1990) is different and describes institutions as “the humanly devised constraints that shape human interaction” (p.3). Here, institutions give formal and informal structures for people in organizations and life in general. The institutional structures direct people in how they act, respond or behave and form the way in which people interact with one and other (North, 1990). According to Hoffman (1999) institutions are “…rules, norms, and beliefs that describe reality for the organization, explaining what is and what is not, what can be acted upon and what cannot” (p.351). Additionally, Scott (2001) noted that institutions are social structures containing symbols, social actions and objectives. North (1990), Hoffmann (1999) and Scott (2001) all imply that institutions are more like norms formed through people in order to assist them. An important aspect of institutions is that they are described as social structures and not as physical entities (van den Hoed, 2004). Scott (2001) emphasized that institutions are not formed merely through social structures but through the activities in which the norms and rules are produced. Scott (2001) elaborated on - and listed institutions as;

- Social structures that have attained a high degree of resilience.
- Composed of cultured-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life.
- Transmitted by various types of carriers, including symbolic systems, relational systems, routines and artifacts.
- Operating at multiple levels of jurisdiction, from the world system to localized interpersonal relationships.
- Connote stability but are subject to change processes, both incremental and discontinuous. (p. 48)

### 2.2.2 Organizational Field

This research focuses on the organizational field in which Shell is active. The actors within the organizational field of Shell are; competitors, governmental organizations, media, regulating agencies, stakeholders, shareholders and employees. A majority of organizations are located or partake in an organizational field. DiMaggio & Powell (1983) describe an organizational field as; “those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products” (p. 3). An organizational field consists of a group of organizations that share a general meaning structure and whose actors interact on a more frequent and significant basis with each other than with other actors external to the organizational field (Scott, 1995). Organizations aim to establish a stable organizational field in order to continue their existence. The establishment of an organizational field entails dealing with the difficulties of establishing common understandings. These understandings have to be broad-, implementable- and legitimate and are stated by the people within the organizational field (Fligstein & Barntley, 1992). An organizational field can contain private or public actors, basically every actor who practices a regulative-, normative-, mimetic- or cognitive influence on an organization or population of an organization (Scott, 1995 in van den Hoed, 2004; Hoffman, 1999).

### 2.2.3 Isomorphism

Isomorphism emerges in an organizational field when organizations are established and are driven to become homogeneous. While establishing in an organizational field, organizations are heterogeneous and autonomous from one another. As time passes, organizations experience a lot of pressure in order to become homogenous. Homogenization explains the concept of isomorphism (DiMaggio & Powell, 1983). DiMaggio & Powell (1983) stick to the concept of isomorphism described by Hawley (1968) as; “a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions” (p. 149). Organizations obtain similar characteristics, systems, structures, norms, values and procedures. This homogenization process could eventually make an organization ineffective and insufficient. Organizations which become more and more similar lose their competitive advantageous position and obstruct organizations which want to change
Organizations change and become more homogeneous as a response to isomorphic pressures in the organizational field. DiMaggio & Powell (1983) note that institutional isomorphism could come from three causes, namely; coercive isomorphism, mimetic isomorphism and normative isomorphism.

2.2.4 Legitimacy

Institutional legitimacy refers to the support for an organization which is granted by the environment based on the agreement between the conduct of an organization and that what the environment expects from the organization. Legitimacy is defined by Suchman (1995) as; “…a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (p. 574). Scholars note that obtaining legitimacy is crucial for survival and required due to organizational reliance on desired resources out of their surroundings (DiMaggio & Powell, 1983). Legitimacy facilitates organizational behavior which will not be questioned by social structures. It can be observed as a rationalization and justification of the organization’s presented behavior and practices. Through legitimacy organizations could enhance their existence. One lacking legitimacy can be perceived as vulnerable, negligent, irrational or unnecessary. Organizations are affected by environmental changes and occurrences, this is the reason why they attempt to validate or legitimate their organizational activities continuously. This search for legitimacy is an ongoing process between the behavior of an organization and the shared understanding of social structures (Meyer & Rowan, 1977; DiMaggio & Powell, 1983; Suchman, 1995). From an institutional perspective legitimacy is concerning the collective structure of entire organizational fields and perceived from all point of views; “how the organization is built, how it is run, and, simultaneously, how it is understood and evaluated” (Suchman, 1995, p. 577).

Legitimacy takes up a central position considering isomorphism. It is noted that isomorphism enhances an organization’s legitimacy (Deephouse, 1996; DiMaggio & Powell, 1983). The concept of legitimacy is very significant within institutional theory. Especially in the establishment of new organizational developments and the place where it appears. Societies and regulators perceive an organization as more legitimate when they operate in the same manner as other organizations in the same organizational field (Suddaby & Greenwood, 2005).
2.3 Institutional Pressures

An important aspect of the new institutionalism focuses on isomorphism. Organizations after a while become homogeneous to one another which is driven due to compliance to institutional pressures. In order to provide a clear description regarding the different types of pressures and organizational behavior towards these pressures, this research will elaborate on the work of the institutional scholars Meyer & Rowan (1977), DiMaggio & Powell (1983) and Scott (1995;2001).

2.3.1 Meyer & Rowan

Meyer & Rowan (1977) are considered the first important scholars of the new institutionalism. Meyer & Rowan (1977) note that “Many formal organizational structures arise as a reflection of rationalized institutional rules” (p. 340). They do not concentrate on identifying different forms of institutional pressures, but it can be differentiated in their work. The scholars concentrate on the influence that institutional pressures have on organizations and argue that institutional policies serve as rationalized myths which can be seen as compulsory to an organization. Meyer & Rowan (1977) state that these rationalized myths are perceived to simplify the performance of organizations. According to Meyer & Rowan (1977) the rationalized myths are desired to be included into an organization in order to obtain legitimacy, to obtain knowledge, to become more balanced and to increase the possibility of organizational survival. Meyer & Rowan (1977) note that organizations become structured through phenomena in their surroundings and are likely to align their organizational structure consistent to the institutional surroundings. The isomorphism with the institutional surrounding contains various essential consequences for an organization. Organizations change the organizational structure in favor of the legitimated institutional surrounding instead of in favor of their organizational efficiency. Adapting legitimate structures stemming from their surroundings enhances an organization’s stability, internal- and external constituent commitment. The organization obtains legitimacy, which it utilizes to reinforce support and safeguards their existence. An increase of organizational compliance towards institutional isomorphism reduces internal control in order to improve its legitimacy and existence. As a result the rational institutional structures provide guidelines for constituents to practice the organizational activities (Meyer & Rowan, 1977).
2.3.2 DiMaggio & Powell

DiMaggio & Powell (1983) provided important contributions to institutional theory and elaborated on the work of Meyer & Rowan (1977). DiMaggio & Powell (1983) linked organizational-, institutional- and sociological theory and asked themselves why organizations, after a while become similar. Parallel with the work of Meyer & Rowan (1977), DiMaggio & Powell (1983) note those organizations become more similar due to their pursuit for legitimacy coming from their surrounding (DiMaggio & Powell, 1983). At first organizations differ within a new organizational field. But, when they become established influential pressures surface which drive organizations towards becoming similar. And in time, organizations and their actors create an environment which decreases the capability for organizational changes.

In order to illustrate the homogenization of organizations and the influence of institutional pressures the concept of isomorphism is implemented by DiMaggio & Powell (1983). They state different types of institutional pressures and make a distinction between competitive isomorphism and institutional isomorphism. When homogenization is a result from pressures of market competition it is referred to as competitive isomorphism. Competitive isomorphism must be observed from an institutional isomorphic perspective in order to represent the modern organization. The process of institutional isomorphism entails organizational competition which is required in order to gain legitimacy. DiMaggio & Powell (1983) suggest three mechanisms; coercive isomorphism, mimetic isomorphism and normative isomorphism and state that these three mechanisms are the main drivers behind institutional isomorphism.

Organizations face coercive isomorphism when pressure is exerted by organizations on which they depend. Coercive isomorphism in an outcome of informal and formal rules and regulations exerted by organizations like government agencies. Coercive isomorphism also arises when cultural expectations from society are pressured upon the organization and the organizational field. Coercive isomorphism can be considered as a constraint. DiMaggio & Powell (1983) note that an organization is influenced in its behavior and structure through a common authorized environment. Meyer & Rowan (1977) noted that an increase of authority and control by rationalized organizations, -nations and spread over society will leave organizations no choice than to adapt to these pressures. The consequences of this pressure results in an increase of homogeneity in the organizational field and organizations becoming more structured through expectations of conformity towards large institutions.
Organizations face mimetic isomorphism as a result of uncertainty and anxiety. Uncertainty and anxiety are influential forces which stimulate organizations to become similar. Uncertainty and anxiety arises due to; uncertainty coming from the environment, vague goals and targets, an unclear path of action or new technologies are not understood. Organizations imitate other organizations that are perceived to be successful in order to improve their legitimacy (March & Olsen, 1976; DiMaggio & Powell, 1983). Considerable, the larger the organization, the greater the pressure to oblige to programs, products and services of other organizations and thus the pressure to imitate these organizations. Mimetic isomorphism can be perceived as beneficial for an organization because a minimal effort could provide practical options and problem solving solutions (Cyert & March, 1963).

Organizations face normative isomorphism due to professionalization. DiMaggio & Powell (1983:152) describe professionalization; “as the collective struggle of members of an occupation to define the conditions and methods of their work, to control “the production of producers” (Larson, 1977:49-52), and to establish a cognitive base and legitimation for their occupational autonomy” (p. 152). DiMaggio & Powell (1983) highlight the role of the professions as resources of normative isomorphism. Professions try to form normative control through the regulation of norms in the organizational field. Jespersen, Nielsen & Sognstrup (2001) described professions as; “occupational groups that have achieved a high degree of control with their own field of work and the organizational framework and rules regulating this field” (Jespersen et al., 2001 in Louche, 2004, p. 100). Professions also attempt to gain regulative control external to the organization field by influencing public legislations (Jespersen et al., 2001 in Louche, 2004). Two characteristics of professionalization are considered as significant causes of isomorphism. Firstly, actors of professionalization obtain similar education and coaching, which creates similar mindsets and perceptions of the world. Secondly, through the interaction of professional actors, the network extends and becomes widespread here new ideas or new structures are spread fast.

Together with Meyer & Rowan (1977), DiMaggio & Powell (1983) suggest a continuance of the institutional isomorphism mechanism even though these do not enhance an organization’s efficiency. The organization’s effectiveness can be enhanced due to aligning the organization to successful organizations within the organization field. Organizational relations, - communication and -connections become accessible and professional actors easy to attract.
and organizations obtains legitimacy and social status. It must be noted, that organizations conforming to institutional pressures do not necessarily become more efficient.

2.3.3 Scott

Scott (1995; 2001) differentiated three Pillars of institutions, namely; a regulative Pillar, a normative Pillar and a Cultural-Cognitive Pillar. These three Pillars illustrate the different important aspects of institutional pressures. Scott (1995) illustrates the three Pillars in combination with the aspects of institutional pressures. Every pillar enables a foundation for legitimacy. The regulative pillar emphasizes legitimacy as a consequence of obedience to non-legal and legal obligations. The normative pillar highlights a more ethical basis to obtain legitimacy. The cultural-cognitive pillar approaches legitimacy via the adaptation of a commonly accepted framework (Scott, 1995). The pillars present the institutional surrounding which constitutes appropriate decision making and actions in order to gain legitimacy (Fligstein, 1991). A table summarizing the pillars of Scott (2001) is included in the appendices and the pillars will be described below.

The regulative Pillar illustrates the effect of limitation and regulation which institutions hold on behavior (Scott, 1995). Regulative processes contain; the scope to determine rules, inspections of obedience to these rules and sanctions if required to manipulate behavior. In coercive isomorphism, an organization holds on to informal- and formal rules and regulations of resource dependent organizations. Organizations with legitimacy are perceived to be those who perform in harmony with significant legal requirements (Scott, 1995). Scott’s (1995) regulative Pillar aligns with DiMaggio & Powell’s (1983) coercive isomorphism.

The normative Pillar concerns rules which initiate; prescribed, evaluating and essential elements to society. Norms and values shape organizational behavior and are incorporated into normative systems. Formulated aims and objectives in accordance with the normative system illustrate an approved method for accomplishment. Normative rules are regularly perceived as enforced limitations of social behavior, but also enable power and facilitate social interaction. Normative rules provide rights, privileges and licenses, but also contain responsibilities, obligations and directives. In contrast to regulations being forced upon the system, normative rules are shared among - and internalized through the normative system. Conformation is another contrast among regulations and normative rules, contrasting moral compelled behavior instead of personal interests. The normative pillar provides a more wide

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1 Table 1; Scott (1995), ‘Three Pillars of institutions’
spread sight although there are similarities with the work of DiMaggio & Powell’s (1983) normative isomorphism (Scott, 1995).

The cultural-cognitive pillar emphasizes the central position of socially constructed assumptions which are generally taken for granted. Actors interpret and give meaning to their social surroundings. This is mainly based on belief (cognitive) as opposed to sanctions (regulative) or correctness (normative). Compliance rises when other behavior in unthinkable. An outcome of belief systems and cultural frameworks are forced upon organizations and actors, which make them, become similar (DiMaggio & Powell, 1983). Moreover, having differentiated status of actors, organizations are inclined to become similar to those organizations perceived successful and profitable as well. Actors adapting similarities and organizations adapting similar structures and practices are referred to as mimetic behavior. The cultural-cognitive pillar emphasis the unawareness nature conforming to rules, also known as taken-for-grantedness (Scott, 1995). The cultural-cognitive pillar of Scott (1995) is an equivalent of the mimetic isomorphism of DiMaggio & Powell (1983).

The pillars rest on different theories concerning the description of reality and the explanation for behavior. For that reason, Scott (1995) noted that attention must be paid while merging the various pillars to describe social behavior. In contrast, Hoffmann (2001) proposes to use all three Pillars to explain organizational behavior.

2.4 Institutional Pressures of the research

This paragraph provides a clarification of institutional pressures. The various institutional pressures will be classified and these classifications will be utilized to measure the institutional pressures exerted on Shell. Through elaborations in the previous paragraph the institutional pressures could be classified in; regulative-, mimetic-, social normative- and professional normative pressure.

- Regulative Pressure

Regulative pressure is a form of pressure stemming from all types of systems, policies, rules and regulations. This pressure is referring to rules and regulations channeled via written files and legal documents. Meyer & Rowan (1977) state that rationalized myths could be encouraged through law (Starbuck, 1976), as they note that various statements, agenda’s, policies, arrangements and processes of organizations to a certain degree are forced upon through law. As an outcome organizations require licenses and qualifications which are
necessary to perform their activities. These regulative pressures make it necessary and beneficial for an organization to live up to rules and regulations set by law. A part of coercive isomorphism is addressed as regulative pressure as it is partly identified by both informal- and formal pressures exerted on depending organizations through other organizations and thus can be referred to as regulative pressures (DiMaggio & Powell, 1983). Regulative pressure within the work of Scott (1995) is addressed as the regulative pillar. Scott (1995) notes that the restricted and controlling characters of institutions embedded within the regulative pillar have a significant effect on behavior. Regulative pressure placed upon organizations is mostly led by Government agencies. Organizational compliance towards these regulative pressures is to obtain legitimacy.

- Mimetic Pressure

Mimetic pressure is a form of pressure stemming from the experience of uncertainty and anxiety by an organization. Organizations try to align themselves to perceived successful organizations with the intention to decrease uncertainties and anxieties. Mimetic pressure is spread via public opinions for instance via annual reports and the level of performance. Meyer & Rowan (1977) note that organizations start imitating perceived successful organizations when uncertainties arise. DiMaggio & Powell (1983) describe mimetic isomorphism as mimetic pressure and note that mimetic isomorphism rises as a consequence of uncertainty and makes organizations similar. DiMaggio & Powell (1983) note that the level of mimetic isomorphism becomes higher when an organization becomes larger. As a consequence of belief systems and cultural surroundings which are forced upon organizations, organizations adapt to similar and standard manners of behavior (Scott, 1995). Scott (1995) notes that the cultural-cognitive pillar entails mimetic pressures and normative pressures.

- Normative Pressure

Normative pressure is a form of pressure stemming from the urge to live up to societal expectations such as; norm and values, obligations and responsibilities. This research divides normative pressure in social normative pressure and professional normative pressure. Pressure stemming from the entire society, the public or a community can be classified as forms of social normative pressure. Pressure stemming from actors, institutions and industries can be classified as forms of professional normative pressure.
Meyer & Rowan (1977) note that social networks could functions as a distribution channel for normative rationalized myths, which illustrate aspects of formal configurations. Adapting the rationalized myths and structuring the organization according to normative rationalized myths could partially benefit organizations due to the public opinion. Informal and formal pressures from dependent organizations as well as culture and public prospects are appointed by DiMaggio & Powell (1983) as coercive isomorphism. Informal and formal pressures stemming from depending organizations is part of regulative pressures, whereas culture and public prospect pressure is part of social normative pressures. The normative pillar of Scott (1995) indicates that normative rules contain elements of obligation, regulation and evaluation of social life. The normative rules are also characterized with limitation, authorization, privileges and responsibilities (Scott, 1995). According to Scott (1995), normative rules are implemented as obligatory by organizations and that is the reason of organizational conformity. Scott (1995) indicates that the cultural-cognitive pillar functions as a tool of sense making. As mentioned previously the cultural-cognitive pillar includes elements of mimetic pressure but also includes elements of social normative pressure. According to Scott (1995), cognitive rules establish a global perspective and award meaning and sense making, cognitive rules are inherent to broad belief- and culture frameworks stemming from society and can be interpreted as part of social normative pressure.

Meyer & Rowan (1977) indicate that normative pressure is exerted through society as well as institutions. Professional normative pressure, can be seen as pressures imposed by an organization’s relational networks. As with social normative pressure, these relational networks function as a distribution channel for rationalized myths (Meyer & Rowan, 1977). Implementing new constructs are beneficial and advantageous for an organization due to pressures stemming from, educational systems, official documents and society. DiMaggio & Powell (1983) note that norms in an organizational field are regulated by professions in order to control normative pressure. They also highlight isomorphism as a consequence of professionalization. Education and training create a similar view among various actors within different professions. Actors also interact with one another through their relational network and associations which functions as a distribution channel (DiMaggio & Powell, 1983). Even though the normative pillar of Scott (1995) is mainly studied from a social normative pressure perspective, it can also be studied from a professional normative pressure perspective. As a consequence of obtained knowledge and past experiences professional norms and values are formed in an organizational field. The distribution of norms channels via specialists or
professional organizations. Via these distribution channels norms could become official
norms and standards for an organizational field (Scott, 1995).

As a clarification of the regulative-, mimetic-, social normative- and professional normative
pressure, an outline of the institutional pressures, their characteristics and scholars is
submitted as a table within the appendices².

2.5 Strategic Responses

Oliver (1991) noted that attention towards strategic behavior of organizations in immediate
response to institutional pressures was lacking in institutional theory. Oliver (1991) stated;

In contrast, institutional explanations of reproduction and isomorphism emphasize the
role of conformity, habit, and convention, rather than organizational power and
control, in contributing to stability, and power tends to be attributed to the institutional
environment rather than the organization (e.g., DiMaggio and Powell's, 1983,
predictions of coercive isomorphism). (p. 149)

In response, institutional scholars argued that the decision to conform to - or resist
institutional pressures is one of strategic nature and is influenced by the interest of an
organizational behavior can be incorporated in institutional theory if organizational responses
and opportunities towards institutional pressures are not expected to be consistently
submissive and compliant along the institutional conditions. She argues that if the possible
variety for resistance, knowledge, hands-on attitude, influence and an organizations’ self-
centeredness are expected, an organization could exert a wide variety of strategic responses in
response to the institutional surroundings.

In institutional theory various forms of organizational strategic responses vary from
conformity towards resistance, active or passive, unawareness or controlling, incapable or
influential and consistent or pioneering. The strategic response of an organization depends on
the institutional pressure and the enforcement towards conformity placed upon an
organization (Oliver, 1991). Oliver (1991) suggest to categorize strategic responses into five
types, these types are specified to be; acquiescence, compromise, avoidance, defiance and
manipulation. The strategic responses and their characters are summarized by Oliver (1991) in

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² Table 2; ‘Outline Institutional Pressures’

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The strategic response of acquiescence concerns the awareness and unawareness of conformation activities towards institutional pressures. An organization could conform blindly or hold on to established and taken for granted rules. Mimetic isomorphism could occur if organizations align their processes with organizations perceived as successful (DiMaggio & Powell, 1983). Or, organizations could intentionally- and from a strategic point of view decide to conform to the institutional pressures. The strategic response of acquiescence is subject to; an organization’s deliberate intention to comply, their consciousness of institutional practices and their prediction that compliance is convenient out of their own interest.

