

HOST COMMUNITY PERCEPTIONS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) PRACTICES OF OIL COMPANIES IN THE NIGER DELTA

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ABSTRACT

The incessant hostility and insecurity in the Niger Delta is attributed to host communities feeling of frustration and deprivation owing to perceived neglect by oil companies operating in the region. This has resulted in vandalisation of oil pipelines and crude oil theft that have negatively affected the smooth operations of oil companies. This has drawn attention to the practice of corporate social responsibility (CSR) in the region. This paper aims to identify factors influencing and shaping host community perceptions of CSR practices by oil companies, which offers a veritable ground for making sense of their actions. Data for this article were collected in the host communities of two indigenous oil companies - Nestoil Plc and Moni Pulo Nigeria Limited, in Bayelsa States and Akwa Ibom States, respectively within the Niger Delta Region, Nigeria. The study adopted a case-study approach and combined both primary and secondary data. The unit of analysis for this study is the household. Findings from the study suggest that perceptions of host community members are more negative than positive, as they perceive oil production has brought more harm to them than blessing as a result of its attendant negative externalities.

INTRODUCTION

The advent of the oil industry in Nigeria has certainly had its attendant costs and benefits for oil producing communities in the Niger Delta region. Nonetheless, it is the balance of these costs and benefits that is likely to inform host community perceptions of the oil companies (Obi, 2009). The luxurious and opulent lifestyle exhibited by most oil companies' workers clearly contradict the social deprivation suffered by most members of the oil producing communities. It has been observed that, most of the oil producing communities lack basic social amenities, such as electricity, pipe borne-water, good roads network, as well as functional primary and secondary schools (Watts, 2009). The oil companies are accused of gross neglect, marginalisation in their award of contracts and employment of community members, as well as being socially irresponsible to the challenges and needs of the host communities (Azaiki, 2006). Host communities have suffered years of neglect and marginalisation, while they continued to be on the receiving end of the negative externalities of oil exploratory activities (Orubu et al., 2004). Thus, the perceptions of the host communities towards the oil companies have been antagonistic. Okafor (2003) in his study into the factors responsible for the hostile nature of corporate-community relations in Nigeria stressed that stakeholder's perception of firms' activities is an essential factor that can drive corporate-community relationship. Comprehension of host community perceptions is key to changing the narrative of confrontation prevalent in the Niger Delta to the positions of mutual trust and agreement that would sustain benefits and mitigate costs (Chindo, 2011). Wheeler et al. (2002) stress that it is the different perceptions that offer the key to understanding the basis of the corporate-community conflicts in the region, hence, the likely panacea to the conflict. According to Agbim (1997), for oil corporations to operate unhindered in the Niger-Delta region, they must consciously seek to ensure mutual relationships with their host communities, and ensure an in-depth understanding of the perceptions and culture of the people. Chindo (2015) contended that an inquiry into communities' perceptions is not an end in itself; instead, it is a means to bringing about mutual trust and understanding in corporate-community relations. Zandvliet and Pedro (2002) suggest that corporate-community relationship is informed by several perceptions. Whether these perceptions are right or wrong is immaterial; gradually, they have become reality for host community members, and they are now realities that oil companies should tackle. Idemudia (2011) opined that the inability of oil companies to give primacy to the psychological contract as well as to integrate host community perceptions

into the formulation, design and implementation of CSR programmes is often responsible for oil companies' inability to secure host community support. In spite of the above-mentioned assertions as regards the significance of community perceptions to corporate-community engagements and the crisis in the Niger-Delta. No serious efforts have been made to study and understand the importance as well as the nature of host community perceptions. Little empirical research has been directed towards uncovering host community perceptions to oil companies' corporate social responsibility concerns. This essential factor is often given less attention and presumed instead of researched. Therefore, this article will make an attempt to fill this gap by critically analysing host community perceptions, through the lens of oil companies.

