Corporate Social Responsibility and Community Development Outcomes in the Niger Delta : An Empirical Analysis of the SPDC Global Memorandum of Understanding (GMoU)

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ABSTRACT

As corporations adopt innovative ways to secure business interests, they seek to influence social space. Stakeholder's increasing awareness of their rights serve to hold corporations responsible for their actions and inactions to foster sustainable development in their operational areas. While not all stakeholder demands can be met by corporations, managing stakeholder expectations of Corporate Social Responsibility (CSR) outcomes proves difficult partly due to the ambiguity of defining the content of development investments. This study evaluated the nature and types of development projects and outcomes implemented through the GMOU in selected clusters in Rivers and Bayelsa States. The study disaggregated the programme and project content of the SPDC GMoU in selected Rivers and Bayelsa State clusters. The study relied on the qualitative approach with the adoption of key informant interviews and focus group discussions as methods of data collection. A key finding of the study was that CSR and Community Development outcomes in the Niger Delta indicates a preference for quick win infrastructural projects over other forms of human development programmes such as income, poverty, health, education, and individual socio-economic development. The paper concludes that at every stage of development, people know what their needs are and can prioritise according to expediency, available resources and future development needs. While there are no pre-ordained paths to development, the study makes a case for expansion of development focus beyond infrastructural projects to accommodate human capital development and other forms of interventions in a broader community framework in order to meet more stakeholder needs in a sustainable way.

Key words: Corporate Social Responsibility–Global Memorandum of Understanding–Community Development–Shell Petroleum Development Company–Niger Delta.

1   INTRODUCTION

Literature on Corporate Social Respon sibility (CSR) practice is replete with efforts about how to balance business objectives and the social good of communities where such businesses operate. (Okodudu, 2008; Aaron, 2012; Lebura, 2013; Ite, 2015; Beih et al, 2016) [21][1][18][16][3]. However, rural poverty persists in Nigeria especially in oil producing areas of the Niger Delta despite the prosperity created by the country's oil wealth. The lack of basic survival needs in communities that host the operations of International Oil Companies (IOCs) exacerbates the socio-economic condition of people in the region. Environmental degradation which is the most harmful consequence of oil exploration hampers the livelihoods of the host communities. According to the United Nations Development Programme (UNDP), Nigeria's Human Development Index (HDI) value ranked 158 out of 189 countries at 0.534 in 2018. This puts the country in the low human development position. The HDI is a measure for assessing long-term progress in dimensions

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of human development: a long and healthy life, access to knowledge and a decent standard of living (UNDP, 2019) [30].

As the oil producing region of Nigeria, host communities look to the IOCs as a pathway to addressing development problems in the absence government intervention. The failure of IOCs to meet host community expectations has resulted in conflicts between both parties. This in turn, has incited IOCs to adopt models for engaging stakeholders to earn social licenses to operate. Memorandum of Understanding (MoU) agreements are a way to show their commitment to the development of host communities. The outcome of such agreements are activities intended to provide communities with benefits generated through the stakeholder relationship. Scholars allude that such activities in developing nations like Nigeria often take the form of philanthropic rather than strategic Corporate Social Responsibility (Dobers & Halme, 2009; Kolf & Lefant, 2010; Ojo, 2012; Dashwood, 2014) [5] [20] [4]. Hence, the IOCs as primary funders of community development, exercise an overriding power and discretion over community stakeholders.

In the case of Shell Petroleum Development Company (SPDC), studies that have earlier attempted to assess the extent to which the Global Memorandum of Understanding (GMoU) contributes to development relied on data derived from either secondary sources from SPDC (Okoro 2017; Egbon et al, 2018) [22] [8] or data generated by SPDC's internal evaluation tool, SPDC Community Transformation and Development Index (SCOTDI) (Ite, et al. 2015; Isike, 2016) [16] [15]. In the search for empirical evidence on Sustainable Community Development (SCD) outcomes of the GMoU, the existing literature is scanty in this regard. As the GMoU policy which started in the year 2006 enters its thirteenth year of implementation, there is need to investigate the content of its contributions to development in the host communities. Obtaining empirical data on the content of the model is an attempt to address CSR intervention preferentialism, thereby making a case for the disaggregation of CSR investments in future Community Development Community Development Plans (CDP). The study hence focused on disaggregating CD outcomes in an attempt to match them with advertised CSR goals of IOCs.