The strategic response of compromise rises when organizations are faced with contradicting institutional inquiries or with differing institutional prospects is relation to their internal purposes. Conformity without compromises could be infeasible to an organization. Similarity and uniformity need to be accomplished among stakeholders, shareholders and organizational interest. It is significant that an organization comforts the institutional source in this process. An organization requires making some concessions with the institutional source in order to fulfill both desires and make them fit. Within their work, Pfeffer & Salancik (1978) state the concept of the negotiated environment, in this concept they assume that an organization’s relation with the institutional surrounding is able and willing to negotiate and willing to substitute or compromise. An organization’s strategic response of compromise is characterized with an active preservation of the organizational interests and conformation towards institutional pressures is only partially.

The strategic response of avoidance is an organizational effort to rule out the option of conforming to institutional pressures. Oliver (1991) defines the strategic response of avoidance; “as the organizational attempt to preclude the necessity of conformity” (p. 154). Organizations could conceal not conforming towards institutional pressures behind the impression of acquiescence. An organization could establish complex rational procedures and processes in strategic response towards institutional pressures without intending implementation. Meyer & Rowan (1977) recognize the concealment of not conforming by stating that in order to gain legitimacy of constituents, organizations were vulnerable to

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3 Table 3’Straategic Responses to Institutional Processes’
assemble stories of their activities to accomplish social prospects of what an organization should carry out. Organizations did not align the stories with their actual processes and procedures, organizations only spread those stories in order to keep up appearance and as an assurance towards institutional pressures. Organizations could also separate or disconnect technical processes in order to maintain autonomous and diminish analysis or inspections coming from external sources (Pfeffer & Salancik, 1978; Thompson, 1967). Last, in order to exclude themselves from institutional pressures, organizations could leave the field or modify their activities (Hirschman, 1970).

The strategic response of Defiance concerns an active manner of organization to resist institutional pressures. When practicing defiance, an organization could reject, dispute or attack institutional pressures. The strategic response of Defiance signifies explicit rejection regarding institutional pressures. Organizational Defiance is likely to appear when exit cost are relatively low, if internal and external prospects differ extremely, when organizations trust that they could display the consistency and morality of their organizational beliefs and behavior, or if illustrating an organization’s opposition or resentment towards institutional pressures does little to damage the organization.

The strategic response of manipulation concerns an active manner of resistance in regards to institutional pressures. The strategic response of manipulation aims to alter or apply power at all aspects of institutional pressures e.g. the content, the prospects and the constituents. Manipulation intends to; use institutional pressures and their relations opportunistic, designates and defuse institutional constituents, form and reform norms, values and beliefs and criticism of evaluation, practice control on the source and channels the distribution of approval and legitimacy. Organizational manipulation of institutional pressures engages when it facilitates chances to manipulate e.g. when rules, values and norms are vulnerable and leave room for discussion. The strategic response of manipulation attempts to adjust the institutional Environment to correspond towards the organization.

In her work, Oliver (1991) described strategic responses towards institutional processes. Herein, Oliver (1991) did not address the institutional pressures whom lead to the strategic responses and which institutional pressure causes what strategic response. This gap in the institutional theory will be studied within his research. A possible relation between the different types of institutional pressures and the strategic responses of organizations will be explored.
Research Methodology

The Research Methodology of this thesis is an elaboration on the methods used to answer the established Main Research Question. First, the appropriate research design for the data analysis is established and its strengths and limitations considered. Second, a short comprehension of the casus is provided and finally, the methods of data collection and data analysis applied within this research are described.

2.6 Research Design

This Research Design entails a description on the method towards answering the Sub-Research Questions and Main Research Question of the research.

The research type of this study is qualitative because it is an in-depth analysis of a single case in which the interpretation of a certain context is of great significance. Babbie (2007) describes qualitative analysis as; “The nonnumerical examination and interpretation of observations, for the purpose of discovering underlying meanings and patterns of relationships” (p. 378) An interpretation of a certain context within this single case study is significant because this research aims to study causal relationships; when one variable causes the other variable to change within a local context.

The objective of this research is to find out how the institutional pressures forced on Shell interact with the strategic responses exerted by Shell during their struggle with the Ogoni natives. The research objective has an exploratory nature and is performed in order to provide new insights which could contribute towards institutional theory (Saunders, Lewis & Thornhill 2009; Robson, 2002).

General research strategies involve experiments, observations, interviews, surveys, case studies and different types of research, such as; action-, ethnography- and archive research (Saunders et al., 2009). Yin (2003) suggests that every research strategy is applicable for explanatory-, exploratory- and descriptive research. Saunders et al. (2009) note that case studies are appropriate when explanatory or exploratory research is conducted due to its capability to obtain answers on ‘why, how and what?’ questions.
Hartley (2004) describes case study research as;

Case study research consists of a detailed investigation often with data collected over a period of time, of phenomena, within their context. The aim is to provide an analysis of the context and processes which illuminate the theoretical issues being studies. The phenomenon is not isolated from its context (as in, say, laboratory research) but is of interest precisely because the aim is to understand how behavior and/or processes are influenced by and influence context. (Hartley in Cassel & Symon, 2004, p. 323)

Case studies are conducted via a single- or multiple case study, if there are no other cases available for comparison, the researcher is restricted to a single case study. Yin (1994) notes that a generalizing statement from a case study whether single or multiple, references to literature and not to a population. General criticism of single case studies refers to the reliance of the researcher. Due to a researchers’ reliance on a single case study, the capability to present a generalizing statement reduces (Yin, 1993). Yin (1993) notes that the size of the case study does not matter, the target of the study should set the boundaries followed by an application on all research. According to Yin (1993) even a single case could be adequate, as long as it meets the researchers’ established objectives. To address the main research question a single case study is used as research strategy.

2.6.1 Research Strengths and Limitations
Analyzing qualitative data provides strengths and limitations. The Strength of a qualitative data analysis is that the researcher is able to do a longitudinal study and it permits the researcher to interpret the obtained data. Another strength is that the studied case does not change, it remains how it occurred and when new insights appear, the researcher can modify literature used for the case study (Babbie, 2007). But, qualitative data analysis has its limitations as well. Yin (1994) identified two significant problems concerning case studies, namely, the validity of the case study and reliability of the case study. Yin (1994) notes three obstacles, namely; construct validity, external validity and reliability. Construct validity is regarding the development of the right measurement tools and instruments to perform the objective of the study. External validity concerns the establishment of the correct domains to which the outcomes of the study can be generalized. Reliability is concerning whether the manner of data collection and the manner of analysis will consistently provide the same outcomes. To overcome the problem of construct validity Yin (1994) suggests the use of multiple sources to verify the obtained data. Multiple sources provide the researcher with
more data of the same phenomena, which makes the outcome more accurate and convincing. Another point of criticism is the limited basis for generalization of the case study methodology. As previously stated Yin (1994) noted that the generalization in case studies is more applicable to refer to theoretical propositions than making statements about entire populations.

Qualitative data analysis is associated with subjectivity, which could cause problems for the reliability of this research. Reliability refers to the consistency of research results when examined by other researchers. With regards to enhancing the reliability, Yin (1994) suggests the use of a study protocol and suggests developing and maintaining a case study database during the process. The study protocol and the study database explain how the research is set up, which data is conducted and how this is interpreted.

2.7 The Case
A short case description is provided within this subparagraph, a detailed case description is situated within the next chapter. The case is demarcated on period, focus and activities. It took place between 1958 and 2009 and focuses on Shell’s SPDC activities in Ogoniland. On the 17th of February 1958 the first barrel of oil left Nigeria. On the 8th of June 2009 Shell settled a court case with relatives of executed Ogoni activists. Shell International, Shell Nigeria and the SPDC are all referred to as ‘Shell’ in the case.

Shell has been active in the Niger Delta since 1936 and as from 1958 increased their production activities all through the Niger Delta. Shell functioned as the operating segment of a partnership between the Nigerian National Petroleum Company (NNPC), Elf and Agip. As operating segment, Shell performed widespread oil activities in the oil rich Ogoni region. Since the beginning of Shell’s production activities, their relation with the Ogoni natives was tense. The Ogoni natives have been peacefully protesting against Shell for several years on environmental-, social- and economic issues. When the Ogoni natives experienced a lack of support from the Nigerian federal government and a non-response from Shell, they started a social movement. Via this social movement they obtained national and global media attention for their campaign against Shell. Even though the social movement campaign was one of nonviolence, the Ogoni were met with military repression. Through the military repression numerous Ogoni were killed, beaten and detained. Faced with pressure, Shell was forced to halt their production activities in Ogoniland in 1993. In 1995 the representative of the movement was arrested and executed by the Nigerian federal government. Many blame the
execution on Shell and global resentment towards the corporation rose. Worldwide media, environmental activists and human right activists protested against Shell. Shell had to defend their actions over and over towards global media, stakeholders and shareholders. Evidence of human rights violation surfaced and various relatives of executed Ogoni activist filed a lawsuit against Shell. Having suffered severe reputational damage, Shell changed their corporate strategy, started dialogues with stakeholders and revised their corporate principles. After Shell halted their production activities, they could not return to Ogoniland and their operation license of Ogoniland was taken away by the Nigerian federal government. In 2009, Shell settled the lawsuit filed against them by the relatives of the Ogoni activists out of court and granted those 15.5 million dollars (Boele, 1995; Boele, Fabig, & Wheeler, 2001a)

2.8 Data Collection

Once the research design is established, a main focus is on the method of collecting data. According to Yin (1994), the data collection method can improve the construct- and internal validity, could improve the external validity and could improve the reliability of the case study (Yin, 1994). This is in accordance with Eisenhardt (1989) who states that multiple data collection methods offer a more convincing validation of constructs. An appropriate method of data collection is vital in order to analyze the case description and to provide valuable conclusions.

Yin (1994) established six main sources applicable for case study research. According to Yin data collection could be obtained via documentation, archival records, interviews, direct observation, participant observation and physical artifacts (Yin, 1994:80). Every source is not always needed or applicable in each case study, however using several sources is emphasized because it enhances the reliability (Stake, 1995; Yin, 1994). Not one particular source is more advantageous in comparison to another instead they could complement each other and could be applied jointly (Yin, 1994).

This research is obtained via a data collection of secondary data. In order to establish the narrative of the case, documentation- and archival records sources were used. Documentation contains sources such as; scientific- or academic articles, professional reports, educational reports, newspaper articles, writings or letters, memos, minutes and plans. Archival records includes sources such as; service documents, survey documents, personal documents, graphic- and geographic maps, figures and charts. The strengths of documentation sources are considered to be; stable through its repetitive assessing, unobtrusive due to its presence prior
to the case study, precisely and its wide reporting due to a prolonged time span. Documentation sources have their weaknesses as well. These include difficulties in its retrievability, the partial selection of documentation, the subjective reflection of the author and a limited access to the documentation. The strengths and weaknesses of the Documentation sources are considered to be the same for archival record sources. Whereas the archival record sources contain strengths which states the source is precise or quantitative (Yin, 1994).

The research consists of an in-depth content analysis of multiple sources in order to provide a detailed case description. Various academic articles of leading scholars formed the foundation of this research. While using documentation sources a verification of data stemming from other sources is a necessity. This to avoid over-reliance on one document and the collection of false data. Other academic articles and historical books were studied and examined to overcome the limitations of documentation sources and archived record sources. The academic articles were used to overcome the author’s subjectivity and as control factor for the reliability. In order to situate the real-life context and the responses of various actors and groups involved, press releases, reports, statements and newspaper articles were obtained and examined as well (Yin, 1994).

2.9 Data Analysis

This data analysis explains the method of how the case description is analyzed. It provides examples of how events are scaled as institutional pressures and strategic responses and describes the method why main themes within the case description are classified. Finally, this data analysis clarifies the applied methods which could enhance the reliability of the outcomes. All selected academic articles were examined up-front and filtered on subjectivity. In order to start a data analysis, the case description is narratively written down following a chronological order in time.

2.9.1 Institutional pressures

In order to identify which institutional pressures were forced on Shell, a categorization needed to be established. The activities of constituents in the institutional field are determined with a foundation from institutional theory. The activities of constituents exerting pressure are determined to have a regulative-, a mimetic-, a social normative- or a professional normative character. The social normative character is studied from a local and a global perspective. In order to determine the operations of constituents as an institutional pressure, the summarizing
table ‘Outline Institutional Pressures’ from the literature review is used as a tool. This table provides an outline of the description, the source, the distribution channel and the basis for compliance of institutional pressures.

<table>
<thead>
<tr>
<th>Pressure</th>
<th>Regulative</th>
<th>Mimetic</th>
<th>Social Normative Local/ Global</th>
<th>Professional Normative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Rules, Regulations, Laws</td>
<td>Imitation of other organizations</td>
<td>Society, Social Status, public expectations, rationalized myths, socially constructed rules, collective understanding</td>
<td>Professional standards, understandings and expectations</td>
</tr>
<tr>
<td><strong>Source</strong></td>
<td>Legislative and judicial authorities, administrative agencies (Meyer &amp; Rowan) Governments (Meyer &amp; Rowan; DiMaggio &amp; Powell; Scott) Regulators, organizations which enforce behavior (DiMaggio &amp; Powell)</td>
<td>Perceived successful organizations (Meyer &amp; Rowan; DiMaggio &amp; Powell; Scott) Similar organizations (Meyer &amp; Rowan) More legitimate organizations (DiMaggio &amp; Powell)</td>
<td>Public opinion, social status (Meyer &amp; Rowan) Society (DiMaggio &amp; Powell; Scott)</td>
<td>Professions (DiMaggio &amp; Powell) Educational systems (Meyer &amp; Rowan)</td>
</tr>
<tr>
<td><strong>Distribution Channel</strong></td>
<td>Written files, legal documents (Meyer &amp; Rowan; DiMaggio &amp; Powell; Scott) Rules of practice (Meyer &amp; Rowan)</td>
<td>Public opinions via annual reports and level of performance (Meyer &amp; Rowan; DiMaggio &amp; Powell; Scott)</td>
<td>Social networks (Meyer &amp; Rowan) Culture and societal expectations (DiMaggio &amp; Powell) Belief - and culture frameworks (Scott)</td>
<td>Education and relational networks (Meyer &amp; Rowan) Professional network and exchange associations (DiMaggio &amp; Powell)</td>
</tr>
<tr>
<td><strong>Basis for Compliance</strong></td>
<td>Licenses, qualifications (Meyer &amp; Rowan) Legal enforcement (DiMaggio &amp; Powell) Legal sanctions (Scott)</td>
<td>Avoid uncertainty (Meyer &amp; Rowan; DiMaggio &amp; Powell) Maintain stable (Meyer &amp; Rowan) Increase legitimacy (DiMaggio &amp; Powell) Fit in (Scott)</td>
<td>Public opinion (Meyer &amp; Rowan), Social and moral obligatory, Grantedness (Scott)</td>
<td>Public opinion (Meyer &amp; Rowan) Social and moral obligatory, grantedness (Scott)</td>
</tr>
</tbody>
</table>

*Table 2 ‘Outline Institutional Pressure’*

While analyzing the data it is significant to determine in which way an event triggers or contributes to the exertion of institutional pressures. Events could trigger or contribute in two ways via an increase- or decrease of institutional pressures. Various events do not increase the institutional pressure exerted on Shell. Events which have a decreasing effect on Shell own ability to perform are noted as an increase of institutional pressure. Events which have an increasing effect on Shell’s ability to perform are noted as a decrease of institutional pressure.
Determining increasing- or decreasing institutional pressures as a consequence of events assists the reflection of its dynamics. It also avoids the suggestion that the institutional pressure exerted on Shell is constantly increasing.

Looking at the table ‘Outline Institutional Pressures’, regulative authorities such as the Nigerian federal government, other governmental bodies and the supreme- and district court of the United States, evidently exert a regulative pressure. Other oil corporations within Nigeria such as BP and Chevron are associated with mimetic pressure. The local communities of Ogoniland Nigeria or local environmental activists exert a social normative local pressure where public interest groups such as Greenpeace and Human Rights Watch exert a social normative global Pressure. Analysts or experts stating their opinion with regards to events are noted to exert a professional normative pressure.

The above constituents and the institutional pressure they exert are not hard to distinguish, but as stated in the institutional literature a categorization of institutional pressures is not always clear. Distinguishing institutional pressures could be difficult due to a level of interrelated embeddedness. Stakeholders, shareholders or employees belong amongst the constituents which exert pressure which is rather difficult to distinguish. Within this research the actions of Shareholders are classified as exerting a regulative pressure. Shareholders are characterized with expectations and prefer certain directions over others, these are characteristics of the exertion of normative pressure. Although, not conforming towards the expectations of shareholders could have severe consequences and to that extent the pressure exerted by shareholders has a regulative nature.

- Examples of the Institutional Pressures

In order to clarify the institutional pressures various examples of institutional pressures are provided. The type of institutional pressure is stated and the constituent applying the institutional pressure is stated cursive. These examples also reflect the dynamics of an increase- or decrease in pressure between brackets.

Regulative pressure Nigerian Federal Government (+); ‘On the 4\textsuperscript{th} of June 2008, the Nigerian federal government final decision to substitute Shell in Ogoniland was announced’ (International Crisis Group, 2008).
Regulative pressure MOSOP (-); ‘MOSOP welcomed the initiative of the reconciliation process’ (International Crisis Group, 2008).

Social Normative Local Ogoni natives (+); ‘In 1970, seven Ogoni leaders wrote a letter to Shell and the Military Governor of the River State, expressing their agitation of environmental degradation from Shell’s operations.’ (International Crisis Group, 2008).

Social Normative Local Ogoni natives (-); ‘The majority of Ogoni natives saw this decision as a triumph for their efforts and as a triumph of justice. On 9 June 2008, thousands of Ogoni natives walked through Port Harcourt and brought a message to President Yar’ Adua. The Ogoni message noted that the end of Shell in Ogoniland was a stimulating message which rewarded non-violence.’ (International Crisis Group, 2008).

Social Normative Global Greenpeace and Amnesty International (+); ‘Greenpeace, Amnesty International and Human Rights Watch appealed to the board of Shell. They asked the board to apply pressure on the Nigerian Federal Government to void this death sentence.’ (Rowell & Goodall, 1994; Boele et al., 2001a).

Social Normative Global Guardian London (-); ‘Through Shell’s PR campaign, Shell was revised by 160 opinion leaders as concentrated on the environment, ethical and devoted and loyal to human rights’ (Guardian London, 1993 quoted in Frynas, 2001).

Professional Normative World Bank (+); ‘The report obtained by the World bank stated that a sample of creek water near a facility of Shell in Ogoniland was contaminated with a high amount of hydrocarbon. The level of hydrocarbon was approximately sixty times over the United States drink water standards.’ (Project Underground, 1996).


Mimetic pressure Media (-); But the Shell case has wider implications for other multinationals who could also face worldwide pressure to accept ethical and social responsibility for their actions around the world” (O’Sullivan, 1995, p. 22).
2.9.2 Strategic Responses

With the objective to identify which response was used by Shell as reaction to the institutional pressures, the strategic responses of Shell are categorized. The strategic responses of Shell are determined according to the table of Oliver (1991). The strategic responses of Shell could be acquiesce, compromise, avoid, defy or manipulate (Oliver, 1991).

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Tactics</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquiesce</td>
<td>Habit</td>
<td>Following invisible, taken-for-granted norms</td>
</tr>
<tr>
<td></td>
<td>Imitate</td>
<td>Mimicking institutional models</td>
</tr>
<tr>
<td></td>
<td>Comply</td>
<td>Obeying rules and accepting norms</td>
</tr>
<tr>
<td></td>
<td>Balance</td>
<td>Balancing the expectations of multiple constituents</td>
</tr>
<tr>
<td>Compromise</td>
<td>Pacify</td>
<td>Placating and accommodating institutional elements</td>
</tr>
<tr>
<td></td>
<td>Bargain</td>
<td>Negotiating with institutional stakeholders</td>
</tr>
<tr>
<td></td>
<td>Conceal</td>
<td>Disguising nonconformity</td>
</tr>
<tr>
<td>Avoid</td>
<td>Buffer</td>
<td>Loosening institutional attachments</td>
</tr>
<tr>
<td></td>
<td>Escape</td>
<td>Changing goals, activities, or domains</td>
</tr>
<tr>
<td></td>
<td>Dismiss</td>
<td>Ignoring explicit norms and values</td>
</tr>
<tr>
<td>Defy</td>
<td>Challenge</td>
<td>Contesting rules and requirements</td>
</tr>
<tr>
<td></td>
<td>Attack</td>
<td>Assauling the sources of institutional pressure</td>
</tr>
<tr>
<td>Manipulate</td>
<td>Co-opt</td>
<td>Importing influential constituents</td>
</tr>
<tr>
<td></td>
<td>Influence</td>
<td>Shaping values and criteria</td>
</tr>
<tr>
<td></td>
<td>Control</td>
<td>Dominating institutional constituents and processes</td>
</tr>
</tbody>
</table>

Table 2 ‘strategic responses to institutional processes’, (Oliver, 1991:152)

- Examples of strategic responses

Acquiesce: ‘After the Nigerian Civil War Shell made payments to the Nigerian Federal Government in royalties and taxes for producing oil within the Niger Delta communities (Boele et al., 2001a).’.