Corporate Social Responsibility (CSR) Practices in the Nigeria

Corporate social responsibility is an effective framework for studying Corporate-Community relationships; since the notion of CSR is a tool corporation employ to shape their views, strategies as well as relationships with corporate stakeholders (Wheeler et al., 2002; Jenkins, 2004). Conventionally, communities have often been disregarded and neglected when it comes to the formulation of business policy and other related discussions regarding mineral development (Mate, 2002). Nonetheless, of late, local communities have been recognized as stakeholders and are now part of the prior twofold relationship between the state and businesses (Ballard and Bank, 2003). Thus, it has been advocated that corporations, particularly in the natural resource segment, now often accord preeminent attention to concerns and interests of community stakeholders (Humphrey, 2000). Some have as well opined that, relying on Mitchell et al.'s (1997) conception of stakeholder salience; the community is a stakeholder with managerial salience (Driscoll and Crombie, 2001). The recognition of the host community as a stakeholder possessing salience in the oil industry of Nigeria can be credited to two factors that are closely related. First is the messiness of the oil industry for its negative social and environmental impacts on host communities in Nigeria (Mbare, 2004). Second is the reality that these oil corporations carry out business in an environmentally susceptible region, where there is prevalent of abject poverty. These two factors put oil corporations under intense local and international pressures and criticisms of what they either did well or are unable to do in the course of their operations. In spite of the lack of clarification on the nature of the community, its interests and values, it is accepted that host communities are organizational stakeholders; in that a good arguments can be made that both the normative and instrumental stakeholder perspective support or owe the view that corporate managers and the organization itself have obligations to consider the interest, priorities and expectations of their host communities (Greenwood, 2001). For instance, Burke (1999) contend that it is the expectations and interests of the community that now dictate how a business should carry out its activity. He went on to emphasised that any business concern that fails to recognize community expectations does so at its own risk. It is also argued that attending to community relations put companies in a competitive advantage in the present-day competitive business milieu where opportunities are scarce to gain competitive advantage from product as well as price differentiation (Humphrey, 2002). Therefore, it is not strange that the notion of corporate-community relations has now moved from the periphery to the focal point of strategic business thinking of oil companies in the Niger Delta of Nigeria. Nonetheless, Jenkins (2004) contended that whereas allusions are repeatedly made to community rights and the significance of sensitivity to indigenous culture, history, and lifestyle, it is interesting to point out that the above-mentioned concerns are not the reasons why communities are important to mining companies in the extractive industry. Instead, it is communities' land, continuous mining exploration, and people as a source of employees as well as contractors to sustain legitimacy of their operations. His view is credible in that most of the discourse of corporate community relation is expressed in the language of the business case for corporate social responsibility, for example the need to secure a 'social licence to operate', gain sustained legitimacy, cut cost of operation, as well as promote an enduring harmonious and symbiotic relationship. Accordingly, one of the most influential theoretical approaches to corporate community relations is the legitimacy theory. The term legitimacy is used to describe a generalised view that the actions of an entity are worthwhile

or suitable within some socially constructed system of beliefs, values, norms, and expectations (Suchman, 1995). A corporation can be legitimate when it is said to be fair, just as well as worthy of support by the (Dowling and Pfeffer, 1975). Legitimacy theory depends on the concept of social contract between business corporations and community as well as on the presumption that corporations will employ strategies to demonstrate to community that it is making an attempt to meet with the needs and expectations of the community (Jenkins, 2004). This is in that business is a part or an appendage of a social system, hence requires legitimacy to maintain or sustain functional as well as an enduring harmonious and mutual relationships with the different communities on which it carries out business activity (Nasi et al., 1997). Accordingly, it is argued that legitimacy is obviously not a characteristic of the business enterprise, but a measure of the perception of the society with regards to the adequacy or suitability of organization's behaviour (Suchman, 1995; Nasi et al., 1997). Nasi et al, (1997) also declares that legitimacy gaps emanate when the society's expectations of corporate behaviour vary from the perceptions of the society in relation to corporate behaviour. The resultant effect of loss of legitimacy is often a collapse of corporate community relations, as well as loss of the inherent benefit provided by the notion of legitimacy. According to Burke, (1999), business enterprises that are favourably positioned in communities are treated with respect and are given differential or preferential treatment and their mistakes are often overlooked in that they have legitimacy. This is however not the situation when it comes to corporations devoid of legitimacy.

The second theoretical perspective to legitimacy theory is the notion of license to operate. The notion of licence to operate draws on the capacity of stakeholders (those that are affected by and can affect the corporation). The notion of license to operate is hinged on the presumption that any business enterprise that fails to employ their power responsibly will lose such power and liberty (the 'iron law of responsibility'). Proponents of the notion of license to operate argue that, businesses' licence to operate defines what they can and cannot do. Although, previously businesses secured a licence to operate only from the state, now they are also required to secure a social licence to operate from communities where they carry out their business activity (Burke, 1999). Thornton et al., (2003) identified three aspects of the licence to operate ideal, each of which stand for the demands and expectations of a set of stakeholders who monitor and enforce compliance. The authors stated that, one aspect of the license to operate is the 'legal' framework (the business regulatory permit and statutory obligations that represent the demands of regulators, government legislations and court judgments). The second aspect of license to operate is the 'social license', which epitomises the demand of indigenous and national ecological activists, host communities and the general public. They pointed out that the terms and concerns for the social licences can be more difficult than those of the legal licenses and that these licenses are imposed via threat of negative publicity or complaint to business regulators. The third aspect of the notion of license to operate is the economic; this involves demands of top management, creditors and investors for reduction of cost as well as profitability. They as well pointed out that the economic license could function as an edge to social as well as environmental investment. Nonetheless, the market can sometimes penalise businesses that allure harmful publicity or social actions by communities as well as consumers' boycotts can be adverse and costly to the company's bottom-line. Thornton et al. (2003) also noted that placing these aspects of licences to operate in sync with a company's social and environmental performance is affected by the relative stiffness of its legal, social and economic licences to operate as imposed by external corporate stakeholders.