Based on the foregoing, the main aim of this study was to provide empirical evidence on the programme and project content of SPDC GMoU in the selected Clusters as distinguished from the reported outcome of the GMoU by SPDC. The specific objective of the study was to advocate the disaggregation of items contained in CD plans to address a 'CSR preferentialism problem' which may have an adverse effect on the community development goals.

Conceptual Framework

The theory identified to provide focus for this study was the modernization theory, which was anchored on Max Weber's work, upon which Talcott Parsons developed the modernization paradigm. Modernization theory is an attempt by Euro-American scholars to explain Third World's underdevelopment. Proponents of the theory argue that wealth is created through adopting the features of technological innovation and education as evidenced in modern societies.

According to the theory, development of the Third World is predicated on adopting modern capitalist policies that enable them to recreate the image of modern societies that are more productive, where children are better educated and the downtrodden receive more welfare. From the perspective of public policy decisions, the economic theory of modernization views modernization as a phased process based on the five stages of development from Rostow's model: the traditional society, precondition for takeoff, the takeoff process, the drive to maturity, and high mass consumption society. Other assumptions based on Parson's sociological theory hold that modernization is systematic process. Modernization is also seen as a transformative process where traditional structures and values must be replaced by modern values for a society to transform to modernity (Reves, 2001) [26]. This assumption that economic growth is achieved when urban expansion is part of a natural transition from agrarian to industrial society, informs the CSR approach in developing countries. As Okodudu (2008) notes, this assumption theoretically poses a challenge in its application to the design of the GMoU model because it influences a faulty assumption about the traditional state of Niger Delta host communities. He argued that while the dearth of infrastructure constitutes a part of the major parameters that qualifies the level of development in the region, it is rather the unsuitability of available infrastructure to the needs of host communities that defines their development situation. It is upon this premise that the study adopts its conceptual framework.

SPDC Community Development Approach and the Global Memorandum of Understanding (GMOU)

The Shell Petroleum Development Company (SPDC) claims to have undergone three major paradigm shifts within the context of CSR and sustainability namely Community Assistance, Community Development and Sustainable Community Development. Sustainable Community Development (SCD) as a strategy of SPDC emerged in 2004. SCD was defined as "all the activities, efforts and expenditure harnessed to supporting communities to improve and maintain their capabilities to generate and sustain their own socio-economic progress and quality of life" (SPDC, 2004a) [28]. The goal of SCD was to put communities in the 'driving seat' of their own development, with a view to enhancing the sustainability of development programmes and projects.

Following the success recorded by Chevron as a result of its implementation of the GMoU, Shell Petroleum Development Company (SPDC) adopted the GMoU model in its engagements with communities in its operational areas in 2006. The GMoU was adopted by IOCs as a tested strategy of delivering sustainable development to host communities following the conflicts that emanated from previous models of community engagements in the region. Scholars have noted that among factors that undermined the ability of SPDC's previous CSR strategies to contribute to community development was lack of sense of ownership of CSR process and initiatives by host communities. Idemudia (2009b) [13] noted that due to the absence of community control

over CSR initiatives, communities often lacked both the capacity and interest to maintain such CSR projects as they were seen rather as SPDC's projects. Among other widely advertised objectives, the GMoU was intended to facilitate sustainable development of communities through the setting up of structures that can drive and implement projects in partnership with government and civil society organizations.

A Global Memorandum of Understanding (GMOU) is an agreement between SPDC and a group (or cluster) of several communities. Cluster formation are based on certain criteria such as local government area, or clan/historical affinity as advised by the relevant state governments. The governing structure includes a 10-person Community Trust (at community level), Cluster Development Board (CDB) and a Steering Committee chaired by the State Government. The Cluster Development Board (CBD) functions as the main supervisory and administrative organ, ensuring implementation of projects and setting out plans and programmes.