Compromise: ‘Started in 1996, Shell held an international project ‘Changing Societal Expectations’ and further established ties with environmental groups, human rights groups and other nongovernmental groups’ (Groves, 2009).

Avoid: ‘Shell noted, that they are obliged by the Nigerian law to contact the ‘supernumerary police’ when confronted with unrest and that the corporation did not have a choice to comply’ (Human Rights Watch, 1995).
Defy: ‘Shell quested and supported the interference of the Nigerian Federal Government military forces when challenged with protests from various Niger Delta Natives’ (Frynas, 2001).

Manipulation: ‘After the announcement, Shell stated that in harmony with the established Joint Operating Agreement, they were prepared to consent with a joint venture partner taking over the operating license of Ogoniland and that Shell Nigeria was willing to assist the Nigerian federal government with the acquisition of oil operations in Ogoniland’ (Shell Nigeria, 2009)

2.9.3 Perspectives
In the process of writing the case description, the content mainly described two perspectives. These perspectives contained actions of both institutional pressure and strategic responses. The two main perspectives of the case description are; the environmental perspective and the social perspective. The social perspective is separated into two main perspectives, the sustainable development perspective and the human rights perspective. The environmental-, the sustainable development- and the human rights perspective are analyzed separately. If all perspectives would be analyzed together, the results of an exerted institutional pressure and an used response strategy might not be relevant to each other. The perspectives contain different constituents which enforce different institutional pressures regarding various issues. It must be noted that a phenomenon, when categorized can only make its appearance in one category in order to avoid overlap in the analysis.

2.9.4 Reliability
While researching and writing the case description, the author became an expert on the casus. Academic articles, historical books, press releases, reports, briefings, statements and newspaper articles were all studied. An extensive secondary data study was obtained to avoid false data, to overcome subjectivity and to establish the real-life context.
3 Results

This chapter describes the results extracted from the case description. The actions described within the case description are appointed to forms of institutional pressures and strategic responses. Significant results are presented in view of institutional theory important for this research. Firstly, general actions and results are described. Secondly, a presentation of important actions and their results are described from an environmental perspective, a sustainable development perspective and a human right perspective.

3.1 General Results

In this subparagraph prominent general results are described. Figure 1, illustrates the percentage of each perspective in the case description. The environmental perspective and the human rights perspective are mostly reported on. Broad reports, news and information on the environmental perspective could be explained through the length of the case, Shell’s core business of oil exploration, attention on Shell’s environmental acts due to the Brent Spar debacle and through the number of constituent involved within this perspective. Broad reports, news and information on the human rights perspective could be explained through Shell operating in a dictatorship, the news value of the execution of Ken Saro-Wiwa and the large number of constituents involved in this perspective. Less wide reports on the sustainable development perspective could possibly be explained through the focus of the case. The focus of the casus is merely on Shell’s activities with regards to Ogoniland. As Shell became unwanted in Ogoniland, reports on sustainable development slightly decreased. Another possible explanation could be that the realization of sustainable development takes time.

![Figure 1: perspectives percentages](image)

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Figure 2 illustrates the percentages of the different institutional pressures exerted on Shell. As illustrated in figure 2, social normative global pressure is the prevailing pressure exerted on Shell among all perspectives. Reports, news, and information on the human rights tragedies presented in Ogoniland are elaborated on largely. The execution of Ken Saro-Wiwa received worldwide attention and to that extent social normative global pressure is exerted most in the human rights perspective. Another significant result is the absence of mimetic pressure exerted on Shell in all perspectives. The absence indicates that other oil corporations follow the same procedures and contain similar business practices as Shell. Another suggestion could be that other oil corporations deliberately remain silent to protect their own interest. Sampling the casus of Shell, mimetic pressure was exerted on the entire oil industry. The mimetic pressure exerted on the oil industry strengthens this view. As figure 2 illustrates, regulative pressure is mostly exerted in the sustainable development perspective. It must be noted that the level on which news and information is reported in the sustainable development perspective is lower than in the other two perspectives. The lower level of reports, news, and information in comparison to the other two perspectives results in a higher percentage of the regulative pressure in the sustainable development perspective. Environmental activities can be compared to established professional standards and procedures as a result, professional normative pressure is mostly exerted in the environmental perspective.

![Figure 2: percentages of institutional pressures per perspective](image-url)
Figure 3 illustrates the percentages of the strategic responses used by Shell per perspective. The most frequently used strategic response of Shell is the strategic response of defy with 32%. As shown in figure 3, the percentage of the strategic response of acquiesce is missing in the environmental perspective. Shell does not consider conformity to the institutional pressures as self-serving to their organisational interest (Oliver, 1991). Shell believes that the allegations in the environmental perspective are a result of sabotage. The absence of acquiesce might explain the relatively high percentages of the compromis, avoid and defy response strategies. A high percentage of compromise is illustrated in the environmental perspective which indicates that Shell believes that there are inconsistencies among the institutional expectations and Shell’s internal organisational objectives (Oliver, 1991). The percentage of the avoidance is also widely used in the environmental perspective in order to prevent the necessity of conformity. The percentage of acquiesce in the sustainable development perspective is relatively high, but this is characterised due to Shell’s unconscious adherence to taken for granted rules and norms (Oliver, 1991). The percentage of the compromising strategy in the human rights perspective is relatively low. Shell did not wish to interfere with local politics and Shell mostly defied institutional pressures present in the human rights perspective. In all perspectives Shell used the strategic response of manipulation which indicates that Shell did not necessarily perceive institutional pressures as constraints to which the corporation in response had to obey or defy (Oliver, 1991).

![Bar chart illustrating the percentages of Shell's strategic responses per perspective.](image)

*Figure 4: percentage of Shell’s strategic responses per perspective.*
3.2 Results per perspective

Within this paragraph the results drawn from the case description are described per perspective. The results are presented in important time periods for the case. These time periods are also displayed in the table presented per perspective. The results are described in a chronological order in time.

3.2.1 The Environmental perspective

The environmental perspective holds all actions relating to the environment of Ogoniland and Shell’s environmental activities in Ogoniland. Table 4 present the institutional pressures, an increase or decrease of the pressure and the response strategy of Shell per time period. Significant actors within the environmental perspective are the Ogoni natives, Ken Saro-Wiwa, the MOSOP, environmental activists, Greenpeace, Friends of the Earth, The Body Shop International, World Bank, Project Underground, the United Nations and shareholders.

<table>
<thead>
<tr>
<th>Year</th>
<th>Institutional Pressure</th>
<th>Increase Institutional Pressure (+)</th>
<th>Decrease Institutional Pressure (-)</th>
<th>Strategic Response of Shell</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958/1989</td>
<td>Social normative local pressure</td>
<td>+++</td>
<td></td>
<td>Defy</td>
</tr>
<tr>
<td>1990/1993</td>
<td>Social normative local pressure</td>
<td>+++</td>
<td></td>
<td>Defy/Avoid</td>
</tr>
<tr>
<td></td>
<td>Social normative global pressure</td>
<td>+++</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994/1995</td>
<td>Social normative local pressure</td>
<td>++</td>
<td>-</td>
<td>Compromise/ Avoid</td>
</tr>
<tr>
<td></td>
<td>Social normative global pressure</td>
<td>++++</td>
<td></td>
<td>Compromise/ Avoid</td>
</tr>
<tr>
<td></td>
<td>Professional normative pressure</td>
<td>++++</td>
<td></td>
<td>Defy</td>
</tr>
<tr>
<td></td>
<td>Mimetic pressure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996/2007</td>
<td>Regulative pressure</td>
<td>+</td>
<td></td>
<td>Manipulation</td>
</tr>
<tr>
<td></td>
<td>Social normative local pressure</td>
<td>+</td>
<td>-</td>
<td>Compromise/ Avoid/manipulation</td>
</tr>
<tr>
<td></td>
<td>Social normative global pressure</td>
<td>++++</td>
<td></td>
<td>Compromise/ Avoid</td>
</tr>
<tr>
<td></td>
<td>Professional normative pressure</td>
<td>+++</td>
<td></td>
<td>Defy</td>
</tr>
<tr>
<td>2008/2009</td>
<td>Professional normative pressure</td>
<td>+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: frequencies of institutional pressure and response strategies per time period of the environmental perspective.
1958-1989:

The institutional pressures exerted on Shell started from the first moment operations took place in 1958. Social normative local pressure was exerted by the Ogoni natives who were demonstrating and blocked roads to Shell facilities. Pamphlets written by Ogoni activist Ken Saro-Wiwa expressed environmental concerns and stated local demands to Shell. In 1970, seven Ogoni leaders wrote letters concerning the environmental degradation to Shell and the military governor of the River State (Boele et al., 2001a; International Crisis Group, 2008).

In the first period Shell’s defies the social normative local pressure. Shell focused on establishing and expanding their oil activities in Ogoniland, ignoring the social normative local pressure. Shell also dismissed the social normative local pressure, stating that they only use 0.3% of the Niger Delta for their activities. Shell stated that the corporation did not believe that their activities pressured the land (Detheridge, 1999 in Boele et al., 2001a).

1990-1993:

In the 1990’s social normative local pressure continued in this period and became more organized and widespread. The Ogoni natives noted an increase of oil spills in this period. A concern of the Ogoni natives was regarding the high pressure pipelines of Shell running above ground through their communities. The Ogoni natives noted that these pipelines should have been buried. A turning point rose when ‘The Ogoni Bill of Rights’ was established and a social movement, ‘Movement for the Survival of Ogoni People’ (MOSOP) was created. Through ‘The Ogoni Bill of Rights’, the MOSOP exerted social normative local pressure on Shell. The MOSOP distributed the social normative local pressure via a ‘demand notice’ which stated their cultural expectations. When the MOSOP was established they received global media attention. Global environmental activists and organizations campaigned (Greenpeace, Friends of the Earth, The Body Shop International) exerting social normative global pressure on Shell (Boele et al., 2001a).

Between 1990 and 1993 Shell used the strategic responses of avoidance and defiance. Shell defied the social normative local pressure through attacking the allegations of increased oil spills as stated by the Ogoni natives. Shell announced the rationale of their own alternative conviction and noted that an increase of oil spills were the result of sabotage by the Ogoni natives. Shell also attacked the social normative local pressures by responding that environmental problems were due to over population and over farming (Kretzmann & Wright,
Shell defied the ‘demand notice’ of the MOSOP and did not respond. When faced with severe social normative local pressure, Shell was forced to escape Ogoniland in January 1993 (Boele et al., 2001). As a response towards Greenpeace, Shell used the avoidance strategic response. Shell concealed not conforming towards the social normative global pressure through notifying Greenpeace of an Environmental Plan established in 1992. Shell also stated that they carried out Environmental Impact Assessment since 1982. When Greenpeace wanted to see the documents, Shell dismissed the organization. Through ignoring the request of Greenpeace Shell used the strategic response of defiance (Rowell & Goodall, 1994). Shell challenged the social normative local pressure exerted with regards to their pipelines, which according to the Ogoni should have been buried. Shell defied the social normative local pressure stating that burying would cause more pollution (Rowell & Goodall, 1994).

1994-1995:

In 1994 Ogoni community continued their anti-oil protests but this decreased due to the repression of the Nigerian federal military. Ken Saro-Wiwa increased the exertion of social normative local pressure through writing environmental allegations against Shell while in detention (Boele et al., 2001a). Jonathan Porritt, an environmental activist exerted mimetic pressure on all global oil companies through responding to the Shell casus with a general notation for all global companies. Porritt compared Shell’s practices in Europe with the corporation’s practices in Ogoniland and used this comparison to note that global companies can no longer get away with differing practices across continents or countries (Porritt, quoted by O’Sullivan, 1995). Social normative global pressure was exerted on Shell via Greenpeace campaigns and a Greenpeace report (Rowell & Goodall, 1994). Professional normative pressure was exerted via the metro council of Toronto Canada and the British Royal Geographical Society. The metro council of Toronto Canada rejected a contract with Shell out of protest with regards to Shell’s practices in Ogoniland. The British Royal Geographical Society stopped the funding of Shell because the academics were no longer able to reconcile themselves with further financial support from the corporation (van der Zwart & van Tulder, 2006). The Body Shop International also exerted professional normative pressure. The company commissioned an independent consultant specialized in environmental resource management in order to study the environmental impact assessments of Shell (Wheeler, Fabig, & Boele, 2002). In 1995 the social normative local and social normative global pressure exerted on Shell increased as local and global environmental activist insisted a more
independent environmental survey of the Niger Delta (Manby, 1999). The World Bank also exerted professional normative pressure through the presentation of a report. This report was conducted by the World Bank as part of a negotiation process with Shell in order to become shareholder of a gas project in Nigeria. The report held a sample of a creek running through Ogoniland near Shell facilities. The sample of creek water was examined by the World Bank and compared to professional standards and turned out to contain a level of hydrocarbon over sixty times the United Stated Standards (World Bank, 1995).

Between 1994 and 1995 Shell started to compromise and avoid. Shell tried to balance the social normative local pressure and social normative global pressure. Shell announced that the corporation recognized environmental problems related to their activities and that they were dedicated to handle these. Shell buffered the environmental allegations of devastation and said that the environmental problems did not add up to devastation (Boele et al., 2001a). Shell pacified both pressures by initiating the Niger Delta Environmental Survey, funded by all joint venture partners of the SPDC. This funding by all joint venture partners of the SPDC could be seen as a promotion of the corporation’s own interest of Niger Delta Environmental Survey (Oliver, 1991). Through a rise of social normative local and social normative global pressure stemming from activists whom wanted a more independent survey, Shell bargained. The strategic response of compromise was used and the Niger Delta Environmental Survey was established as independent entity (Manby, 1999). In this period, Shell used the strategic response of defy through ignored all professional normative pressures.

1996-2007:

In 1997 Project Underground and Rainforest Action Network exerted professional normative pressure by stating that a water source of Ogoniland contained a level of hydrocarbon 360 times over the European Community drinking water standards (Kretzmann & Wright, 1997). Project Underground is an organization established to support the human rights of the Ogoni natives and various other minorities in the Niger Delta as well as people around the world resisting mining and oil exploitation. Rainforest Action Network is a global environmental organization campaigning for forests, inhabitants of forests and the natural systems which maintain life. Project Underground operates as a channel for environmental, human rights and indigenous rights movements and organizes campaigns against the cruel and violent extraction resource activities.
The professional normative pressure and the social normative global pressure further increased in 1999 when a delegation of US activist, academics and journalists visited Ogoni and presented their results and when Earth Rights Action obtained a field report (Essential Action, 1999). The social normative global pressure enhanced in 1997 when the World Council of Churches released a report urging to boycott Shell and when Project Underground stated that they kept campaigning until Shell met their demands (World Council of Churches, 1997). In 1998, a reporter of the United Nations recommended the establishment of an independent organization to govern all parts of environmental degradation and pollution caused through oil exploration activities in Ogoni exerting social normative global pressure (Earth Rights Action, Fiends of the Earth, 2006). An increase of social normative global pressure rose through Shell’s communication campaign in 1999. Global environmental activist noted that the money spend could be spend on cleaning up the environment (Boele et al., 2001a). On the other hand, the communication campaign of Shell caused social normative global pressure relief as 160 opinion leaders perceived Shell as concentrated on the environment and loyal to human rights (Frynas, 2001). Social normative global pressure increased in 2005 when Earth Rights action/ Friend of the Earth released ‘The other Shell report’ (Friends of the Earth, 2005). In 2005 the social normative local pressure exerted by the MOSOP decreased when Shell and the MOSOP both joined reconciliation process and negotiated environmental solutions. This process was halted by the MOSOP in 2007 and the MOSOP stated that Shell was not recognized as an Ogoniland oil operator. The MOSOP advised the Nigerian federal government to allocate Shell’s license to another oil operator, exerting social normative local pressure. As from 2007 the prospect of an increase of professional normative pressure presented itself. An environmental assessment of Ogoniland by the United Nations Environmental Programme was approved and fieldwork started in 2009 (International Crisis Group, 2008).

Being targeted with severe pressures, Shell started to compromise as strategic response and initiated negotiations with their institutional environment. A global project was held to negotiate with Shell’s stakeholders, also containing environmental organizations. The outcome of the project displayed Shell’s environmental concerns and their care for the environment as inadequate (Groves, 2009; Shell International, 1999). In 1996, regulative pressure was exerted through a shareholder’s motion pleading for more transparency with regards to Shell’s environmental responsibility. Shell’s executives tried to influence the motion and advised their shareholders to vote against the motion. When the motion was
accepted by the Shareholders of Shell, Shell announced that they wanted to recommence oil activities in Ogoni (Frynas, 1998).

In 1996 Shell operated a strategic response of avoidance. Shell used a concealment tactic to social normative global pressure by suggesting a plan for action for Ogoniland towards the media without negotiations with the MOSOP (Shell International, 1996, in Boele et al., 2001a). The strategic response of Shell towards the MOSOP and Ogoni natives was characterized with compromise and avoidance. On one hand Shell bargained the social normative local pressures by stating that they would not recommence activities without the permission of the Ogoni natives. On the other hand Shell buffered social normative local pressure through stating that their facilities suffered severe damage and recommencing activities was not possible (Boele et al., 2001a). The Niger Delta Environmental Survey initiated by Shell in 1995 as compromise towards the social normative local and global pressures ended in 1997 because it failed to accomplish environmental surveys (Manby, 1999). Hence, were this was first seen as the strategic response of compromise, the strategic response of Shell became avoidance.

In 1997, Shell balanced the social normative global pressure through revising their business principles. Shell acknowledged their social responsibility and stated that the corporation would give appropriate consideration to the environment (Shell International, 1997).

In 1998, Shell avoided social normative local pressure using the concealment tactic. Shell stated that they would bury all land pipelines at the end of 2003, but could not live up to conformity of their promise. In 1999, Shell used ‘window dressing’ as avoidance of social normative global pressure stating that areas which suffered from historical oil pollution would be re-established and recovered in 2003 (Boele, et al., 2001a). In 1999, Shell initiated a global campaign to obtain or enhance their legitimacy. Shell did not adhere to any environmental institutional pressure. Therefore this global campaign is seen as an avoidance strategy of Shell in order to conceal not conforming to social normative global pressure (Mirvis, 2000; Hooghiemstra, 2000). In 2005, Shell started a reconciliation process with the MOSOP. This reconciliation process also contained environmental concerns which were bargained by Shell. Shell manipulated the reconciliation process through a co-optation tactic. Shell invited the United Nations Environmental Programme to obtain an environmental assessment of Ogoniland in order to neutralize institutional pressure and to increase their legitimacy. In 2007, Shell used a compromising strategic response in order to pacify the institutional
pressures. Shell stated that the UNEP would conduct the environmental assessment of Ogoniland and that this would be funded by Shell and its joint venture partners of the SPDC (International Crisis Group, 2008).

3.2.2 The Social perspective;

3.2.2.1 Sustainable development

The sustainable development perspective contains all actions relating to the sustainable development of Ogoniland and Shell’s sustainable development projects in Ogoniland. This perspective contains employment of Ogoni natives and financial returns for the oil exploration in Ogoniland. Table 5 presents the institutional pressures, an increase or decrease of the pressure and the response strategy of Shell per time period. Important actors in the sustainable development perspective are the Ogoni natives, Ken Saro-Wiwa, the MOSOP, the UNPO, Greenpeace, The Body Shop International, Earth Rights Action, Earth Nigeria, the Nigerian federal government and shareholders.

<table>
<thead>
<tr>
<th>Institutional Pressure</th>
<th>Increase Institutional Pressure (+)</th>
<th>Decrease Institutional Pressure (-)</th>
<th>Strategic Response of Shell</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958/1989</td>
<td>Social normative local pressure</td>
<td>++</td>
<td>Defy/ Acquiesce</td>
</tr>
<tr>
<td></td>
<td>Social normative global pressure</td>
<td>+</td>
<td>Defy</td>
</tr>
<tr>
<td>1990/1993</td>
<td>Social normative local pressure</td>
<td>++</td>
<td>Avoid/ Acquiesce</td>
</tr>
<tr>
<td></td>
<td>Social normative global pressure</td>
<td>-</td>
<td>Avoid</td>
</tr>
<tr>
<td>1994/1995</td>
<td>Social normative local pressure</td>
<td>++</td>
<td>Defy</td>
</tr>
<tr>
<td></td>
<td>Social normative global pressure</td>
<td>+++</td>
<td>Avoid/ compromise/acquiesce</td>
</tr>
<tr>
<td>1996/2007</td>
<td>Regulative pressure</td>
<td>+</td>
<td>Manipulation</td>
</tr>
<tr>
<td></td>
<td>Social normative local pressure</td>
<td>+++</td>
<td>Avoid/ compromise/acquiesce</td>
</tr>
<tr>
<td></td>
<td>Social normative global pressure</td>
<td>++</td>
<td>Compromise/Avoid/Defy</td>
</tr>
<tr>
<td></td>
<td>Professional normative pressure</td>
<td>+</td>
<td>Compromise/Defy</td>
</tr>
<tr>
<td>2008/2009</td>
<td>Regulative pressure</td>
<td>+</td>
<td>Acquiesce/ manipulation</td>
</tr>
</tbody>
</table>

Table 5: frequencies of institutional pressure and response strategies per time period of the sustainable development perspective.
1958-1989:
Between 1958 and 1989 social normative local pressure was exerted on Shell by the Ogoni community. The Ogoni community was agitated that the Shell facilities in Ogoniland did not employ Ogoni natives or only employed a few. The Ogoni women received insufficient funds for the oil activities on the with no guaranteed employment. The Ogoni natives also noted a lack of development together with the rest of Nigeria (Frynas, 2000).

In this period there is no record of Shell responding towards the employment agitation of the Ogoni natives exerting social normative local pressure. Through the community assistance strategy of Shell, the corporation followed an acquiesce strategy. Shell used their community assistance strategy as a form of habit.

1990-1993:
In the 1990s the social normative local pressure exerted on Shell increased. The Ogoni perceived community assistance strategies performed by Shell as insufficient. The Ogoni noted that the projects did not address the real problems. Through the ‘Ogoni Bill of Rights’ a social normative local pressure was exerted and stated that communities should receive sufficient oil returns. When the MOSOP was established in 1992 the social movement received assistance from the ‘Unrepresented Nations and People Organization’ (UNPO). The UNPO exerted social normative global pressure on Shell (Boele et al., 2001a).

In this period it is also noted that Shell followed the strategic response of acquiesce, blindly adhering to paying taxes and royalties to the Nigerian federal government. In 1992, Shell defied the social normative local pressure exerted by the MOSOP through ignoring their ‘demand notice’. Eventually Shell avoided the social normative local pressure and halted their productions in Ogoni land (Boele et al., 2001a).

1994-1995:
In 1994 and 1995, social normative local pressure decreased due to the repression of the Nigerian federal military. Social normative global pressure did increase. Greenpeace stated that the expenses of Shell on community assistance programs are nothing in comparison to what Shell earns from the oil (Rowell & Goodall, 1994). In 1995 the UNPO released a report analyzing the Ogoni situation and Shell’s behavior towards the Ogoni (Boele, 1995).
Faced with social normative global pressure Shell defied the criticism on their community assistance strategy. Shell stated that they did not halt their activities throughout Nigeria. Shell challenged the social normative global pressure by starting that the Nigerian citizens would suffer from a decision to leave Nigeria due to its economical reliance on the oil industry (International Crisis Group, 2008). As a response towards the social normative local pressure, Shell avoided the pressure and directed at the responsibility of the Nigerian federal government (Boele et al., 2001a).

1996-2007:

Social normative local pressure increased through the MOSOP. The MOSOP criticized the manner in which Shell performed community development projects. The Ogoni natives were also frustrated and angry through the manner in which Shell carried out community development projects which increased social normative local pressure (Boele et al., 2001a). In 1999, professional normative pressure surfaced. The body Shop International sent a delegation of journalists, researchers and seniors to visit Ogoniland (Wheeler et al., 2002). Earth Rights Action together with Earth Nigeria visited as well increasing social normative local and global pressures. Both delegations noted a lack of maintenance of a hospital adopted by Shell (Essential Action, 1999). In 1998, the MOSOP exerted social normative local pressure by stating that there was a big gap between what Shell carried out and what Shell said it carried out (Wheeler et al., 2002).

As a response towards social normative global pressure, Shell started to compromise and initiated negotiations with the institutional environment. Shell adopted a global project negotiating with their stakeholders (Groves, 2009). This project also described Shell’s financial role towards community and society (Shell International, 1999). In 1996, a motion of Shell’s shareholders was presented during an annual general meeting of Shell exerting regulative pressure. The shareholders of shell wanted more transparency regarding the social responsibility of Shell. The shareholders exerted a regulative normative pressure on Shell. Shell’s executives tried to influence the professional normative pressure and advised their shareholders to vote against the motion (Frynas, 1998).

In 1996, Shell released their community development budget and stated that it had increased significantly. Shell concealed their non conformity towards social normative local pressure and social normative global pressure. Shell placed the construction of roads towards Shell
facilities under community development and also stated that it spend large amounts of the Community Development budget on payments for damaged land. Shell did not say that corporations are by law required to compensate this (Frynas, 2001).

In 1996, Shell adopted the strategic response of compromise and pacified towards the social normative global pressure by stating that it incorporated the liability for a hospital in Terabor, Ogoniland (Wheeler et al., 2002). In 1997, Shell compromised social normative global pressure and professional normative pressure. Shell balanced their corporate principles and the new ‘Statement of General Business Principles’ acknowledged Shell’s responsibilities towards society. Shell noted that they aim to foster sustainable development (Shell International, 1997). In 1998, Shell complied towards social normative local pressure, acknowledging unemployment in the past and stating that 95% of Shell’s employees are Nigerian (Boele et al., 2001a).

In 1998, Shell used the strategic response of avoidance to social normative global pressure. Shell announced that they restored electricity in Ogoniland but did not implement this (Shell International, 1999). In 1999, Shell defied the social normative global pressure and professional normative pressures through challenging their criticism regarding the hospital in Terabor. Shell noted that the corporation was unable to maintain the hospital because Shell employees were unwelcome in Ogoniland (Wheeler et al., 2002). Towards the MOSOP Shell tried to balance the social normative local pressure through acknowledging the difference amongst their purpose and their performance and stated that with still being perceived as ‘persona non grata’ the corporation was uncertain of how to live up to their promises.

2008-2009:

In 2008 regulative pressure was exerted on Shell by the Nigerian federal government. The licenses of Shell to operate in Ogoniland were ceased. When the decision to substitute Shell in Ogoniland was final, many Ogoni saw the decision as a victory over Shell. The social normative local pressure decreased (International Crisis Group, 2008).

Shell complied towards the regulative pressure but also exerted a manipulation strategy. Shell noted that they would approve a joint venture partner taking over their license, directing at the Joint Operating Agreement (Shell Nigeria, 2009).
3.2.2.2 Human Rights

The Human Rights perspective contains all actions with regards to human rights in Ogoniland and Shell’s activities with regards to human rights in Ogoniland. Table 6 presents the institutional pressures, an increase or decrease of the pressure and the response strategy of Shell per time period. Significant actors within in the human rights perspective are the Ogoni natives, Ken Saro-Wiwa, the MOSOP, Ogoni activists, human rights activists, Amnesty International, Human Rights Watch, The Body Shop International, the media, the Centre for Constitutional Rights and shareholders.

<table>
<thead>
<tr>
<th>Institutional Pressure</th>
<th>Increase Institutional Pressure (+)</th>
<th>Decrease Institutional Pressure (-)</th>
<th>Strategic Response of Shell</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958/1989 Social normative local pressure</td>
<td>+</td>
<td></td>
<td>Acquiesce</td>
</tr>
<tr>
<td>1990/1993 Social normative local pressure</td>
<td>+++</td>
<td></td>
<td>Manipulation/Avoid/defy</td>
</tr>
<tr>
<td>Social normative global pressure</td>
<td>++++++</td>
<td></td>
<td>Defy</td>
</tr>
<tr>
<td>1994/1995 Social normative local pressure</td>
<td>-</td>
<td></td>
<td>Defy</td>
</tr>
<tr>
<td>Social normative global pressure</td>
<td>++++++++</td>
<td></td>
<td>Acquiesce/ Defy/ Avoid</td>
</tr>
<tr>
<td>Professional normative pressure</td>
<td>-</td>
<td></td>
<td>Defy</td>
</tr>
<tr>
<td>Mimetic pressure</td>
<td>-</td>
<td></td>
<td>Defy</td>
</tr>
<tr>
<td>1996/2007 Regulative pressure</td>
<td>+</td>
<td></td>
<td>Defy</td>
</tr>
<tr>
<td>Social normative local pressure</td>
<td>+</td>
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<td>Defy</td>
</tr>
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<td>Social normative global pressure</td>
<td>+++</td>
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<td>Compromise/Defy</td>
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<tr>
<td>Social normative global pressure</td>
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<td>Defy</td>
</tr>
<tr>
<td>Professional normative pressure</td>
<td>+</td>
<td></td>
<td>Defy</td>
</tr>
</tbody>
</table>

Table 6: frequencies of institutional pressure and response strategies per time period of the human rights perspective.
1958-1989:

The Ogoni natives exerted social normative local pressure on Shell. The Ogoni noted that even though industrialization made its appearance in Ogoniland, their communities lacked basic human needs. The community felt socially, financially and politically suffocated (MOSOP, 1990).

Shell did not respond to the social normative pressure of the Ogoni natives. Shell followed taken-for-granted rules as forces of habit historically stated by the Nigerian federal government.

1990-1993:

When the MOSOP was established, social normative local pressure increased. When the MOSOP obtained global awareness social normative global pressure was exerted. Amnesty International, global minority rights organizations, indigenous support organizations and Human Rights Watch supported the MOSOP. Through the ‘Ogoni Bill of Rights’ the MOSOP exerted social normative local pressure on Shell. The MOSOP was fighting for social justice of minorities, self-determination, land and resource control. Together with global organizations this fight was brought into a broader perspective of respect, dignity and human rights (Boele et al. 2001a; MOSOP, 1990; Amnesty International, 2009). Social normative local pressure increased and Ogoni natives were peacefully demonstrating against Shell. When the demonstrations were met with violence from the Nigerian federal military, the social normative local pressure on Shell rose. The Ogoni natives perceived the attacks of the military as consequences for their struggle against Shell (Niboro, 1993 in Boele et al., 2001).

In the early 1990’s Shell used the strategic response of manipulation in an attempt to control and dominate the social normative local pressure. Shell co-opted a supernumerary police force which operated without weapons. As the social normative local pressure increased, the number of supernumerary police obtained by Shell increased as well. The supernumerary police force eventually obtained weapons provided by Shell (Manby, 2000: Frynas, 2001; Grover, 2009). When the protests reached a peak, Shell’s ties with the Nigerian federal government became much closer. Shell defied the social normative local pressure exerted by the MOSOP through not responding to their demand notice. Suffering from severe social normative local pressure, Shell escaped Ogoniland.
1994-1995:

In 1994 social normative local pressure exerted on Shell decreased. This decrease of pressure was only a result of the Nigerian federal military suppressing the Ogoni natives. In 1995 social normative global pressure on Shell exerted grew significantly. The Media released articles questioning Shell and corporate ethical responsibility in general. Human Rights Watch (HRW) released a report on the military repression of the Ogoni natives and Shell’s role in the repression (Human Rights Watch, 1995). In the report, HRW requested Shell and other oil corporations to adopt a basic set of human rights principles exerting social normative global pressure. The social normative global pressure increased through a documentary on the situation of Ogoniland which was presented worldwide. The documentary indicated that the Nigerian federal government was assisted by Shell (Manby, 1999). HRW, Amnesty International and Greenpeace exerted social normative global pressure pleading to Shell to place pressure on the Nigerian federal government (Rowell & Goodall, 1994). When Ken Saro-Wiwa and the eight Ogoni activists were executed social normative global pressure climaxed. Social normative global pressure was exerted by the media who positioned Shell as cruel. The pressure was exerted by followers of the Ogoni case, who positioned the shocking role of Shell. And by global activists who stated that Shell was responsible for the execution. The majority of the public exerted social normative global pressure through observing the execution as a terrible result of Shell’s inability to deal with the Ogoni community (Boele et al., 2001). An article in Marketingweek by Tom O’Sullivan (1995) exerted mimetic pressure on multinationals as a result of the Shell case. Analyzing Shell’s share prices, the exertion of professional normative pressure on Shell decreased. After the execution of Ken Saro-Wiwa and the eight Ogoni activists, Shell’s share prices continued in an upward movement (van der Zwart & van Tulder, 2006).

When social normative global pressure was exerted on Shell through HRW, Amnesty International and Greenpeace, Shell buffered their appeals to take public action to stop the violation of human rights in Nigeria. Shell avoided their appeal by stating that it was not their position to interfere with local politics (Human Rights Watch, 1995). Social normative global pressure increased when a leaked document made its appearance, containing minutes of a meeting between Shell and the Nigerian federal military. This document revealed the manipulation strategy of Shell and their co-opting with the Nigerian federal military to dominate social normative local pressure. Shell defied the social normative global pressure by
denying complicity. Shell also challenged the social normative global pressure stating that they were obliged by Nigerian law to hire the supernumerary police (Human Rights Watch, 1995). Shell further used the strategic response of defiance through challenging social normative global pressure and social normative local pressure. Shell perceived a different rationale and noted that they were caught in a struggle between the Nigerian government and local communities (Human Rights Watch, 1995). When social normative global pressure reached a high level Shell used the strategic response of acquiesce. Shell complied and pleaded for a fair and humane trial to the Nigerian federal government. After the executions of Ken Saro-Wiwa and eight Ogoni activists, Shell defied the social normative global pressure through emphasizing their business role and stating that it was not their responsibility (van de Zwart & van Tulder, 2006).

1996-2007:

Social normative local pressure rose again and the Ogoni natives decided to never let Shell enter Ogoniland again. This due to their believe that Shell obtained an active role in the repression of the Ogoni natives. Social normative global pressure was exerted through worldwide boycotts and wakes. In 1999 Human Rights Watch exerted social normative global pressure through the release of a report. Human Rights Watch recommended Shell to adapt and cooperate with an independent legal investigation into the situation in Ogoniland and Shell’s role in this situation (Manby, 1999). Started in 1996 regulative pressure was exerted on Shell through The Centre for Constitutional Rights, human rights organizations and human rights lawyers. These filed a lawsuit on behalf of the relatives of the executed Ogoni activists.

As a response towards social normative global pressure, Shell started to compromise and initiated negotiations with the institutional environment. Shell started a global project negotiating with human rights organizations. In this project, the human right organizations established Shell’s human rights activities as poor (Shell International, 1999). In 1997, Shell balanced the social normative global pressure using the strategic response of compromise. Shell changed their corporate principles and adapted human rights in their principles (Shell International, 1997). In 1996, Shell defied the social normative global pressure and filed a complaint for false allegations at the British Broadcasting Complaint Commission with regards to the ‘Delta Force’ documentary. Shell withdrew this complaint in January 1997 after documents of Shell surfaced (Manby, 1999). When faced with the regulative pressure forced upon Shell, Shell defied through challenging court appeals.
In 1998, Shell used compromise as strategic response and balanced social normative global pressure through releasing two reports. One report displayed the practical adaptation of their new business principles. The other report was a supporting guide for Shell corporations globally to manage business and human rights (Shell, 1998a; Shell, 1998b).

2008-2009:

In 2009, the regulative pressure decreased due to an out of court settlement of Shell. The social normative local pressure remained as the Ogoni natives did not perceive the settlement as a victory. Through the settlement, the social normative global pressure increased because constituents believed that Shell only settled because the corporation was anxious about the evidence. The professional normative pressure increased as the director of Oil Change International implied that Shell bought their way out of court (Kretzmann, quoted by Pilkington, 2009).

Shell used a compromising strategic response with regards to the regulative pressure exerted on Shell. Shell bargained through negotiations with the plaintiffs and settled out of court. Towards social normative global pressure and social normative local pressure, Shell defied the allegations.
4 Findings

This chapter elaborates on the general findings and the perspective specific findings of institutional pressures and strategic responses. First, general findings with regards to the exerted institutional pressures and strategic responses are discussed. After the discussion of general findings, the perspective specific findings will be discussed.

4.1 General Findings

The general findings of the exerted institutional pressures and used strategic responses of Shell are discussed within the subparagraph.

4.1.1 Institutional pressures

All three perspectives are noted to start with social normative local pressure. The Ogoni natives are close to the source of agitation and utter this on national level, exerting social normative local pressure on Shell.

A significant event in the case, looking at the social normative local pressure, is the rise of the MOSOP, a social movement. Through the MOSOP a link with social normative global pressure and change made their appearance. This can be explained according to social theory and institutional theory. Scholars emphasize the significance of the political situation in determining the emergence, the occurrence and the impact of a social movement (Meyer & Staggenborg, 1996). The political situation had an influence on the emergence of the MOSOP which started by the Ogoni natives experiencing a lack of support from the Nigerian federal government. The Ogoni natives initiated a campaign to become politically autonomous and in 1990 the Ogoni natives established ‘The Ogoni Bill of Rights’. Tarrow (1998) describes the rise of social movements as;

Contentious politics occurs when ordinary people, often in league with more influential citizens, join forces in confrontation with elites, authorities and opponents. When backed by dense social networks and galvanised by culturally resonant, action-oriented symbols, contentious politics leads to sustained interaction with opponents. The result is the social movement. (p. 2)

The Ogoni natives, together with influential Ogoni natives such as the author Ken-Saro Wiwa, the scientist G.B. Leton and lawyer Ledum Mitee established the MOSOP. Institutional scholars have acknowledged the rise of social movements in institutions and through the social movements the mobilization of insiders and outsiders. Social movements make use of
existing networks and resources to diffuse practices and draw on existing institutional conditions (Fligstein, 1996, 2001). The MOSOP mobilized Ogoni natives and initiated collective demonstrations and created global awareness and via ‘The Ogoni Bill of Rights’ diffused practices. According to Kolb (2007); “the main purpose of social movements is to achieve, prevent, or sustain cultural, economic and political change” (p. 25). Hence, according to Klandermans (1993) a mutual feeling of unjust does not lead to the establishment of a social movement, he noted that in order to create a social movement, “grievances must be transformed into demands” (p. 186). In this, the MOSOP expressed the content of ‘The Ogoni Bill of Rights’ and presented a demand notice to Shell. The significance of the MOSOP, linking social normative local pressure with social normative global pressure and the importance of the MOSOP in this case description can be explained by Schneiberg & Lounsbury (2008) who note that social movements are vehicles for path creation and change through engaging in institutional processes.

A significant relation between social normative local pressure and social normative global pressure was found. This thesis divided social normative pressure into local and global to give more detail to the case description and to specify the results. Hence, a relation among social normative local pressure and social normative global pressure is not strange because both have the same characteristics. Social normative local pressure set social normative global pressure in motion due to the social movement of the MOSOP.

One could note a relation between social normative global pressure and professional normative pressure. Due to global awareness on the Ogoni case and a public outcry, professional normative pressure was initiated. The Body Shop international send a delegation to Ogoniland and the World Bank, the Toronto council and the British Royal Geographical Society also exerted professional normative pressure. It must be noted that this relation mainly appeared in the environmental perspective.

The results present an important relation among social normative local pressure and regulative pressure. Firstly, the demonstrations of the social movement within the social normative local pressure were met with violence by Shell but also by violence from the Nigerian federal government. This can be explained by institutional theory which states that movements can trigger counter movements and especially by authoritative established interests whom feel threatened. Counter movements are in generally based on politics and involve state power (Schneider & Lansbury, 2008). Another relation between social normative local pressure and
regulative pressure is noted when the MOSOP advised the Nigerian federal government to cease the licenses of Shell as operator of Ogoniland. The Nigerian economy suffered for years due to Ogoni natives and the MOSOP who refused Shell to recommence their oil producing activities in Ogoniland. If the Nigerian federal government wanted to produce oil in Ogoniland, they were pressured to cease Shell’s licenses. The Nigerian federal government adhered to the advice of the MOSOP.

A relation among social normative local pressure, social normative global pressure and regulative pressure made its appearance when human right organizations and human rights lawyers filed a law suit on behalf of the relatives of the executed Ogoni eight activists. Due to the exerted social normative local pressure and the tragic outcomes of the exerted pressure, social normative global pressure interfered and became a link between social normative local pressure and regulative pressure.

It is noteworthy that a pressure increase of mimetic pressure is not noted in the case description. DiMaggio & Powell (1983) state that the level of mimetic isomorphism increases when an organization becomes larger. This is questionable in this case, Shell is one of the largest oil corporations worldwide but mimetic pressure is not exerted on the corporation. A possible explanation for the absence of mimetic pressure on Shell could be that other oil corporations operated via the same set of business principles. It is notable that via social normative global pressure, mimetic pressure is exerted on the global oil industry. According to Scott (1995) as a consequence of belief systems and cultural surroundings mimetic pressure is forced upon organizations to adapt similar practices. This is noted in the vase, environmental activists illustrated the Shell case as an example to other oil corporations, media questioned the ethical responsibility of multinationals and HRW pressured the industry to adapt a basic set of human rights.

4.1.2 Strategic Responses

A significant result observed from the case description is that Shell used a variety of strategic tactics in response to exerted institutional pressures in the different perspectives. In the environmental perspective Shell defied social normative local pressure through attacking environmental allegations, stating this was due to over population and over farming. In the sustainable development perspective, Shell used the strategic response of acquiesce on exerted social normative local pressure through unconsciously adhering to historical institutional norms van values. From an environmental perspective, Shell avoided social
normative global pressure through stating that the corporation would re-establish and recover area’s which suffered from historical pollution by 2003. From a sustainable development perspective, Shell defied the social normative global pressure and professional normative pressure through challenging the critics on the maintenance of the hospital in Terabor. From the human rights perspective, Shell used a compromising tactic through balancing social normative global pressure by releasing two reports on Shell’s practical adaptation on human rights.