By the end of 2011, SPDC had signed and implemented agreements with 27 clusters, covering 290 communities, about 30% of the local communities around their business operations in the Niger Delta. In 2011, a total of 596 projects had been successfully completed through GMoU (including pre-GMoU projects). SPDC reports that N44.36 billion has been disbursed to the 39 active GMoU clusters in Rivers, Delta, Bayelsa and Abia States in the last 13 years since the introduction of the GMoU. In Bayelsa alone, the company claims her financial contribution to the development of host communities is now over N23 billion under the Global Memorandum of Understanding (SPDC, 2019) [28].

Idemudia (2014c) compared the GMoU with the other models noting that GMoU and the corporate-community foundation model share similarities in the form of community participation in the CSR initiatives. A policy analysis of the GMoU which evaluated the GMoU policy as a stakeholder interface, identified the strengths of the policy as guaranteeing the economy of effort, however, certain weaknesses of the GMOU approach were also identified. A drawback in the policy was the influence of the modernization theory of development which assumes that the provision of infrastructure translates into development Okodudu's (2008). The reduction of community interface fronts under the GMOU regime obviates the peculiar needs of the individual community which end up providing what communities do not need thereby intensifying disparate needs of communities.

The Prioritization of Community Development Needs

Over the past decades, development economists have recognized urban regeneration as a comprehensive action to improve the economic, physical, social and environmental conditions of deprived areas. Physical infrastructure is portrayed as the predominant effect of economic development over other kinds of interventions (Ercan, 2010) [8]. Parallel to the debate on urbanization, a study of oil companies in Rivers state, Nigeria by Igbara et al (2014) [14], factors that determine development include infrastructure, health, agriculture, security, education, and job/empowerment. The

study which surveyed community development priorities, community stakeholders ranked infrastructure third after education and job/empowerment. Similarly, in a survey of 32 African countries, Bentley et al (2015) found that the most frequently cited citizen priorities for development are unemployment, health, and education, with poverty and food shortage as dominant concerns.

Past studies have taken cognizance of the nexus that exists between development infrastructure and human development index (HDI) outcomes such as income, poverty, health, education, and individual socio-economic status. It is important to note that regardless of what type of initiative, development outcomes overlap in terms of how they contribute to sustainable development. For the purpose of finding a basis for prioritization, we note that the nature of programmes reported by authors differs based on the area of interest of the research. For instance, Uzoagu (2015) 29] reports the nature of projects differently from Pegram et al (2015) [15].

The choice of a development intervention is influenced by the expected benefits it brings the stakeholders. Communities typical hope that development interventions will address their socio-economic problems. For corporations, community development can be used as opportunities to address business interests (Muthuri, J. Moon J., Idemudia U., Owen., 2012) [20][25]. This assertion is supported by Igbara et al (2014) case for recognizing the importance of identifying perceived and prioritized needs of the host community. It is argued that perceived needs of host community differ significantly with that of the oil companies in most cases. As the paternalistic tendencies of IOCs__ who are providers of funding for community development, often leave them endorsing infrastructure projects, other forms of development which do not produce tangible outcomes. The absence of a universal evaluation of community development continues to pose a challenge for following up practical CSR outcomes on the ground.

Debates articulated around the concept of CSR have evolved into different areas of interests. Some Scholars suggest that CSR schemes such as road building, hospital construction and similar projects do not adequately compensate for the high levels of oil pollution, gas flaring that the Niger Delta people surfers (Idemudia & Ite, 2006a) [13]. Another school of thought advocates for community participation, whatever the people's demands, to be paramount in deciding development actions (Valente, 2012; Andrews, 2013; Enuoh & Inyang, 2014) [2][31][9b]. The integration of stakeholder's preferences in community development can be hampered by the nature of the model adopted. It can be argued that the mode of prioritizing community development activities can either meet the community's development needs or give room for 'CSR preferentialism', a situation which empowers IOCs to exert influence on how the funds they provide to communities benefit them.

2   MATERIALS AND METHODS

The study employed a qualitative cross-sectional research design. The qualitative type of research design is deemed transparent (Bryman 2004, cited in George et al. 2005) while the cross-sectional design represents data collection on subsets of a population in a given time-period (Bryman 2004:41). The study population consists of indigenes and residents of the communities which make up GMOU Clusters in Rivers and Bayelsa states Nigeria's 2016 population forecasts based on 2006 National Population Commission and National Bureau of Statistics puts the population of Bayelsa and Rivers states at 2,277,961 and 7,303,924 respectively. SPDC presently has signed agreements with 33 GMoU clusters, covering communities in Rivers and Bayelsa states. The study population therefore includes beneficiaries and individuals involved in the GMoU process, selected from twenty-eight (28) communities in Rivers and Bayelsa states.