It is often observed in the results that Shell used different responses to the same exerted institutional pressure in the same perspective. In the human right perspective the regulative pressure exerted by the Centre for Constitutional Rights and the Ogoni natives was defied and compromised by Shell. The regulative pressure exerted in the sustainable development perspective by the Nigerian federal government was acquiesced and manipulated by Shell. Institutional scholars noted that acquiesce is most likely when the institutional pressure can legally enforce Shell to oblige (Meyer & Rowan, 1977; DiMaggio & Powell, 1983; Oliver, 1991). Shell did comply to the regulative pressure of the Nigerian federal government, but also manipulated the regulative pressure. One could suggest that this manipulation rose because Shell and the Nigerian federal government were also joint venture partners. In the environmental perspective the social normative local pressure exerted by the MOSOP who presented their demand notice was initially defied by Shell and later this same social normative pressure was escaped by Shell. It can be suggested that Shell, operating in a dictatorship and as the operator of a joint venture with the Nigerian federal government, perceived the exerted pressure to be insignificant. DiMaggio & Powell (1983) and Oliver (1991) state that compliance is reliant on the degree to which the institutional pressure controls significant resources. It is suggested that Shell perceived themselves as less dependent on the resources of the MOSOP. Shell also tried to manipulate the social normative local pressure through an attempt to dominate and control the social normative local pressure.

It can be observed that more factors obtain an important role in Shell’s determination of response strategies. This can be explained by Oliver (1991) who argues that strategic responses to institutional pressures depend on five institutional antecedents, namely; “cause, constituent, content, control and context” (p. 159). These institutional antecedents are also found in the results. For instance, the regulative pressure exerted by the shareholders of Shell is manipulated, but the regulative pressure exerted by the Centre for Constitutional Rights is
acquiesced and later compromised. This would suggest that the actor exerting the pressure has an influence on the used strategic response. The exertion of social normative global pressure through a documentary in which Shell’s wrongdoing became suggested was firstly defied by Shell, but when documents appeared stating Shell’s wrongdoing, the social normative global pressure was avoided by Shell. This would suggest that the content of the pressure exerted uptakes an important role.

4.2 Findings per perspective

The findings per perspective are discussed within this subparagraph. A table is provided per perspective. The table contains the frequencies of strategic responses used by Shell to answer to the different forms of institutional pressures per perspective over the total period.

4.2.1 The environmental perspective

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Table 7: frequencies of the strategic responses used per institutional pressure of the environmental perspective.

Shell used the avoid and defy strategy when confronted with social normative local pressure. Shell mainly avoided and defied social normative local pressure during their production activities in Ogoniland. Through defying and avoiding the pressure Shell tried to reduce the environmental allegations. Avoiding and defying social normative local pressure can be explained according to the level of Shell’s resource dependency of the actors exerting the pressure (DiMaggio & Powell, 1983). The actors enforcing social normative local pressure contain Ogoni natives, Ogoni activists and the MOSOP. The actors exerting social normative local pressure could not legally enforce Shell to oblige to their environmental demands. Shell’s objectives on the environmental demands also differed and if Shell stated that their activities caused environmental pollution the corporation would lose its legitimacy (Oliver, 1991).

After Shell halted their production activities in Ogoniland and became subject to severe social normative global pressure, the corporation started to compromise and avoid social normative...
local pressure and social normative global pressure. Shell started conversation with their stakeholders and changed their corporate business strategy, adapting environmental consideration to the corporate business principles. This is in line with the work of Rowan (1982), who highlights the essential position of balance in the transmission and stabilization of structural innovation. Shell avoided social normative local and social normative global pressure through making promises which the corporation did not implement. Shell promised to bury all pipelines, clean-up environmental pollution made in the past and suggested a plan for action for Ogoniland. The avoid response strategy of Shell can be explained by Oliver (1991). Oliver (1991) stated that organizations hide nonconformity by pretending to acquiesce. This is motivated by the organizational wish to elude the situation that makes conformity essential.

It is noted that Shell did not respond to professional normative pressure. This can be explained according to the work of Oliver (1991). Academics and relational professions such as the Body Shop International could not legally enforce Shell to oblige to environmental requirements. On the other hand, Shell is reliant on academics and the relational networks for legitimacy in their professional domain (Meyer & Rowan, 1977; DiMaggio & Powell, 1983; Scott, 1995; Oliver, 1991). The Metro council of Toronto Canada and the British Royal Geographical Society could not align their social status to Shell anymore and breached their contracts. It could be suggested that Shell did not understand the consequences of not adhering to the professional normative pressure, but if Shell would have admitted that they exceeded professional standards, they would have lost even more legitimacy.

4.2.2 The social perspective

4.2.2.1 Sustainable development

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Table 8: frequencies of the strategic responses used per institutional pressure of the sustainable development perspective.
The level of Acquiesce to social normative local pressure within the sustainable development perspective is relatively high. From the start of Shell’s production activities, the acquiesce is characterized though habit. Shell’s community assistance and not employing Ogoni natives, can be explained by Oliver (1991) who notes that organizations repeat historical and standard practices and procedures.

When regulative pressure was exerted by the Nigerian federal government and Shell’s licenses were ceased, Shell could not do anything else but to acquiesce. After the acquiesce Shell used the strategic response of manipulation towards the regulative pressure. The manipulation of Shell can be explained by Oliver (1991). Shell directed at the standards of acceptable practices and performance through pointing at the joint operating agreement. Shell attempted to influence the decision of which corporation would take over the Ogoni licenses.

After Shell left Ogoniland, Shell defied, compromised and avoided social normative global pressure. As described earlier, Shell’s tactic to social normative global pressure was to compromise. Shell altered their business principles and started negotiation with their institutional environment. Shell defied the criticism on their community assistance and the maintenance of the hospital in Terabor. An explanation for this response of Shell is that Shell could reinforce their challenge with demonstrating the rationality of not being welcome in Ogoniland and not leave Nigeria (Oliver, 1991). Shell avoided social normative pressure through falsely stating that they restored electricity in Ogoniland and the corporation released false community development budgets. Oliver notes that corporations are likely to hide non-conformity through pretending to acquiesce. Oliver (1991) also noted that concealment is driven by the wish to elude the conditions which require conformity. This is recognized in Shell’s behavior, first Shell appears to acquiesce which was not implemented.

### 4.2.2.2 Human rights

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Table 9: frequencies of the strategic responses used per institutional pressure of the human rights perspective.
It is remarkable that Shell used all forms of strategic response on the exerted social normative global pressure. Defying social normative global pressure obtained an exceeding amount within the human rights perspective. Shell’s response is in accordance to the work of Oliver (1991). Oliver (1991) notes that defiance is likely to occur when internal objectives differ extremely from institutional expectations, when corporations think that they can demonstrate the justification of their behavior or when they perceive that they have little to lose by encountering the opposition. Shell denied complicity in the repression of the Ogoni natives and noted that they were obliged by law to hire the supernumerary police. Shell countered the constituents exerting the social normative global pressure due to their believe that these constituents could not legally coerce Shell to oblige to their demands.

It is noted that when the social normative global pressure reached a peak Shell acquiesced and pleaded to the Nigerian federal government for a fair and humane trial. After the acquiescence response Shell used a defiance response again. This can be explained by Scott (1995), who notes that conformity to normative pressures is not out of the corporation’s interest, but out of ethical obligation.

It is noteworthy that Shell first defied the regulative pressure exerted by the plaintiffs, but later compromised with the same plaintiffs. Oliver (1991) notes that defiance is utilized when corporations can demonstrate the rationale or justification of their own behavior or when corporations think that there is not much to lose if the constituent exerting the pressure are challenged. If Shell admitted to be guilty to all the allegations of the plaintiffs, Shell would have lost its legitimacy and would have suffered from legal sanctions. After defying the regulative pressure, Shell compromised with the plaintiffs. According to Oliver (1991), compromise is explained as the active effort of a corporation to exact certain concessions with regards to institutional demands. Hence, conformity is partial and corporations actively promote their own interest (Oliver, 1991). Pfeffer & Salancik (1983) emphasize the negotiation process and the exchange of concessions between corporations and their environment. Shell, started negotiations with the plaintiffs and through these negotiations the plaintiffs and Shell reached an out of court settlement. This settlement was at the best interest of Shell in order to avoid legal sanctions and to avoid losing legitimacy if found guilty. After the settlement, Shell promoted that the corporation was willing to go to court and that Shell would not have been found guilty.
5 Conclusion

This chapter presents the conclusion of this research. First, the answers to sub-research questions are provided. Secondly, the answers to the sub-research questions will help address the main research question. Thirdly, the limitations of the results will be discussed and finally future research recommendations are provided.

5.1 Sub research questions

This sub paragraph provides answers to the sub-research questions stated in the research. These sub-research questions are stated in order to address the main research question.

1. Which Institutional Pressures did Shell face?

The results present the exerted institutional pressures on Shell. Shell faced regulative pressure, social normative local pressure, social normative global pressure and professional normative pressure. Shell did not face mimetic pressure.

2. Which Pressures were dominant in which Perspectives?

In the environmental perspective social normative local pressure obtained a dominant role. Through this pressure Shell was forced to halt their productions in Ogoniland. Due to social normative local pressure, social normative global pressure surfaced. In the environmental perspective, social normative global pressure was exerted most on Shell.

In the sustainable development perspective regulative pressure obtained a dominant role. Due to this pressure, the operating licenses of Shell were ceased. In the sustainable development perspective, social normative local pressure was exerted most often on Shell.

In the human right perspective regulative pressure obtained a dominant role because a lawsuit was filed against Shell which was settled. Social normative global pressure was most exerted in this pressure.

3. What was the relationship between Institutional Pressures?

Figure 4 graphically represents the significant relations among institutional pressures. The arrows and their size portray the relation and the significance of the relation. Social normative local pressure and social normative global pressure happened most often. However, Social normative local pressure and regulative pressure have the most significant impact on each
other. It is important to note that social normative global pressure uptakes a central role as a linking pressure to other institutional pressures.

![Diagram of institutional pressures](image)

Figure 4; Relations between institutional pressures

*How does Shell respond to the Institutional Pressures?*

It is noteworthy that the professional normative pressure mostly leads to the strategic response of defiance by Shell. But, Shell’s strategic response to the different institutional pressures was not constantly the same. The strategic responses of Shell cannot be linked to the exerted institutional pressures. Social normative local pressure was not always defied or compromised and regulative pressure was not always acquiesced or manipulated. What became apparent from the results is that more institutional antecedents (Oliver, 1991) uptake an important role in the used strategic responses of Shell. It is beyond the boundaries of this research to describe which factors influence the strategic responses. It is suggested that the matter of the institutional pressure and not the type of institutional pressure exerted, has an influence on the used strategic response of Shell.

### 5.2 Main research question

After answering the sub-research questions, this research will address the main research question in this sub paragraph. The main research question is stated and addressed below.

‘What is the relation between Institutional Pressures and Shell’s Strategic Response regarding the Ogoni struggle in the Niger Delta?’
There is no relation between the exerted institutional pressures and Shell’s strategic response. In order to link the strategic responses to exerted institutional pressures, it is suggested that this research should be extended by taking several factors driving the institutional pressure into account. The power of the constituent exerting the pressure uptakes an important role as well as the matter of the institutional pressure. For this purpose, the five institutional antecedents as described by Oliver (1991) are suggested as a starting point.

5.3 Limitations

This subparagraph describes the limitations of the results with regards to validity and reliability of this research.

The research is carried out using secondary data sources. It should be noted that the secondary data collected is obtained via multiple resources in order to overcome over-reliance on one source, to enhance the reliability and to avoid the collection of false data. Another limitation is the subjectivity of the sources conducted. Academic articles have their own research boundaries and newspaper articles and reports released by Shell could be subject to subjectivity. Even though the researcher used multiple sources to reduce subjectivity, enhance the reliability and to enhance the validity, it should be taken into account that information could have been unconsciously left out.

This research has a qualitative nature, it is based on interpretation of the author. An interpretation of the author comes with limitations. One observing the case description could interpret the content differently and could present different results. The reliability of this research would have been bigger if this research was reviewed by those who are familiar with institutional theory.

A last limitation of this research is the limited amount of information conducted and retrievable. This limitation is caused by the sensitive nature of the case and the length of the case. Due to the sensitive nature of the case valuable data of Shell could not be conducted. For instance, professional normative pressure was exerted on Shell by the World Bank, whom presented a creek water sample which was above professional standards. As a consequence the World Bank withdrew from negotiations with Shell with regards to a new project. As a response Shell defied the social normative pressure exerted by the World Bank. But perhaps, due to the sensitive nature, Shell’s response towards the World Bank was kept quit. The retrievability of the information was an obstacle because the case began in 1958. It is
suggested that not all information was documented and placed in databases or on the internet (Yin, 1994).

5.4 Future Research

This sub-paragraph describes concepts for future research which became apparent from the results.

Firstly, Social movements were observed as part of the social normative local pressure and drivers of path creation and change (Schneiberg & Lounsbury, 2008). Future research could focus on the relation between social movements and a corporation’s strategic response. According to Schneiberg & Lounsbury (2008) social movements cause counter movements which can hinder the activities of social movements. A possible research could investigate which strategic response of a corporation could mobilize a counter movement and to what extent this could obstruct the activities of a social movement.

Secondly, the mimetic pressure exerted on Shell is absent within this research. This absence could be further investigated through using multiple sources like interviews with competitors. Why did competitors not exert mimetic pressure on Shell? With that notation in mind, the mimetic pressure exerted on the entire oil industry due to the Shell case could be investigated as well. Did the exerted mimetic pressure of the Shell case have an influence on the entire oil industry and which strategic response did the competitors use in response to the exerted mimetic pressure.

Thirdly, the results offered a new insight with regards to the relation between institutional pressures and strategic responses. As noted by Oliver (1991) the used strategic responses are influenced by five institutional antecedents. This research could be extended through taking the five institutional antecedents as described by Oliver (1991) as a starting point.

Finally, another interesting topic for future research would be the allocation of the operating licenses of Shell. Would the allocation of the operating licenses to a different operator in Ogoniland change the quality of life of the Ogoni natives or would some parts of history repeat itself.
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Appendices

1 Case description
Before this thesis elaborates on the case description, a general note with regards to the international attention for this casus is appropriate. Global attention with regards to Shell’s position in Nigeria can be explained for three reasons. Firstly, Shell is the largest oil corporation in Nigeria and was amongst the first to operate within the country. Shell dominated the oil industry since oil was discovered and initially benefitted from a monopoly and close ties with the Nigerian federal government. Secondly, the facilities of Shell are mainly onshore and are close to- or in populated regions which makes them vulnerable for demonstrations and protests of natives. And finally, Shell was the main objective of a social movement (MOSOP) whom claimed that Shell was responsible for an Ogoni native genocide (Manby, 1999).

1.1 Exploring for Industry (1936-1958)
In 1936 the Royal Dutch/ Shell group established a joint venture together with British Petroleum’s predecessor ‘D’Arcy Exploration’ named the ‘Shell D’Arcy Exploration Company’. Through this joint venture, Royal Dutch/ Shell Group became the first non-British corporation within the oil industry in Nigeria. In 1938, the Shell D’Arcy Exploration Company received their exploration license for exploration activities all through Nigeria. During the Second World War the oil exploration was halted by the Shell D’Arcy Exploration Company and continued afterwards. In 1956, after extensive explorative operations, the Shell D’Arcy Exploration Company successfully conducted oil from the Oloibiri region within the Niger Delta. Establishing the first commercial and profitable oil field and though this discovery, establishing the Nigerian oil industry, the Shell D’Arcy Exploration Company changed their joint venture name into ‘Shell-BP Petroleum Development Company of Nigeria Limited’(Shell-BP). This in order to portray an equal equity of Shell and British Petroleum (Genova, 2007).
1.2 Establishing Operations (1958-1989)

1.2.1 Developments

On 17 February 1958 the first shipment of oil left Nigeria and for a long time, Shell-BP was the single significant oil producer of Nigeria. Within 1960, Nigeria became politically independent, which had important consequences for Shell-BP. When Nigeria became independent up until 1967 the Nigerian federal government attracted other big oil corporations to start the exploration of oil throughout the Niger Delta and Nigeria as a whole. All through the Niger Delta oil corporations performed onshore oil activities and the oil produced streaming through pipelines to a single refinery and a single export terminal within Nigeria. Even though other oil corporations were active within the Niger Delta, Shell-BP remained the most significant oil producing corporation (Genova, 2007).

When Nigeria became independent in 1960, tension rose and conflicts of economical-, political-, cultural- and ethnical nature between Nigerian natives escalated. As a consequence, within 1967, the Nigerian civil war erupted (Uche, 2008). The Nigerian civil war is also known as the Nigerian-Biafran War, because the natives of the Biafra region were striving and fighting against other natives and against the Nigerian federal government for an independent Republic of Biafra. The natives of the Biafra region wanted to become autonomous and separated from Nigeria (Uche, 2008). In the early days of the Nigerian civil war, a refinery within Port Harcourt was shut down by Shell-BP due to damages. As the war worsened within the Biafra region in 1969, Shell-BP stopped the processes of their wells within the entire Mid-West region of Nigeria. Shell-BP closed these wells due to various targeted attacks of Biafra natives. During the Nigerian civil war, the production of oil practically stopped as a result of severely damaged facilities all through the Niger Delta (Genova, 2007). The Royal Dutch/Shell Group together with British Petroleum had other interest than revising the causes of the Nigerian civil war. Shell-BP had to ensure a stable and ongoing position within the oil industry of Nigeria. A continues position could only be secured by a victory of the Nigerian federal government, whom were assisted by the British Government (Okonta & Douglas, 2003).

Through the development and rise of the oil industry the Nigerian economy became reliant on oil and specifically the revenues generated from the oil industry (Frynas, 2001). Controlling the oil assets was and remains a main concern for the Nigerian federal government (Ikein, 1990; khan, 1994). To ensure control, the Nigerian federal government progressively
reinforced their control over the oil assets after the Nigerian federal government victory. During and after the Nigerian civil war, the Nigerian federal government expanded their control with regards to the oil industry by two ‘Indigenization decrees’, cultural verdicts. These cultural verdicts almost made the oil industry state-owned (Boele et al, 2001a; Frynas, 2001).

After the Nigerian civil war, due to new technologies and enhanced equipment, the oil industry expanded and the oil production rose extremely (Genova, 2007). Within 1973, a partnership with the Nigerian federal government was established and the Nigerian federal government acquired 35% equity in the Oil Corporation of the Shell-BP Petroleum Development Company of Nigeria Limited (Shell, 2012). This was increased within 1974 to 55% equity and that same year through the ‘Nigerian National Oil Corporation’ (NNOC) established in 1971, to 60% equity. The contribution of the oil revenues with regards to the overall government revenues increased from 26.3 percent within 1970 up to 82.1 percent within 1974 (Frynas, 2001). Hence, the oil revenues have dominated the Nigerian federal government economy from that time onwards (Frynas, 2001).

In 1979, BP disregarded the Nigerian federal government instructions, not to export or distribute Nigerian oil to South Africa. Due to the neglect of BP, their equity was nationalized by the Nigerian federal government and the corporation’s name changed into ‘Shell Petroleum Development Company of Nigeria Limited’ (SPDC), through the nationalization of the British Petroleum share, the NNOC whom changed their name within 1977 to the ‘Nigerian National Petroleum Company’ (NNPC) obtained an equity of 80% and Shell kept their equity of 20% (Genova, 2007; Shell, 2012).

In 1986 the world oil price dropped significantly and as a result of this event, the Nigerian federal government established and signed a ‘Memorandum of Understanding’ with the oil corporations’ active within Nigeria. This ‘Memorandum of Understanding’ was an important policy implemented by the Nigerian federal government with the intention to promote private investments in the oil industry and to increase the export of oil (Omeje, 2006). By signing the memorandum, Shell as Partner of the SPDC, obtained a guaranteed profit margin on every barrel produced, as long as the oil price fluctuated between the margins set by the Nigerian federal government. This memorandum turned out to be very beneficial for Royal Dutch/Shell Group as the oil prices remained within the margins for several years (Okonta & Douglas, 2003; Omeje, 2006).
Within 1989, the partnership of the SPDC changed and now contained other shareholders amongst Shell and NNPC. Within partnership of the SPDC with the NNPC holding a 60% share, Shell holding a 30% share and Elf and Agip both holding a 5% share (Shell, 2012).

An increase of the oil and gas exploration and production activities after the Nigerian civil war in the early 1970s increased the attendance of oil corporations within Niger Delta communities. The large presence of the oil corporations provoked conflicts with the local natives and communities. The rise of the oil production in the late 1980’s, after the ‘Memorandum of Understanding’ was established, resulted in numerous anti-oil protests all through the Niger Delta and especially in Ogoniland the level of anti-oil protests rose. The Ogoni are natives of the River State as part of the Niger Delta and approximately consists of 500,000 natives living in different kingdoms. They are an agricultural and fishing community and up until the 1960s they perceived their land as an area serving principal sources of supply (Boele, 1995). The Ogoni natives have dealt with oil production activities as of the 1950s and Shell has established and operated 96 oil wells since 1958 (Frynas, 2001). The oil industry foremost caused industrialization to their region, Ogoniland holds oil refineries and various plants, such as cement plants, a petrochemical-, a fertilizer- and a power plant (Boele et al., 2001a). The disappointment of the Ogoni natives with regards to the international oil corporations started and had been building up from the beginning. Through this period the Ogoni activists uttered their resentment and disagreement towards Shell and the Nigerian federal government via letters, uncoordinated, non-violent anti-oil protests, blockages of roads leading towards Shell facilities and via stating opinions of activists in pamphlets all through Ogoni communities (Grover, 2009, Boele et al., 2001a).

1.2.1.1 The Environmental Perspective

In 1970, seven Ogoni leaders wrote a letter to Shell and the Military Governor of the Rivers State, expressing their agitation of environmental degradation from Shells operations (International Crisis Group, 2008). The Ogoni natives blame Shell for demolishing the environment within the Niger Delta from the first moment their operations took place in 1958.While establishing Shell’s operations, the Ogoni were faced with various disturbances within their community such as; construction work, seismic investigations, loss of fertile land and the degradation of farm- and forestland. Through Shell’s activities within Ogoniland the corporation damaged the wildlife and the Niger Delta biodiversity. Besides the blame for demolishing the environment, Shell was blamed for various operations perceived as
irresponsible to the environment, such as; spilling oil, oil leakages, flaring gas, their use of land, their manner of litter management and acid rain (Boele et al., 2001a). Shell’s gas flaring operations, the oil leaks and oil spills, caused pollution of (drink) water which damaged the water ecosystem of the Niger Delta. Together with water pollution Shell’s operations also polluted the air and land which caused severe health issues for Ogoni natives living close to Shell’s operation facilities (Boele et al, 2001a; Crisis Group, 2008). In 1968, a pamphlet written by the Ogoni activist Ken Saro-Wiwa, ‘The Ogoni Nationality Today and Tomorrow’ stated;

We refuse to accept that the only responsibility which Shell-BP owes our nation is the spoliation of our lands...We shall appeal to the federal military government, or whatever government succeeds it to continue to show concern for small nationalities such as ours – especially in constitution making, that it take strong cognizance of our demands with regard to the companies prospecting or operating on our soil. (Original emphasis, Saro-Wiwa, 1995, quoted by Boele et al, 2001a, p. 76)

1.2.1.2 The Social Perspective

1.2.1.2.1 Sustainable Development
The Ogoni had to cope with various societal modifications. Foreign corporate oil employees came to live and work within their region and this short-term employment had a negative impact on the Ogoni. In contrast, youthful employees received high payments for their short-term employment and through this their spending pattern changed and alienated them from the communities (Frynas, 2000). The agricultural women of the communities were mostly affected by the societal consequences of oil exploration. The agricultural women, who saw their land suitable for oil extraction, received insufficient payments and no guaranteed employment in return. The oil industry did bring industrialization to the Ogoniland but all factories within Ogoniland only employed a few Ogoni natives or did not employ Ogoni natives at all. The Ogoni noted a lack of development along with the rest of Nigeria a central focus on the Nigerian economy and inflation on food prices (Boele, 1995; Boele et al. 2001a). As the oil industry enhanced within Ogoniland, the oil producing corporations excluded the Ogoni natives from the oil of their land (Obi, 1997). Allocating the oil returns is a significant matter for the Ogoni and other natives of the Niger Delta. The Ogoni and other natives of the Niger Delta did not have any form of control over the oil returns and the oil returns went straight to the Nigerian federal government. The Nigerian federal government carried out the
responsibility to allocate the oil returns amongst the Niger Delta communities. Due to corruption these oil returns mostly dissolved before it could be divided amongst the Niger Delta communities (Boele et al., 2001a; Frynas, 1998). The communities noted that the Nigerian federal government owed them oil returns and observed how their oil returns reduced. Simultaneously, international oil corporations, the Nigerian federal government and shareholders became significantly richer (Boele et al., 2001a). The rising oil industry and its export led to industrialization of the Niger Delta and profits from overseas for Nigeria as a country. The Ogoni note that their quality of living did not enhance (Boele et al., 2001a; Wheeler et al., 2002).

1.2.1.2.2 Human Rights
The Ogoni natives felt suffocated by political, social and economical circumstances. Even though the oil industry brought industrialization to their communities, the Ogoni communities lacked basic human needs. The Ogoni natives did not have pipe-borne water, electricity, equipped schools or hospitals or an agricultural industry (MOSOP, 1990). The Ogoni natives were also agitated that the Nigerian federal government had the authority to obtain all land. The obtained land would be made available for oil corporations in order to start oil activities (Boele et al., 2001a; Frynas, 2000).

**Shell’s Response**

**The Environmental perspective of Shell**

As from 1958 up until 1989 the main activities of Shell focused on establishing the oil industry, exploring for oil and expanding their oil and gas production. Through this period Shell had to secure their position within the oil industry, rebuild and protect their facilities and enhance their oil production after the Nigerian civil war within the Niger Delta (Genova, 2007). Shell argued that the organization only use 0.3% of the Niger Delta for their activities and did not think that the organization had an influence on pressurizing the land (Detheridge, 1999 in Boele et al., 2001a).

**The Social perspective of Shell**

1.2.1.2.3 Sustainable Development
Shell was involved with the development of the communities in the Niger Delta since the 1960s. As a contribution to socio-economic developments of the Niger Delta communities, Shell operated with a Community Assistance strategy. The Community Assistance
highlighted Shell’s goodwill through charity. Shell was mainly providing things to communities, such as; water, sanitation, hospitals, health care, schools and roads. The focus of Shell was on providing charity to the communities within the Niger Delta according to what the corporation perceived they needed (Ite, 2004).

1.2.1.2.4 Human Rights
Shell did not respond to any forms of Human Rights. If Shell needed land to exploit oil this was granted by the Nigerian federal government. Shell concentrated on establishing the oil industry and exploring oil (Frynas, 2000).

1.3 Increasing opposition (1990-1993)

1.3.1 Developments
In the early 1990s tension rose within the Niger Delta. Between the 1970s and 1980s, communities uttered their disapproval via distinct and uncoordinated anti-oil protests mainly through blockages of roads towards the oil facilities of Shell. Within the 1990s the anti-oil protests increased, became widespread and organized amongst various communities within the Niger Delta (Ikelegbe, 2005; Groves, 2009).

The Ogoni experienced a lack of support from the Nigerian federal government and due to this lack the Ogoni emerged in a campaign to become autonomous. The Ogoni wanted to become autonomous in order to stop financial suffocation, environmental degradation, local poverty and political minorities. While emphasizing their loyalty to Nigeria as a country, within 1990 the Ogoni inaugurated ‘The Ogoni Bill of Rights’. In this bill, the Ogoni insisted on their rights to become autonomous and expressed their plead for justice with regards to the environment and social- and economical integrity. Much of the content of ‘The Ogoni Bill of Rights’ was on the subject of oil as one-third of the listed items covered oil related matters, such as; oil exploration, oil distribution and the contrast of oil returns (Boele et al., 2001a; Wheeler et al., 2002; Obi, 2007). After the announcement of ‘The Ogoni Bill of Rights’, supporters established a social movement named the ‘Movement for the Survival of the Ogoni People’ (MOSOP) in 1992. The MOSOP was established with the guidance of the Nigerian author, activist and representative, Ken Saro-Wiwa. Ken Saro-Wiwa became president of the MOSOP in June 1993 (Boele, 1995). When the MOSOP became established, the scientist and natural leader, G.B. Leton was the president (Boele, 1995). The creation of the MOSOP was part of a process which emphasized the Ogoni rights via social and cultural challenges to
authoritarian power structures (Boele, Fabig, & Wheeler, 2001b). The MOSOP expressed and articulated the subjects and matters stated within ‘The Ogoni Bill of Rights’ in a peaceful manner. The MOSOP applied resistance towards Shell and the Nigerian federal government with subjects concerning; social justice for minorities, ‘self-determination’, equity power sharing, compensating environmental devastation, restoring the environment, payments towards oil producing areas, resource control, human rights and respect and the tendency to actualize themselves to their full potential (Ikelegbe, 2005; Obi, 2007).

In July 1992, the representative of the MOSOP, Ken Saro-Wiwa, gave the MOSOP’s first global speech regarding the Ogoni predicament on a convention of the United Nations Working Group on Indigenous Populations (Boele, 1995). This global speech started to link the MOSOP with various international associations, such as; Amnesty International and Human Rights Watch (Boele et al., 2001a).

On December 3rd 1992, the MOSOP gave out a ‘demand notice’ to several oil companies active within their region, namely; Shell, the Nigerian National Petroleum Company and Chevron Nigeria Ltd. Within this ‘demand notice’ the MOSOP presented a list of demands for the oil companies to respond to within thirty days or leave Ogoniland. These demands contained payments and returns for historical damage and the impact of the oil industry. The oil companies did not respond to the ‘demand notice’ and on the 4th of January 1993 the MOSOP announced them as ‘persona non grata’, not welcome. This same day was acknowledged as ‘Ogoni day’ (Boele et al., 2001a). In 1993 the MOSOP became an associate of the ‘Unrepresented Nations and Peoples Organization’ (UNPO). Via the UNPO the MOSOP achieved worldwide media attention from CNN and Times Magazine, these were pleased to spread various claims regarding Shell (MOSOP, 1990; Boele, 1995, Boele et al, 2001a).

The MOSOP pursued their campaign via speeches, lecture tours, articles in newspapers and documentaries showing the disgraces and scandals of Shell and the Nigerian federal government (Amoore, 2005).

**The Environmental Perspective**

The environmental issue of the Ogoni and the MOSOP carried on within this period and the Ogoni were still confronted with environmental degradation and environmental pollution. The foundation of conflict between Shell and the Ogoni within this period was mainly regarding
oil spills which were at its highest between 1989 and 1993. The oil industry within Ogoniland had been constructed between 1960 and 1970, the MOSOP and Ogoni directed at- and outlined the old fashioned operation tools, which for years have been inadequately maintained and caused various spills. On land pressured oil pipelines of Shell ran all through Ogoniland. These oil pipes caused environmental problems, the Ogoni and Greenpeace noted that the oil pipelines should have been buried (Boele et al., 2001a).

The law within Nigeria entails that oil corporations are not required to compensate oil spills which are due to sabotage. Various oil spill events were assumed as acts of sabotage without specific proof or even examination. The MOSOP responded to such assumption, stating that it would not make sense that the agricultural Ogoni would pollute their own land and their communities (Boele et al., 2001a).

Through ‘The Ogoni Bill of Rights’, the MOSOP was supported by global organizations such as Greenpeace, Friends of the Earth, The Body Shop International, World Bank and the United Nations. Combined, these organizations were campaigning for Shell to clean up the oil spills, restore their environment and compensate environmental devastation (Boele et al., 2001; Frynas, 1998).

1.3.1.1 The Social Perspective

1.3.1.1.1 Sustainable Development

A collaboration amongst Shell and the Nigerian federal government military is an aspect which the Ogoni perceive as a collaboration between two negative powers chasing their own interest. And the MOSOP states that this collaboration functions beyond a healthy business relationship. The collaboration is perceived as performing against the natives interests even though Shell started projects to invest into a relationship with the Niger Delta natives. The Ogoni perceive these projects as inadequate and state that Shell does not tackle the real obstacles and dilemmas (Boele et al, 2001a; Grover, 2009; Frynas, 2001).

Through the establishment of the ‘Ogoni Bill of Rights’, the MOSOP pleaded for communities receiving sufficient oil returns, ending financial suffocation of communities, receiving compensation and payments to clean up oil spills. Within this bill, the MOSOP (1990) stated; “Mining rents and royalties for Ogoni oil are seized by the Federal Government of Nigeria which offers the Ogoni people NOTHING in return. Ogoni is being killed so that Nigeria can live” (p. 3).
1.3.1.1.2 Human Rights

When the MOSOP received global attention, Amnesty International, minority rights organizations, indigenous support organizations and Human Rights Watch supported the MOSOP and together created global awareness. Now the MOSOP was fighting for social justice of minorities, self-determination, and land and resource control. Together with global organizations this fight was brought into a broader perspective of respect, dignity and Human Rights (Boele et al. 2001a; Amnesty International, 2009).

Ethnic conflicts among communities have been present within the Niger Delta for a long period of time. The Nigerian federal government used these ethnic conflicts as an excuse for authoritarian actions by the Nigerian Federal Military on various events (Boele et al., 2001a). During conflicts within 1993 amongst Ogoni activists and Shell, the Nigerian Federal Military assaulted various natives of the Niger Delta (Boele et al., 2001a). Due to rising international attention with regards to the Ogoni, national irritation towards the MOSOP and the Ogoni escalated. This led to various assaults on the Ogoni, causing numerous deaths. The Nigerian federal government blamed these and various assaults within Ogoniland as ethnic conflicts. It was claimed that over thousands Ogoni lives were taken in these conflicts with other ethnic groups. The MOSOP stated that the natives where harmlessly demonstrating against the oil industry within their land. The Ogoni perceived the assaults as penalties for their position in opposition of the Nigerian federal government, the Nigerian Military and Shell. Human Right Watch provided significant information that the Nigerian federal government played an important role within these conflicts, stating that the military was dressed in normal clothes attacking the natives of the communities (Human Rights Watch, 1995; Frynas, 1998).

According to Human Right Watch the intensity of the repression of the Ogoni stemmed from Government’s concerns that other communities in the Niger Delta would follow the Ogoni Movement. In 1992, various minority communities did follow the example of the Ogoni Movement and established their own movement, e.g. the ‘Movement of the Izon (Ijaw) Ethnic Nationality in the Niger Delta’ (MOSIEND), the ‘Movement for Reparation to Ogbia’ (MORETO) and in 1993 the ‘Council for Ikwerre Nationality’(CIN). Besides the establishment of various movements, communities organized Shell anti-oil protests all through the Niger Delta in since 1992 (Human Rights Watch, 1995).

The Nigerian Federal government tried to negotiate a peace settlement to prevent assaults between communities after Shell halted their productions. All community representatives
signed this settlement except the representative of the MOSOP, Ken Saro-Wiwa, who revised the settlement and noted that the content could be understood as a validation for continuing the oil activities of Shell. After a short period, an internal message of Shell appeared stating that the facilities of Shell should be inspected to continue their activities as soon as possible (Boele, 1995). Another memo from the Nigerian federal government which indicates a direct relation between the Nigerian Military and Shell leaked out as well. The content of this memo stated that continuing Shell’s activities was only possible with cruel military operations. The memo also indicates that Shell might compensate the Nigerian Federal Military authorities for their operations (Boele et al., 2001b; Frynas, 1998).

1.3.2 Shell’s Response

1.3.2.1 The Environmental Perspective of Shell

The amount of oil spills within Ogoniland rose in this period and was a significant subject of conflict amongst Shell and the Ogoni. Shell positioned the increase of oil spills by stating that the Ogoni sabotaged facilities and created oil spills due to their believe of inadequate compensation (ECCR, 2010). Shell paid little attention to the environmental devastation caused by their activities in Ogoniland. Shell frequently accused any environmental and social problems on over population and over farming of the area (Kretzmann & Wright, 1997).

When the MOSOP presented their ‘demand notice’ Shell did not respond. In 1993 Shell notified Greenpeace that the corporation established an Environmental Plan in 1992 to increase their environmental performance in Ogoniland. Shell also stated that they performed Environmental Impact Assessments since 1982 in the area. Greenpeace requested a release of both the plans and documents which Shell ignored (Rowell & Goodall, 1994).

As the Ogoni noted that the on land pipelines of Shell should be buried, Shell noted that it would cause more environmental problems. Shell Stated that they mainly operate in swamps and that burying the pipelines would cause more pollution (Rowell & Goodall, 1994)

1.3.2.2 The Social Perspective of Shell

1.3.2.2.1 Sustainable Development

Shell paid royalties and taxes towards the Nigerian federal government. In 1992 Shell did not respond to the ‘Demand Notice’ of the MOSOP and continued their operations within Ogoniland. Shell noticed a rise in agitation and violence and in January 1993 Shell halted
their activities within Ogoni and officially withdrew all their employees after an employee had been physically assaulted. The Ogoni acknowledged that Shell was not active within their region but refused to acknowledge that employees were assaulted (Boele, 1995, Boele et al, 2001a).

1.3.2.2.2 Human Rights
In order to protect their facilities and employees from anti-oil protests in Ogoniland, Shell and other oil corporations within the Niger Delta obtained a ‘supernumerary police’. The ‘supernumerary police’ was an elite group of Nigerian Police Forces, which by law operated without arms and were contracted by a corporation to protect their facilities and protected employees when they left the facilities (Manby, 1999). Through an increase of anti-oil protest in the Niger Delta, Shell enhanced their number of ‘supernumerary police’ by sevenfold (Frynas, 2001). While confronted with the unrest in the Niger Delta, with consent of the Nigerian General Police, Shell obtained weapons for the ‘supernumerary police’ (Grover, 2009).

When the violence and protests within the Niger Delta reached a high level, the relation amongst Shell and the Nigerian federal government and their military forces became much closer. Within this period, the partnership of Shell and the Nigerian federal government provided Shell with various formal and informal arrangements and vice versa. These arrangements with Nigerian federal governmental organizations facilitated the corporation with the ability to demand possessing land and to acquire artilleries for police and military (Frynas, 2001). Shell quested and supported the interference of the Nigerian federal government military forces when challenged with protests from various Niger Delta natives. Frynas (2001) states that “anti-Shell protests by the Ogoni’s… were met with violence by the state, involving extra-judicial killings, rapes, arrests and floggings of protesters” (p. 49). It is insinuated that Shell has granted financial support to the Nigerian federal government military forces active in Ogoniland (Groves, 2009; Frynas, 2001).

1.4 Escalation of conflict (1994-1995)

1.4.1 Developments
Before this case description elaborates on the developments within this period, it is important to note that within this period Shell had to cope with the Brent Spar ethical controversy as well. This thesis merely revises the implications of the Ogoni casus, but as stated by Wheeler
et al. (2002) “…although it is clear that the double impact of these two incidents induced a vaccine-like response from the firm’s reputational immune system” (p. 300).

Within January 1994 the Rivers State Internal Security Task Force was established by the Nigerian federal government. The River State Internal Security Task Force was a military unit specifically established to handle the Ogoni Struggle (Manby, 1999). Meanwhile, disagreement and separation amongst various Ogoni leaders emerged and ethnic conflict between Ogoni communities worsened. In May 1994 a conflict escalated and a youth gang murdered four prominent- supporters of the Nigerian federal government, conservative Ogoni leaders (Boele et al., 2001a; International Crisis Group, 2008). The Internal Security Task Force fights against the Ogoni peaked when the representative of the MOSOP, Ken Saro-Wiwa and eight other Ogoni protesters were detained in May 1994 and sentenced for the murder of these four conservative Ogoni leaders in November 1995. Apart from the Nigerian federal government, Shell was the general objective of international activist, global organizations and worldwide media. Shell felt a severe need to interfere and stated that they asked the Nigerian federal government for a fair and humane trail. After a period in which Shell was confronted with severe pressure and politics from public interest organizations, they pleaded to the Nigerian federal government asking for clemency (International Crisis Group, 2008). The plead for clemency was not granted by the Nigerian federal government and on the 10th of November 1995, even though protest were held by Amnesty International, the Pax Christi Catholic Community, international pressure organizations, the United Nations, worldwide Governments and Shell, Ken Saro-Wiwa and the other eight Ogoni were hanged. After the execution of Ken Saro-Wiwa, Vice-president Ledum Mitee became president of the MOSOP (Boele et al., 2001a; van der Zwart & van Tulder, 2006).

1.4.1.1 The Environmental Perspective

Due to the neglect of Shell to respond towards all environmental demands and criticism, the allegations against the corporations became of a much higher content. Even though Shell’s operations were halted, environmental pollution and devastation of the environment were still major issues for the Ogoni community, the MOSOP, environmental organizations, governmental organizations around the world and many global organizations at large. Global consumers displayed negative responses to the Shell Ogoni Casus, which had its consequences for Shell.
While in detention, within ‘A Month and a Day: A Detention Diary’, Ken Saro-Wiwa wrote;

Over the past thirty years, Ogoni has given Nigeria an estimated US thirty billion dollars and received NOTHING in return, except a blighted countryside, an atmosphere full of carbon dioxide, carbon monoxide and hydrocarbons, a land in which wildlife is unknown, a land of polluted streams and creeks, of rivers without fish, a land which was in every sense of the term an ecological disaster. (Wiwa & Boyd, 1996:74).