There are currently 39 active GMoU clusters in the Niger Delta, out of which 33 are in Rivers and Bayelsa state. The research adopted the simple random sampling and purposive sampling technique for the three levels of determining the sample size of the study. Out of the 33 GMoU clusters which make up the study population, 7 clusters with a total of 70 communities were selected for the survey. Participants were drawn from indigenes of the GMoU Cluster Communities, Non-Governmental Organizations (NGOs) and the Cluster Development Boards involved in the GMoU process. The clusters selected in Bayelsa State were Gbarian/Ekpetiama, Okordia/Zarama, Oporoma and Kolo creek while in Rivers State, the clusters are Engenni, Ekpeye and Greater Port Harcourt. The sample size of the study was 68 comprising 65 Community respondents and 3 respondents from SPDC.

Field trips were conducted to determine the functionality and sustainability of GMOU projects in the communities. The secondary method of data collection involved sourcing information from SPDC's reports, brochures of the Community Development Boards and web-based or internet resources. Data collected in this study was analyzed using thematic content analysis procedures and descriptive statistics. This was done by categorizing content from interviews, FGD's and other secondary sources.

3   RESULTS AND DISCUSSION

The study was conducted in the Niger Delta States of Bayelsa and Rivers. Clusters highlighted in Figure 1 below represent various communities that host oil and gas facilities of SPDC or are impacted in some way by the activities of the company.

Figure 2 presents the geo-ethnographic location of the study where the GMoU is operational in Rivers and Bayelsa states. Bayelsa and Rivers are states in southern Nigeria, the core Niger Delta region. Bayelsa, which has one of the largest crude oil and natural gas deposits in Nigeria, lies between Delta State and Rivers State.

Four clusters selected for the study in Bayelsa state are the Gbarain/Ekpetiama, Kolo creek, Okordia/Zarama and Oporoma. The Gbaran tribe of the Ijaw people lives along Taylor Creek 'Gbarantoru' in Central Bayelsa State. The *Ekpetiama clan* is located by the River-Nun, also in Central *Bayelsa State.* The Gbarain/Ekpetiama Cluster is made up of ten Gbarain clan communities. Kolo creek is a fresh water non-tidal creek that flows through a region of Niger Delta. The Kolo Creek Cluster has 4 communities that are in Ogbia Local Government Area. Okordia-Zarama Cluster is made up of coastal communities along the River Nun, a tributary of River Niger. Oporoma is headquarters of Southern Ijaw Local Government Area, the largest local government area by population in Bayelsa State, after Yenagoa local government area. The Oporoma cluster consists of 12 communities.

At boundary between Rivers and Bayelsa states is where the Engenni cluster is located. Other Rivers state clusters in the study are the Idu-Ekpeye cluster and Greater Port Harcourt clusters. The Idu-Ekpeye cluster communities found in Ahoada East and West Local government consists of eighteen communities. The Ubie Oil Field flow station belonging to SPDC is hosted by this cluster. Greater port Harcourt cluster consists of nine communities. The cluster which is a metropolitan area the government plans to implement and enforce infrastructural development,hosts the SPDC's residential area and some of her offices.

Table 1 above presents empirical evidence of projects and programmes completed in the study communities under the GMoU. While some of the projects were sighted by the researcher, others were obtained from secondary sources such as GMoU commissioning brochures and cluster development board reports. On investigation of the criteria for the allocation of a mandate (GMoU funds) for each community, conflicting reasons were offered by the Cluster Chairmen and SPDC officials. SPDC was accused of arbitrarily allocating funds, thereby favouring some communities and short-changing others. SPDC on the other hand claimed to allocate funds based on the value of oil produced by each community/cluster in a process that the regulatory agency, Department of Petroleum Resources (DPR) validates. These divergent positions give indication that the community are not involved in consultations or negotiation to determine the GMoU fund due them.

An analysis of empirical evidence on completed projects and programmes of the GMoU in the Niger Delta, shown above, is organized in themes of community development planning, the nature of community development priorities, perceived versus experienced needs and the quick-win interventionism approach.

Community Development Planning

The GMoU process was designed to solicit community insights on development problems through a Sustainable Livelihood Assessment (SLA). The outcome of the SLA is a community development plan assumed to provide guidance for communities to take ownership in the implementation of development decisions. When asked what development problems had been resolved under the GMoU, respondents listed a variety of initiatives contained in their community
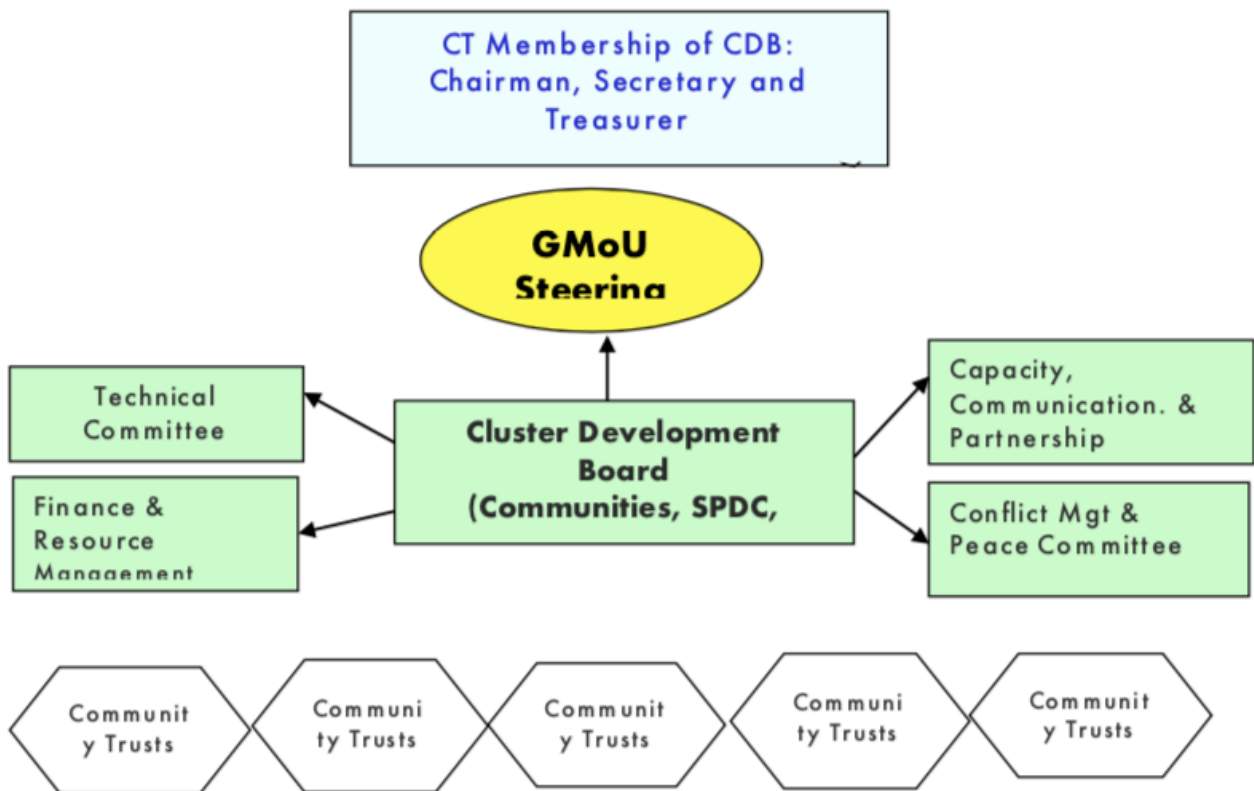
Figure 1. GovernanceStructure of the SPDC GMoU. *Source: SocialPerformance and Social Investment, SPDC, 2019*

Figure 2. Map ShowingGMoU Clusters studied in Rivers and Bayelsa states *Source: Author, 2019*

Table 1. Schedule of CompletedProjects, Programmes and Mandate of Study Clusters *Source:Author, 2019*