In 1994 Greenpeace released the report ‘Shell-Shocked; the environmental and social costs of living with Shell in Nigeria’. This report exposes Shell’s environmental and societal activities in Ogoniland (Rowell & Goodall, 1994). In their report, Greenpeace stated that Shell should pay compensation costs towards communities and landowners.

As a protest against Shell’s operations within Nigeria, the metro council of Toronto Canada rejected a contract with Shell. From their perspective Shell caused severe environmental damage in Ogoniland and did not stress the Nigerian federal government enough asking them for clemency. Scholars from the British Royal Geographical Society could not conciliate with continues funding from Shell and stopped this funding (van der Zwart & van Tulder, 2006).

In 1994, The body Shop International commissioned an independent consultant specialized in Environmental Resource Management to examine the Environmental Impact Assessment documents of Shell. The consultant could only examine two Environmental Impact Assessments reports of Shell with regards to two pipelines in Ogoniland. These reports were created after the pipes were taken into operation in Ogoniland. The consultant found that the documents were poorly written and unclear. The documents stated that there would be a major impact but does not include what the impact entails. According to the consultant, it was unclear if Shell engaged in the Environmental Impact Assessment procedure and if they recognized the possible impact of the pipelines (Rowell & Goodall, 1994).

In Marketing week, an article of Tom O’Sullivan (1995), the journalist quoted Jonathan Porritt, an environmental campaigner. Jonathan Porritt states that;

Global companies such as Shell can no longer have it both ways. They cannot on the one hand support a very good environmental record in European markets and on the other wreak environmental devastation in other parts of the world. The world is now a
much smaller place and global companies are no longer able to get away with this kind of practice. (Porritt, quoted by O’Sullivan, 1995, p. 22).

In 1995 Shell initiated the Niger Delta Environmental Survey funded by all SPDC joint venture partners. Local and global environmental activists stated that they wanted a more independent survey of the Niger Delta environment.

The World Bank released their ‘Defining an Environmental Development Strategy for the Niger Delta’ report in 1995. The World Bank obtained this research as part of a negotiation process to become shareholder of a gas project with Shell in Nigeria. The World Bank pulled out from the negotiations when Ken Saro-Wiwa was executed. The report obtained by the World Bank stated that a sample of creek water near a facility of Shell in Ogoniland was contaminated with a high amount of hydrocarbon. The level of hydrocarbon was approximately sixty times over the United States drink water standards (Project Underground, 1996). The World Bank also stated; “There is urgent need to implement mechanisms to protect the life and health of the region’s inhabitants and its ecological systems from further deterioration” (World Bank, 1995: V).

1.4.1.2 The Social Perspective

1.4.1.2.1 Sustainable Development

Greenpeace noted that Shell’s payments towards community assistance programs did not add up to the revenues generated from Shell’s oil production (Rowell & Goodall, 1994). Within 1995, the ‘Unrepresented Nations and People Organization’ (UNPO) presented the ‘Ogoni Mission Report’. The report states that;

Leaving community assistance work aside, the company’s ability to communicate with the Ogoni community is very poor. Since 1990 this failure stems from the company’s unwillingness to acknowledge the significance of the MOSOP, which now represents the bulk of the Ogoni community. Shell’s reluctance to recognize this fundamental change in Ogoni society is also reflected in the company’s consistent questioning of MOSOP’s representative nature. (Boele, 1995, p. 21)

In their report, the UNPO recommended that Shell should start discussions with the MOSOP in order to create trust among one another. Shell should stress the Nigerian federal government to cease the military from Ogoniland and release detained Ogoni natives. The
UNPO also recommends that Shell should not recommence activities which would enhance the level of conflict in Ogoniland. And an environmental investigation of Ogoniland by Shell should be objective and should permit engagement of the MOSOP (Boele, 1995)

1.4.1.2.2 Human Rights

Through the repression of the Nigerian federal Military, the protests and demonstrations of the Ogoni community and the MOSOP were suppressed. Even though the Ogoni were faced with repression, the support for the MOSOP remained high (Boele, 1995).

Human Rights Watch (1995) noted in their report, that Shell became reliant on military repression and stated; “The Nigerian military's defense of Shell's installations has become so intertwined with its repression of minorities in the oil-producing areas that Shell cannot reasonably sever the two”. In their report Human Right Watch pleaded to Shell and other oil corporations within Nigeria to operate their business activities according to a general set of human right ethics. They noted that the oil corporations and their partnerships with the Nigerian federal government provide the oil corporations with an influential position to utter concerns regarding human rights in Nigeria. And stated that Shell and Chevron should refuse the recommence their activities in Ogoniland up until the Nigerian federal government stopped human right violations against the Ogoni (Human Rights Watch, 1995).

When Ken Saro-Wiwa and the other eight Ogoni activists received the death sentence Greenpeace and Amnesty International and Human Rights Watch appealed to the board of Shell. They asked the board to influence the Nigerian federal government to void this death sentence. On the 2\textsuperscript{nd} of November 1995, British Broadcasting aired a documentary on the situation in Ogoniland. The documentary ‘Delta Force’ was made by Ken Saro-Wiwa, Ken Wiwa, Kay Bishop, Glenn Ellis, Cathy Tyson, Catma Films and Channel Four. The documentary presented allegations relating Shell’s assistance to the Nigerian military (Manby, 1999).

When Ken Saro-Wiwa and the other eight Ogoni activists were executed global disapproval rose towards Shell (Wheeler et al., 2002). The media portrayed Shell as heartless and noted their role within Nigeria as subject of analysis (Boele et al., 2001a). Supporters of the Ogoni casus blamed Shell of taking on a shocking role in regards to the executions, where other activist suggested that Shell was directly responsible for the executions. Though the majority overall observed the executions as a catastrophic result of misjudged actions and an
incapability to handle the Ogoni community since the moment Shell arrived in Ogoniland (Wheeler et al., 2002). General debates regarding multinational corporations operating in dictatorships around the globe rose in diverse forms of media as well (Boele et al., 2001a). Media responded to the casus and concluded that ethical responsibility could not be disregarded. In Marketingweek Tom O’Sullivan (1995) stated;

> It is accused not in any court of law but in the court of public opinion - often a much harsher arena. One where the consumer can have a direct effect on the company’s bottom line. But the Shell case has wider implications for other multinationals who could also face worldwide pressure to accept ethical and social responsibility for their actions around the world. (p. 22)

The Amsterdam AEX Index, the response of global investors of Shell shares within 1995 displayed a fluctuating image, mainly in the period in advance of the execution of Ken Saro-Wiwa and the other Ogoni eight activist. Shell’s share continued rather constant up until the October 1995. Onwards, the day of the sentence and the following day the share price of Shell increased slightly together with the AEX index. Continues criticism towards Shell in the beginning of November 1995 had minor consequences for the share price, it decreased a little but so did the AEX index. When Shell pleaded for clemency, allegations of Shell being responsible appeared to be withdrawn. Shell’s share prices continued in an upward movement for weeks after the execution. In comparison the AEX index, Shell’s shares moved upwards with a faster rate. As well on the Frankfurt and the New York stock exchange, Shell’s shares continued an upward movement. It is suggested that the global upward movements of Shell’s share prices could be clarified through ethical investors abandoning shell months upfront, this in connection to the Brent Spar Casus (van der Zwart & van Tulder, 2006)³.

### 1.4.2 Shell’s Response

Shell was enforced to justify their activities and productions over and over towards various associations and organizations such as; academics, societies, interest groups, environmental groups, governmental organizations and stakeholders (Wheeler et al., 2002).

#### 1.4.2.1 The Environmental Perspective of Shell

In a response towards all environmental allegations of the Ogoni, the MOSOP and global organizations, Shell Stated; “The company recognizes there are environmental problems

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³ Appendices; ‘Figure 6: Shell’s Share Prices’
associated with its operations and it is committed to dealing with them, but these problems do not add up to anything like devastation” (Shell International, 1995 quoted by Boele et al., 2001a, p. 77).

As a consequence of the global focus on Shell, they initiated the Niger Delta Environmental Survey (NDES). Shell announced the initiative on the 3rd of February 1995, and stated that the survey would be financed by all joint venture partners of the SPDC in Nigeria. But, local and global environmental activists insisted a more independent survey. And, eventually the NDES became established as an independent corporation unit and was funded by all participant of the ‘Oil Producers Trade Section of the Lagos Chamber of Commerce’, the River State Government and the Delta State Government (Manby, 1999).

### 1.4.2.2 The Social Perspective of Shell

#### 1.4.2.2.1 Sustainable Development

Shell did not stop their activities in Nigeria. Shell noted that if they would leave Nigeria, the Nigerian civilians would suffer from Shell’s decision. The Nigerian civilians would suffer due to the reliance of the Nigerian economy on oil in 1995 (International Crisis Group, 2008).

In a response towards the Ogoni community, Shell stated that they; “do not hold the solution to community demands for more amenities, more development, more employment and more control over oil revenues. That is primarily a government responsibility” (Shell International, 1995, as quoted by Boele et al., 2001a, p. 76).

#### 1.4.2.2.2 Human Rights

In January 1995, Human Rights Watch began communicating with Shell representatives of the Netherlands and the United Kingdom and urged them to take public action to stop the violation of human rights within Nigeria. In a response, Shell denied their responsibility to tackle the violation of human rights and misinterpreted the appeal of Human Right Watch to adopt a social responsible position to reduce violation as a request to interfere in Nigerian political affairs (Human Rights Watch, 1995).

A 1995 leaked document revealed that a meeting took place between the Nigerian federal government and four Shell executives. The document states that the Nigerian federal government and Shell specifically discussed several Public Relation Strategies. The document contained minutes of the meeting and stated that the Nigerian federal government requested
Shell to stick together and both aim to significantly suppress any deceiving claims held against the Nigerian federal government and Shell with regards to the Ogoni and the execution of Ken Saro-Wiwa. Having discussed all Public Relation Strategies, none of the minutes within the document referred to any discussion of severe community issues within the Niger Delta (Frynas, 2001). Shell responded to Human Right Watch, denying any complicity with Security Forces of the Nigerian Military assaulting the Ogoni and other communities of the Niger Delta. Shell did admit that they contracted the ‘supernumerary police’ to protect their facilities and employees. Shell acknowledges to contact the ‘supernumerary police’ when confronted with unrest or sabotage. Shell noted, that they are obliged by the Nigerian law to contact the ‘supernumerary police’ when confronted with unrest and that the corporation did not have a choice to comply (Human Rights Watch, 1995).

Shell viewed their position within Nigeria as one of ‘Hostage’, caught in a fire of the Niger Delta communities and the Nigerian federal government. Shell noted that the demands of the Ogoni community had a political character. According to Shell, the responsibility of demands made by the Ogoni rested with the Nigerian federal government. Shell felt that they had been excessively targeted in order for the MOSOP to raise global awareness. In a response towards the accusations of the MOSOP regarding Shell’s human rights violation complicity, Shell noted; “the Ogonis think that the only way to solve their problems is to get Shell involved” (Human Rights Watch, 1995).

Shell states that it could not carry out actions to prevent the executions because it was not their responsibility. Shell did plead to the Nigerian federal government to give the prisoners a fair and humane trial. As a defense, Shell emphasized their commercial role as a corporation and stated that they could not interfere with local politics (van der Zwart & van Tulder, 2006).

1.5 The process of reconciliation (1996-2007)

1.5.1 Developments

After the execution of Ken Saro-Wiwa the repression of the Nigerian Federal Military and the River State Internal Security Task Force continued (Frynas, 2001). Anti-oil-protest continued at a lower level and Ogoni activists still organized events to celebrate Ogoni Day and the remembrance of the executions (Manby, 1999). Due to the belief that Shell conducted an active role in the repression of anti-oil protests and Ogoni activists, the Ogoni considered Shell’s promise not to use armed forces and merely to recommence their activities with the
permission of the Ogoni communities, as false. The Ogoni natives were determined to never permit Shell to recommence their activities in Ogoniland again. Several organizations initiated processes of reconciliation which all led to nothing (International Crisis Group, 2008). Since Shell left, their facilities have been severely damaged, robbed and vandalized by Ogoni activists. In 1998 Shell had lost an estimate of 100 million dollars’ worth of equipment due to robbery and damages (International Crisis Group, 2008).

The abrupt and unforeseen 1998 death of the Nigerian Military General Abacha caused important economic and political modifications to Nigeria. Nigeria restored civilian ruling and various convicted Ogoni activists and other political activists were set free from their captivity. The military occupation of Ogoniland ended and the MOSOP could organize their activities and operations openly again and representatives of the MOSOP returned to their communities (Boele et al., 2001a). Through the development of the Nigeria under civilian ruling, the Nigerian federal government arranged and started the Niger Delta Development Commission Bill (the NDDC Bill), containing financial resources for development projects (Frynas, 1998). Even though, the NDDC Bill of the Nigerian federal government was filled with noble purposes, while constructed it failed to consult the oil producing communities. In this, the NDDC Bill appeared to be short of distinct operational guidelines and control measures (Frynas, 1998). The MOSOP noted that this Bill could also be differently interpreted. According to the MOSOP the Bill could be victim to political manipulation and noted that more comprehension was required in regards to various significant subjects (Boele et al., 2001a).

Through the establishment of Nigeria’s civilian ruling, various attempts for reconciliation between Shell and the Ogoni were initiated. In 2000, a commission established by the Nigerian federal government, the Human Rights Violations Investigation Commission, advised Shell to recommence dialogues with the Ogoni. The directives of the commission were in vain (International Crisis Group, 2008).

A vital attempt for reconciliation between Shell and the Ogoni stemmed from the Nigerian federal government. Within May 2005, President Olusegun Obasanjo selected Reverend Father Matthew Hassan Kukah (Kukah), a well-respected priest to start a reconciliation process. Kukah was assisted by two international conflict resolution organizations that both assisted one party within the reconciliation process. The International Centre for Reconciliation from the Coventry Cathedral of the United Kingdom assisted Shell within the
process and MOSOP was assisted by Kreddha an International Peace Council for States, Peoples and Minorities which is a non-governmental organization from the Netherlands. Shell and the MOSOP appreciated the initiative and at the end of 2005 Kukah had organized various preliminary sessions with both Shell and MOSOP separately. Kukah held these sessions to establish a foundation for an appointment with both Shell and MOSOP which was expected at the beginning of 2006 (International Crisis Group, 2008).

The reconciliation process was almost immediately confronted with significant difficulties. Firstly, difficulties occurred with differences in the listed items of the negotiation. The Ogoni desired that the negotiation included; environmental concerns such as, degradation, rehabilitation and apologies for historical damage. The Ogoni wanted to negotiate the political recognition of minorities and the level of control over their own community affairs. Economic concerns included the share and allocation of oil returns and compensation to those who suffered from human rights violations. The Ogoni wanted to discuss human resource development covering employment, scholarships, education and sustainable development covering power and water supplies, roads and telecommunications. And the Ogoni wanted to negotiate the implementations of the United Nation’s recommendations for human rights, inspection of Ogoniland and an inspection for sustainable development of Ogoni. The listed items for negotiation on Shell’s part were limited to, an environmental inspection of Ogoniland which would be operated by a respectable independent organization suitable to both MOSOP and Shell. Shell wanted to negotiate a regular inspection of their facilities to ensure safety and avoid future environmental disasters. Shell wanted to discuss an examination of Shell’s past community projects and their new, sustainable community development projects. And last, Shell wanted to negotiate their future SPDC operational activities in Ogoniland.

A commonality within the listed items of both Shell and the MOSOP are the environmental inspections of Ogoniland and the clean-up of old oil spills whether due to sabotage or not. Furthermore, both Shell and the MOSOP appeared to correspond on the need to evaluate the social and community development necessities of Ogoniland and for a future project to meet these necessities. Nonetheless, various items listed by the Ogoni were beyond the capabilities of what Shell could and would adhere to. The allocation of oil returns and political recognition of the Ogoni would have implied extensive dialogues with the Nigerian federal government and other minority groups in the Niger Delta. The Ogoni perspective on Shell’s
listed items was understood to be too limited which insinuating that Shell sought to establish a minimal response with regards to Ogoni concerns (International Crisis Group, 2008).

Another problem towards reconciliation was positioned in the determination of the Ogoni Crisis. The Ogoni considered the Nigerian federal government as a partner of Shell and argued that their criticism and accusations concerned both and were inseparable and connected. The Ogoni argued that the responsibilities of Shell coincided with those of the Nigerian federal government. The Ogoni noted that, if the Nigerian federal government would not be included within the negotiations Shell could redirect concern, reasoning them as governmental responsibilities. The following negotiations were held with the Nigerian federal government and the River State Government. Another problem to overcome was the divisions amongst the Ogoni communities, the affairs of 1993 up until 1995 had created gaps in Ogoniland. Division amongst of the families whom lost the four governmental chiefs and the families whom lost the nine MOSOP activists, youth versus seniors and supporters of the government versus activists against the government. While the MOSOP was once an organization which spoke for the interest of the Ogoni natives, it lost the united character and became challenged with others stating to embody the Ogoni interest. Kukah identified this problem en decided to including the Ogoni natives as a whole in the negotiations. With this identification and decision, Kukah gained the fury of the MOSOP representative (International Crisis Group, 2008).

The final straw that caused the negotiations to be halted was a statement in February 2007. This stated that the UNEP would start an environmental assessment in Ogoniland funded by Shell. The environmental assessment decision was received negatively by the MOSOP and implemented as a new attempt to recommence Shells activities in Ogoni. As part of the reconciliation process, President Obasanjo requested UNEP to carry out the assessment. As stated by Shell, the MOSOP favored UNEP in comparison to other organizations which could carry out the assessment. MOSOP rejected the initiative and stated that MOSOP, Shell and the Nigerian federal government did not engage in genuine discussions regarding Ogoni’s requests in general, environmental problems in specific or Shell’s recommence. MOSOP stated that their confidence in the reconciliation process of Kukah had faded and they ended the process. The movement also stated after the reconciliation process of Kukah that it did not acknowledge Shell as Ogonilands’ oil operator. They also noted that if the Nigerian federal
government desired to recommence the oil industry in Ogoniland it should allocate the license to another oil corporation (International Crisis Group, 2008).

The decision to substitute Shell in Ogoniland was formed through legal and political considerations. A legal consideration stemmed from an article within the Nigerian Law, this article specifies that if an oil corporation neglects to operate its licenses for ten years, the corporation could be terminated. The operations of Shell in Ogoniland were halted in 1993, which means that the Nigerian federal government could have stopped Shells’ operating license as soon 2003. Within August 2006, the Nigerian federal governments regulatory of the oil industry warned Shell that it could lose their operating license of Ogoniland. At a meeting in Vienna, the Nigerian Minister of State for Petroleum stated that if Shell did not recommence their activities in Ogoniland, their license would be withdrawn within October. Shell could not recommence their activities within Ogoniland in time for the deadline, set by the Nigerian Minister of State for Petroleum (International Crisis Group, 2008).

1.5.1.1 The Environmental Perspective

In 1997, Project Undergro und and the Rainforest Action Network found that hydrocarbon polluted water in Ogoni was 360 times above the European Community drinking water standards (Project Underground, 1997). Project Underground (1998) stated that they kept campaigning against Shell until; the corporations completely left Ogoniland, stopped attempts to re-enter areas under military ruling;, actively requested the release of the Ogoni 19 and encouraged an independent environmental assessment of the Niger Delta; The World Council of Churches (WCC) presented a report in 1997 called ‘Ogoni, The struggle continues’. This report confirmed environmental devastation statements of the MOSOP and contained proof of oil spills, gas flaring and oil littering into streams. The WCC also highlighted the danger and agitation of on land flow pipes in Ogoniland (WCC, 1997).

In 1998, a rapporteur of the United Nations Commission on Human Rights recommended the establishment of an independent organization to govern all parts of environmental degradation and pollution because of oil exploration activities in Ogoni (Earth Rights Action, Fiends of the Earth, 2006).

In 1999 a group of United States activist, academics and journalist went to the Niger Delta. This trip was hosted by Environmental Rights Actions/Friends of the Earth Nigeria. When paying a visit to Ogoni, the delegation noted pipelines above the ground which were old and
risky. The delegation went to a site where an oil spill occurred in 1970, according to Shell this had been cleaned up, but a thick layer of carbonized oil covered the land and made it into wasteland. The report states that oil corporations should compensate environmental degradation and pollution and compensate communities that suffered from oil exploration. They recommend more transparency by the oil corporations and state that oil corporations should execute and adhere to international human rights standards. Further, the report recommended the public to boycott Shell and Chevron and to actively engage in activism against the oil corporations active in the Niger Delta (Essential Action, 1999).

In 1999 a field report of ERA noted continues oil leaks of abandoned Shell facilities in Ogoniland. The report noted that oil facilities, oil wells and pipelines leaked and contaminated Ogoni creeks and become a threat to the health of the Ogoni natives due to their farming and fishing culture. The ERA recommends Shell to; decommission their facilities in Ogoniland to prevent oil spills and blowouts, clean up polluted areas, and make compensation payments for damage to the environment and the local economy by its activities. Finally, the report notes that Shell should adhere to the wish of the Ogoni people and stay out of the area pending the resolution of demands contained in the Ogoni Bill of Rights (Naagbaton, 1999).

Environmental activist mainly disapproved of Shell’s corporate communications campaign of 1999, which cost the corporation 16 million dollars. The activist state that the money spend on the campaign should be spend on environmental cleaning within Nigeria. But, as the Guardian newspaper stated; “through Shells’ PR campaign, Shell was revised by 160 opinion leaders as concentrated on the environment, ethical and devoted and loyal to human rights” (Guardian London, 1993 in Frynas, 2001, p. 45).

According to Friends of the Earth Shell should make payments which are fair and suitable for environmental damages and neglects towards Niger Delta communities (Earth Rights Action, Friends of the Earth, 2006). While visiting the Niger Delta for a field trip in 2005, Friends of the Earth met with a Shell contractor who cleaned up oil spills in Ogoni. According to Friends of the Earth, the contractor only turned the land basically buried the oil under the land (Friends of the Earth, 2005).

In 2007, the environmental assessment of Ogoniland by the UNEP was approved. The environmental assessment should cover; Soil contamination from oil spills, Groundwater contamination from oil spills, Surface water and sediment contamination in the creeks,
Adverse impacts on ecosystems (flora and fauna) due of oil field infrastructure and activities (UNEP, 2007:4)

1.5.1.2 The social perspective

1.5.1.2.1 Sustainable Development

A general issue identified by the MOSOP in this period is the method in which Shell Nigeria carried out planned community development. The existing ties of Ogoni chiefs and Ogoni contractors were generated by Shell Nigeria and were perceived by the MOSOP as people in favor of Shells’ performance. The MOSOP noted that they have used their ties with Shell for their own personal benefits within the past (Wheeler et al., 2002). The Ogoni natives also expressed their anger and frustration with regards to the manner in which Shell completed their community development projects (Boele et al., 2001a). The MOSOP analyzed the community development support of Shell as insufficient and unsuccessful and suggested that the projects were only held as forms of Public Relations for Shell (Boele et al., 2001a).

In 1999, a delegation of the Body Shop International visited a hospital in Terabor which maintenance was adopted by Shell. They noted that the hospital had no electricity, no warm water, no bed mattresses and a poor medicine stock. The various journalists, researchers and seniors of The Body Shop International delegation discovered compartments of untrustworthy electrical recourses within Ogoniland in 1999 (Wheeler et al., 2002). In that same year a delegation of Earth Rights Actions /Friends of the Earth Nigeria paid a visit to the hospital as well and noted a lack of basic needs such as clean water, medicine and electricity (Essential Action, 1999).

Although Shell made significant corporate modifications, the representative of the MOSOP states in 1998;

Shell- The company that… promised to balance principles with profit – has not made a single concession to help bring about the peace and reconciliation it says it wants to see. I have a simple question for the directors of Shell: When will you balance principles with practice in Ogoni. (MOSOP International Secretariat, 1998 in Boele et al., 2001a, p. 84).

The MOSOP highlighted the ongoing inconsistency of what Shell International promoted versus what Shell Nigeria enacted (Wheeler et al., 2002).
1.5.1.2.2 Human Rights

Due to the belief that Shell conducted an active role in the repression of anti-oil protests and Ogoni activists, the Ogoni considered Shell’s promise not to use armed forces and merely to recommence their activities with the permission of the Ogoni communities, as false. The Ogoni natives were determined to never permit Shell to recommence their activities in Ogoniland again. Since Shell left, their facilities have been severely damaged, robbed and vandalized by Ogoni activists. In 1998 Shell had lost an estimate of 100 million dollars’ worth of equipment due to robbery and damages (International Crisis Group, 2008).

The Guardian newspaper on 9 July 2001 contains the article ‘When Disaster Stakes’ by John Vidal and wrote;

> Just a few months earlier, it had been accused of environmental insensitivity when it tried to ditch the redundant Brent Spar oil platform in the North Sea. But the Nigerian episode was recognized as potentially far worse. The corporation was now implicated in a human rights outrage, was shown to have tried to suppress the Ogoni movement for environmental justice and had admitted causing pollution. There were worldwide vigils, boycotts and parliamentary questions. A hundred years of brand-building was in jeopardy. (Vidal, 2001)

Through the repression of the Ogoni, Shell did not succeed in securing the Niger Delta. Though their activities shell had provoked a global movement which affected their status and more significant, their profits (Watts, 2005).


> In the case of Shell, publicly and privately call for and cooperate with an independent judicial inquiry into the situation in Ogoni, including the role of Shell staff and contractors, as well as the security forces, in past human rights violations. (p.22)
1.5.1.2.2.1 Lawsuit

On the 8th of November 1996 Human Right organizations and Human Right lawyers filed a lawsuit against Shell International. The Center for Constitutional Rights and co-counsel Earth Rights International filed the lawsuit in favor of the relatives of the executed Ogoni activists who were striving for human rights and environmental justice. The lawsuit was filed against Shell International and the corporation was accused of involvement of violations in human rights against Ogoni natives. The accusations included; a variety of executions without a fair and humane trail, humanity crimes, torment, cruel and brutal treatments, arrest and detention without evidence, wrongful death, the threat of violence and physical violence and infliction of emotional distress. The lawsuit was brought into the United States District Court under the ‘Alien Tort Statute’. The ‘Alien Tort Statute’ gives worldwide citizens the right to file lawsuits in the United States court for international violations of human rights and the ‘Torture Victim Protection Act’. This act allows worldwide citizens alleging damage claims in the United States for torment and extrajudicial killing happening anywhere in the world (Frynas, 2004: Center for Constitutional Rights, 2009).

In May 1997, Shell International submitted a motion for dismissal based on ‘forum non conveniens’, stating that ruling in the United States would not be appropriate for the Court Case. This motion was granted in September 1998 and the Court decided that England would be an appropriate forum to arbitrate the Court case. The Center for Constitutional Rights brought this decision to the Court of Appeals.

In September 2000, the Court of Appeals withdrew the decision to arbitrate the court case in England. The Court of Appeal stated that the United States was an appropriate forum due to ‘personal jurisdiction’, the power of the court to overrule Shell, whom had an office in New York. The Court Case returned to the District Court. Shell appealed to the United State Supreme Could to examine the decision made by the Court of Appeal, stating that the court case should be dismissed due to the believe that the ‘Alien Tort Claim Act’ and the ‘Torture Victim Prevention Act’ were not applicable to judge Shell’s activities. Within March of 2001, the United State Supreme Court rejected Shell’s appeal for judicial review.

Within 2001, the plaintiffs filed another court case, this court case was filed against Brian Anderson who was the former Managing Director of Shell Nigeria. Both Shell International and Brain Anderson appealed motions for dismissal stating that the plaintiffs did not have a legal foundation for their claims.
In February 2002, the United State District Court denied Shell International’s - and Brian Anderson’s motions. The Judge stated that the plaintiffs were within their right to file the claims under the ‘Alien Tort Claim Act’, the ‘Torture Victim Prevention Act’ and the ‘Racketeer Influenced and Corrupt Organizations’ act. The judge also established that the plaintiffs had effectively presented their case that Shell International was aware of the activities of Shell Nigeria. In September 2003, both court cases were modified in order to embrace more plaintiffs.

In April 2004, the plaintiffs also filed a lawsuit against Shell Nigeria’s subsidiary, the Shell Petroleum Development Company and at the end of May, findings within this case were closed. Within May and June, the Center for Constitutional Rights appealed for a discussion of findings on various insufficient responses by all defendants and to fight all defendants’ inappropriate finding appeals.

Within September 2006, the District Court dismissed the plaintiff’s claim of ‘summary execution’, the variety of executions without a fair trial and the claim of ‘right to life, liberty and personal assembly’. The District Court accepted the claims for ‘aiding and abetting liability in general’ and criminal acts against ‘humanity, torment and arrests without evidence’. The District Court licensed all subjects to the Court of Appeal and the plaintiffs as well as all defendants appealed to this higher court.

### 1.5.2 Shell’s response

Started in 1996, Shell held an international project ‘Changing Societal Expectations’ and further established ties with environmental groups, human rights groups and other nongovernmental groups (Grover, 2009). Throughout this project a detailed review of the perspectives of Shells’ stakeholders made its appearance. In this project, the economic role of Shell towards society and community, their technological control, their management and the quality of products were documented and acknowledged. The outcome also elaborated on Shells’ environmental concerns, their care for the environment and the organizations prospects on human rights and was established as insufficient (Shell International, 1999).

After the project in 1996, that same year, Shells’ conversations with their stakeholders, instigated a period of change and development for the corporation. During the Shell Annual General Meeting in 1996 in London a shareholder motion for more transparency regarding social and environmental responsibility was requested. Even though Shells’ executives
advised the shareholders to vote against this motion, the motion was supported and accepted. During this same Annual General Meeting, Shell stated that they were willing to return to Ogoniland and that Shell was prepared to clean up Ogoniland (Frynas, 1998).

Shell revised their corporate principles in 1997 which had been stated in 1976. The new ‘Statement of General Business Principles’ stated within the introduction “reaffirm the … principles that govern how each of the Shell companies which make up the Royal Dutch/Shell Group of Companies conduct its affairs” and “apply to all transactions, larger or small, and describe the behavior expected of every employee in every shell company in the conduct of its business” (Shell International, 1997, p 1).

The revision of their principles was exceptional at the time due to their stated responsibilities to society; “express support for fundamental human rights in line with the legitimate role of business” (Shell International, 1997, p. 1). In addition, Shell acknowledged their responsibility to society and note that they intend to obligate and foster sustainable development through relating to; “…and to give proper regard to health, safety and the environment consistent with their commitment to contribute to sustainable development.”(Shell International, 1997, p. 4).

In 1999, Shell started a Global Reputation Campaign, in this campaign Shell recognized the significance of a positive status. Besides this, Shell started ‘Profits & Principles’ advertisement (Mirvis, 2000; Hooghiemstra, 2000).

**1.5.2.1 The Environmental perspective of Shell**

In an effort to establish an environment of cooperation and appreciation, Shell suggested a Plan for Action in Ogoniland in 1996. The Plan for Action contained actions to enhance the climate such as; “cleaning up all oil spills – whether or not due to sabotage – that have happened since the company withdrew staff in 1993, and make safe all facilities” (Shell International, 1996 quoted by Boele et al., 2001a:83). Stating it towards the media, Shell did not negotiate with - nor notified the MOSOP. To the great frustration of the MOSOP whom by this act saw Shells’ approach towards the Ogoni as unchanged, rude and unconcerned. In a response towards the MOSOP, Shell stated that it would not commence production within Ogoniland without the permission of the Ogoni natives. In addition Shell noted that repairing their facilities, which suffered damage for over more than 50 million dollars, Shells’ ability to
commence production would be limited before the year 2000, even if permission would be granted by the Ogoni (Boele et al., 2001a).

The Niger Delta Environmental Survey initiated by Shell, failed to accomplish any environmental surveys and ended in 1997 (Manby, 1999). In 1998, Shell promised to conceal all on land pipelines at the end of 2003, but could not live up to this promise (Boele et al., 2001a; UNEP, 2009). With regards to historical environmental pollution due to oil spills, Shell noted these areas will be recovered and re-established at the end of 2003. Shell intended to consult the Ogoni on their requirements and visions regarding environmental concerns (Shell International, 1999). Shell could not live up to this promise as they were not welcome in Ogoniland.

In 2007, Shell announced that the UNEP would obtain the environmental assessment of Ogoniland and that this was funded by Shell (International Crisis Group, 2008).

1.5.2.2 The Social perspective of Shell

1.5.2.2.1 Sustainable development

In 1996 Shell suggested the plan for action of Ogoniland in 1996. This plan contained “… rehabilitate its past community projects where necessary and take over their maintenance […] [and] investigate further development projects in the area” (Shell International, 1996 quoted by Boele et al., 2001a, p. 83).

In 1996 Shell International announced that they adopted the liability for maintenance and supplies of medicines and funding its employee payments of a hospital in Terabor, Ogoniland. Recognizing complaints of the Ogoni, Shell acknowledged underemployment of Ogoni natives in the past. In 1998 Shell stated that 95% of employees are Nigerian natives, 43 Ogoni organizations are listed as providing services to Shell and 22% of the total employees of Shell are Ogoni natives (Boele et al, 2001a). Shell acknowledges that the relation among them and various communities has been tense in the past, particularly their relation with the Ogoni natives (Boele et al, 2001a).

As major objective of oil protests and as largest oil corporation within Nigeria, Shell was prepared and willing to spend large amounts on Community Development projects in comparison to various other oil corporation (Frynas, 2001).
The public relations of Shell released amounts spend on community development projects which had increased falsely. Within 1996 the Shell community development budgets spend millions on roads and advertised with their budget. Placing the construction of roads under the budget of Community Development, Shell neglected to note that these roads were needed to grant access to oilfields and that these were required for any form of operations. Many of the roads lead to oilfields and are only passing communities in the Niger Delta (Frynas, 2001). Shell also stated that it spend millions of their Community Development budget on payments for damaging land within the method of possessing it for operations, while corporations are officially and by law required to compensate (Frynas, 2001).

In 1999, Shell communicated that they were unable to maintain the hospital they adopted in Terabor Ogoniland. Shell stated that they could not maintain this hospital just as good as they did with other hospitals in the Niger Delta. This due to the fact that Shell’s employees are unwanted in Ogoniland (Wheeler et al., 2002). Shell noted that it acknowledged the difference amongst their purpose and their performance. With still being regarded as ‘persona non grata’ in Ogoni, Shell is uncertain of how to live up to their promises. In a public announcement, Shell stated that “In December 1998, the Company was able to restore electricity to the area” (Shell International, 1999, p. 30).

1.5.2.2.2 Human Rights

In June 1996, Shell filed a complaint at the British Broadcasting Complaint Commission with regards to the ‘Delta Force’ documentary due to false allegations. This complaint was withdrawn by Shell in January 1997 after confidential documents of Shell made their appearance (Manby, 1999).

In 1998 Shell published their Shell Report 1998 regarding social and environmental performance ‘Profits & Principles – Does there have to be a choice?’ This provides an in depth evaluation of Shells’ procedures and processes of compliance in regards to their revised principles. Within the introduction, Shell stated to be shocked by the terrible conviction and execution of Ken Saro Wiwa. In this, Shell also noted in the introduction; “Clearly, the conviction that you are doing things right is not the same as getting them right. For us at least, this has been a very salutary lesson” (Shell International, 1998a).

In 1998 additionally, Shell published ‘Business and Human Rights, A Management Primer’ this guide supports Shell corporations and divisions to recognize the corporations’ role
regarding human rights. This guide set of from the corporations’ past limited perspective regarding the position of business within society. In this, Shell notes;

Major human rights violations do not generally exist in a vacuum, but within a nexus of corruption, poverty, poor public services and infrastructure, governmental instability and other factors which make it difficult for business to operate. In this context, supporting international human rights standards through, for example, maintaining equal opportunities and non-discriminatory practices, can enhance local standards which may ultimately benefit both the company and the country. (Shell International, 1998b, p. 16).

1.6 Settlement and decisions (2008-2009)

1.6.1 Developments
On the 4th of June 2008, the Nigerian federal government final decision to substitute Shell in Ogoniland was announced. Many Ogoni natives from whom the livelihood was at immediate risk, did not particularly desire a new oil corporation operating in Ogoni. These Ogoni natives stated that a significant profit from the long-term struggle had been the rehabilitation of their ecosystem. The Ogoni agricultural manner of living was endangered through Shell’s operations and the impact it had on the environment, but a fifteen year stop resulted in a rehabilitation of the agriculture (International Crisis Group, 2008).

When stating the substitution of Shell in Ogoniland, President Yar’ Adua noted that the Ogoni natives would be involved in the process of selecting a new oil corporation, this to guarantee that the oil corporation was welcome and supported in Ogoniland. However, The Ogoni were not informed nor involved in the selection process of a new oil corporation. Without the consultation of the Ogoni natives, President Yar’ Adua announced in France on the 12th of June 2008 that the Nigerian National Petroleum Corporation (NNPC) would be receiving the operating license for Ogoniland. On June 16th 2008, the Minister of State for Petroleum stated that the NPDC which is a subsidiary of NNPC would start operating the Ogoniland (Crisis group, 2008).

1.6.2 The Environmental Perspective
In late 2009 the UNEP delegation started the Environmental assessment of Ogoniland. The project team counted hundred people. The team consisted of technical experts, international
experts, national specialists and senior academics. In 2011, UNEP released the report (UNEP, 2011).

1.6.3 The Social Perspective

1.6.3.1.1 Sustainable development
The final decision from the Nigerian federal government to substitute Shell in Ogoniland, triggered different responses from the Ogoni natives. The majority of Ogoni natives saw this decision as a triumph for their efforts and as a triumph of justice. On 9 June 2008, thousands of Ogoni natives walked through Port Harcourt and brought a message to President Yar’ Adua. The Ogoni message noted that the end of Shell in Ogoniland was a stimulating message which rewarded non-violence. Other Ogoni natives saw the triumph over Shell as an illustration of Ogoni control in the Niger Delta. On the other hand there were Ogoni natives who were more careful, suggesting that President Yar’ Adua decision should not be taken so serious. Some Ogoni natives stated that the decision by President Yar’ Adua was not the outcome of negotiations. The content of the decision to substitute Shell provokes concerns as well, President Yar’ Adua stated that Shell would have vacant their operations and a new oil corporation would enter Ogoni (International Crisis Group, 2008).

1.6.3.1.2 Human Rights
In March 2008 the District Court denied additional jurisdictional findings with regards to the plaintiffs versus the Shell Petroleum Development Company and by this means the case was dismissed. A month later the Center for Constitutional Rights requested an appeal to the Court of Appeal with regards to the decision to dismiss the case. In October a trail was held concerning the jurisdictional findings of the plaintiffs against the Shell Petroleum Development Company and versus Brian Anderson. After the trail, the Center for Constitutional Rights and Earth Rights International filed modifications of their complaints regarding the Shell Petroleum Development Company and Brian Anderson (Center for Constitutional Rights, 2009).

On the 8th of June 2009, the night before the trail, all plaintiffs and defendants agreed to settle all three lawsuits out of Court. The settlement and other payments came to a total of 15.5 million dollars.

A newspaper article written by Ed Pilkington in ‘The Guardian’ implied that constituent in favor of the legal action forced on Shell, suggested that Shell had been afraid of the evidence
that would have been presented if Shell went to court (Pilkington, 2009). Stephen Kretzmann, director of Oil Change International suggested that Shell; “knew the case was overwhelming against them, so they bought their way out of a trial” (Kretzmann, quoted by Pilkington, 2009). In a telephone interview from London, Ken Saro-Wiwa Jr. stated towards the New York Times newspaper, that he was satisfied with the settlement. Ken Saro-Wiwa Jr. stated; “It’s a relief also that we’ve been able to draw a line over the past” (Saro-Wiwa Jr., as quoted by Mouawad, 2009).

The Settlement of Shell was not received as a victory by the Ogoni natives. The Ogoni natives noted that if the Nigerian federal government together with Shell could; undo the executions of Ken Saro-Wiwa and the eight Ogoni activists, make payments of thirty-five years of royalties and acknowledge the Ogoni Bill of Rights, Shell was still not accepted back in to Ogoniland. The MOSOP welcomed the settlement of Shell, but stated that they remained unhappy with Shell (News watch Magazine, Modupe Ogunbayo, 2009).

1.6.4 Shell’s Response

1.6.4.1.1 Sustainable development
In June 2008, the Nigerian federal government stated they would substitute Shell Nigeria in Ogoniland which would in potential be taken over by the Nigerian National Petroleum Corporation. As a response towards their substitution, a Shell Nigeria spokesman Stated; “Shell will not challenge this in court. If this action will bring peace in Ogoni land, we will support it”. After the announcement, Shell stated that in harmony with the established Joint Operating Agreement, they were prepared to consent with a joint venture partner taking over the operating license of Ogoniland and that Shell Nigeria was willing to assist the Nigerian federal government with the acquisition of oil operations in Ogoniland (the Ogoni Issue, Shell Nigeria, 2009).

1.6.4.1.2 Human Right
According to Shell, with the settlement they made a humanitarian gesture. The Settlement payment entailed a trust fund to benefit the Ogoni natives. It also covered payments for the plaintiffs and the communities they represented in gratitude of the historical events in Ogoniland. The settlement also reimbursed the sum of costs of the plaintiffs. Regarding the settlement, Shell highlights that they did not have a role in the historical violence in
Ogoniland. Within a Press Release, Malcolm Brinded, Executive Director Exploration & Production of Shell states;

Shell has always maintained the allegations were false. While we were prepared to go to court to clear our name, we believe the right way forward is to focus on the future for Ogoni people, which is important for peace and stability in the region...We hope that this settlement will help the plaintiffs and the people of Ogoni to move forward. (Shell International, 2009)
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