STUDY CLUSTERS & COMMUNITIES	COMPLETED PROJECTS	COMPLETED PROGRAMMES		MANDATE
Gbarain-Ekpetiama	118	SPDC recorded none. However, respondents claimed to be enjoying some scholarships and the Gbarain kingdom football talent hunt scheme	34	1.247B
Ayama	Includes Community town hall, a guest house, six concrete walkways within the community and community sound system			
Obunagha	Staff quarters,			
Okolobiri	community town hall, a guest house, six concrete walkways within the community and community sound system			
Polaku	Ninety something completed, 26 commissioned, electrification upgrade			
Kolo creek	45	SPDC recorded none. Respondents mentioned scholarships only	31	687,497,073
Elebele	Construction and completion of 300mx6m concrete road, 3 concrete roads, 1 culvert			
Imiringi	Extension of 340x6m concrete roads in Ekata, Otokopiri, Ekurugha and Ayan lands, 7 concrete roads,			
Oruma	Extension of concrete road with dual drainage of 220x6m, provision of medical equiptment for primary health care centre, a block of shops, renovation of civic centre			
Otuasega	Construction of 80x6m concrete road, 3 units of one-bedroom flats			
Okordia-Zarama	60	SPDC recorded 2. Respondents mentioned scholarships		105M annually
Agbobiri	concrete walkways			
Ayambele	water project, classroom renovations, construction of four classroom block and classroom renovations			
Freetown	A town hall, construction of internal roads, a guest house			
Zarama-Epie	construction of roads			
Oporoma	Infrastructure		13	418M
Agbura	Extension of 1.7km 33kv Inter-town electricity distribution line			
Oporoma	Construction of 107x 6m, 130mx6m concrete walkway and 120mx6m concrete walkway, completion of 2-bedroom bungalow (doctors' quarters)			
Otuege	Town hall			
Otuokpoti	Completion of 6 classroom block			
Idu Ekpeye				36,116,000
Engenni	2	SPDC recorded none at the cluster level.		45M
Mbiama	12 open market stalls			
Greater Phc	Infrastructure	Scholarships	13	
Elekahia	Construction of Community Market, Transformer Installation	Undergraduate scholarships		
Gbundukwu	Completion of community town hall, Transformer Installation			
Oroije	Installation of solar streetlights, Installation of transformers	Undergraduate Scholarships		
Rumuodara	Completion and equipment of community town hall, transformer installation			

development plans as shown in Table 1 above. From the list of projects completed so far, more of the mandate funds are invested in projects that meet physical needs. The GMoU falls short of recognizing the interrelationship of economic, physical and social development in a more robust mapping of needs. The term 'needs' was applied in the study to mean a population's perception of their most important problems and priorities for their general well being and good quality of life. A good planning project should leave a community not just with more immediate "products" e.g., housing–but also with an increased capacity to meet future needs. Effective community development planning takes a comprehensive approach to meeting community needs

The Nature of Community Development (CD) Priorities

Project management literature distinguishes between projects and programmes. Programmes are known to have a wide scope, focusing on benefits and may have to change scope dramatically during their execution to meet the changing needs. They typically span multiple functional units and are executed over a timescale. The prevailing understanding among development practitioners in Nigeria which the IOC's have adopted recognizes programmes as 'soft' activities __ those in which the result is not in itself a tangible asset. This includes the more intrinsic needs that may not be tangible like health, security, education, and employment opportunities.

On the other hand, a project is not an on-going activity. Projects success is measured in terms of producing specific deliverables in terms of time, quality and cost. Projects typically end with a specific accomplishment and result is a distinguishing characteristic. For the study, the term is applied as commonly used to describe the 'hard' projects in which the result is a relatively unique tangible product, such as infrastructure, an electricity plant or 'utility'. Based on the nature of projects, the GMoU recorded the completion of more infrastructure than programmes. It was also found that the process of obtaining approval and the signing of cheques for the release of the funds was easier for infrastructure priorities than programmes.

Perceived versus Experienced Needs

The study observed that the geographic terrain of GMoU communities in Bayelsa state poses a problem for construction of infrastructural projects. Respondents complained that infrastructure projects were not durable. The waterlogged areas made construction work challenging for contractors without the use of sophisticated machinery. Many completed GMoU facilities were said to depreciate after months of using them. An example cited was the major road linking Imiringi and Elebele which collapsed shortly after it was commissioned. This failure of projects has deprived communities of enjoying other sustainable initiatives that could have been executed with the funds. Local economic development initiatives like skills acquisition and microcredit were alternative programmes some community members believe could have been prioritized. A respondent's remarks below captures this suggestion:

"If they add money generating projects, some of these concrete roads they can on their own maybe hatch some of those places that are going bad to give a longer lifespan to the road". (KII/Male/CT Member/Imiringi)

In support of this assertion, other respondents alluded that SPDC had not demonstrated their ownership of the projects by participating in the maintenance of services after projects have been commissioned. The consensus notion was captured in the statement of a respondent below:

"SPDC push it to the cluster and hands off expecting the communities to use their little money to do everything. Prior to the GMOU they were doing our major projects, all those roads were done by SPDC and if you should take the cost of those roads, they are millions of naira, but in this case, we are not seeing hundreds of millions". (FGD/Male/33yrs/Community Member/Elebele)

In a similar vein, the problem of uncompleted projects which significantly reduced under the GMoU regime persists in some communities. SPDCs position on this issue was a denial that uncompleted projects ever existed under the GMoU, however, the company respondent provided no evidence of rebuttal.

The Quick-win Interventionism Approach

The UN Millennium Project In 2005 defined quick wins as simple, proven interventions with "very high potential short-term impact that can be immediately implemented". The quick wins unlike other interventions which are more complicated and can take a decade of effort, produce delayed outcomes or benefits. Although the terminology has evolved from "quick wins" to "quick impact initiatives" and then to "high impact interventions", the constraints of the approach remains. Evidence from the study shows that the GMoU has not created room for every initiative to scale through medium and long-term strategies for sustainability.

In the study, respondents drew attention to socio-economic problems pervading communities such as the environmental degradation, poverty and lack of avenues for economic self-reliance that were not considered. Infrastructure projects were adopted as a form of 'quick win' interventionism for many reasons. From the perspective of Community Trust (CT) and Cluster Development Board (CDB) members, infrastructure is viewed as visible evidence that serve to earn SPDC a 'social license to operate' in the short term.

Programmes were considered more by clusters that received higher funds after infrastructure had been prioritized. Greater Port Harcourt cluster however was observed to have moved beyond the basic needs approach of viewing needs to proposing self-reliance programmes among its needs. The less funded communities did not consider programmes as priority. Even if development outcomes may not be tangible within the timeline of a 5-year GMoU agreement, fast-track GMoU interventions need to be complemented by mid and long-term strategies, cutting across experienced needs not merely perceived ones.

4   CONCLUSION

The GMOU has so far promoted a sense of human agency and structure of communities that host the activities of

SPDC. It is a remarkable attempt at community-driven development that teaches communities self-reliance and improves ownership of projects. There is no doubt that the GMOU fund has provided basic amenities like roads and power supply to off-grid communities contained in the CDP. However, the study found that development gaps and long term socio-economic and environmental problems persist in communities. of the evidence from the study revealed GMoU outcomes have more completed infrastructure projects executed than human capital development which are less favoured by SPDC for the release of funds. Infrastructure projects ensured that the IOCs obtains visible evidence of performance to enhance her corporate image, however, this preference gives the SPDC overbearing power to influence or limit the development potentials of her host communities.

5   RECOMMENDATIONS

The GMoU framework aspired to be a holistic approach of identifying community needs. While *projects* such as community lighting, power generation, and small-scale grid *infrastructure projects are needed. N*o economy develops without skilled human resources to drive that growth, hence, SPDC and her host communities must prioritize human capital development for sustainable economic growth in the communities.

Poor company CSR budget was identified as a constraint to the execution of CSR projects. It is therefore recommended that MNCs to follow the tenets of the Stakeholders rather than be influenced by the modernization theory. When stakeholders are satisfied, the business thrives to satisfy the shareholders in the long run. Therefore, let the CD budget be determined after the prioritization of the needs of host communities not before.

The dependency of clusters on the GMoU fund weakens community groups that they are unable to develop into self-sustaining institutions. The limited funding ultimately constrains communities to view development from the basic needs approach which limits their capacity for self-sufficiency. There is also the possibility of disenfranchisement when GMoU funds don't match or cater reasonably for their pressing problems. SPDC needs to address the beaurecratic process of disbursing funds.

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