In Nigeria, critics have argued that oil companies endorsed corporate social responsibility policies and practices as a result of the need to secure social licences to operate regardless of continuous community skirmish, delay and sabotage of crude oil production and associated cost for bottom line. For instance, Manby (1999) argued that oil companies' community development budget astronomically increased owing to incessant communal skirmishes, kidnapping of oil company employees, the inglorious Ogoni crisis that culminated in the murder of Ken Saro Wiwa and others, as well as the latest infamous practice of oil bunkering. Therefore, critics of the notion have argued that oil companies embraced CSR principles just as a defensive strategy to defend themselves

against denigrations. The underlining implication therefore is that the adoption of CSR principles and policies by oil companies are in effect a mere exercise of public relations, as such would often have a marginal valuable impact on community development (Christian Aid, 2004; Akpan, 2006; Frynas, 2005).

Although legitimacy theory and the notion of license to operate draw on explicit social contract as well as the ideal of stakeholder's theory, Burke (1999) pointed out that there is an implicit psychological contract between host communities and companies. The author maintained that the psychological contract, distinct from a social contract which is explicit in nature, consists of implicit expectations that businesses and communities have for each other. Burke (1999) stated that whereas the psychological contract is not written, each group implicitly presumes that such contracts do exist and each expects the other to be aware and act in the knowledge of the psychological contract. He went on to contend that for the reason that psychological contracts often go unnoticed, most firms make decisions with insufficient information, and accordingly are often responding to events and circumstances and not determining or defining them. In reality, the main challenge confronting businesses with regards to their corporate community relations strategy is how to truly define their relationship with their host communities and react swiftly and responsibly to communities' demands that are dynamic (Jenkins, 2004). There is a growing consensus among practitioners and theorists of corporate community relation that the key to dealing with this problem and making sure there is an effective corporate-community relation is to lay emphasis on building an enduring, trustworthy, symbiotic, sustained commitment as well as satisfaction filled relationship (Humphrey, 2000).

Regrettably, in Nigeria, oil companies hesitantly embrace social responsibility and widely adopted corporate community involvement strategy as the preferred strategy to interface with host communities, just to keep communities at a distance in order to secure right of way and to ensure an uninterrupted oil exploration. This is referred to as the 'pay as you go' strategy (Wasserstrom and Reider 1998). Nonetheless, current evidence shows that recent CSR practices and programmes of few oil companies in the oil industry have developed into a full-fledge organizational practice, as against being simply a defensive tool or strategy. A good example is Statoil-BP bid to avoid the errors made by first generation oil companies, the company kick-started their activities in the Niger Delta Region of Nigeria by first and foremost launching a community development partnership scheme anchored by Pro Natura International (PNI) for communities in Akassa, located in Bayelsa State of Nigeria (Frynas and Mellahi, 2003). Furthermore, Chevron has also adopted what it is known as 'Global Memorandum of Understanding' (GMOU) in order to deal with its CSR obligations.

Undoubtedly, communities in the Niger Delta that once lacked basic social amenities can now access some of these social amenities. Nevertheless, the efficacy of CSR as a channel for community development is an issue of enquiry. For instance, Shell Petroleum Development Company declares that the social investment it makes regarding community development has yielded result, in view of the decline in corporate-community clash (SPDC) (2004). On the contrary, autonomous reports commissioned by the company have consistently indicated that over 70% of the CSR initiatives embarked on by the company are either not functional, in a state of comatose, unsustainable and do not often deal with the basic needs of the community. Accordingly, CSR as a channel for community development in the Niger Delta Region of Nigeria is masked in accusations and counteraccusations about its efficacy. These arguments imply that there is a need for systematic research to investigate how oil companies can get the most out of their contribution to community development through the instrumentality of their CSR initiatives.

Study Area and Methodology

Data for this article were collected in the host communities of two indigenous oil companies - Nestoil Plc and Moni Pulo Nigeria Limited, in Bayelsa States and Akwa Ibom States, respectively within the Niger Delta Region, Nigeria. Work concentrated on four host communities in the two States. These four host communities were Otuma-Ama and Fikoru-Ama, host communities of Nestoil Plc and Effiat,

and Udesi, host communities of Moni Pulo Nigeria Limited. The host communities were selected using the criteria as host communities as well as proximity with oil exploratory activities.

The study adopted a case-study approach and combined both primary and secondary data. The unit of analysis for this study is the household. Household is referred to mean a person or group of related or unrelated persons who live together in the same residence unit(s), who recognized one grown-up as their head and share the same housekeeping patterns. It was expected that a list of households from the selected host communities would be obtained from electoral register and other authorized bodies, to serve as a sample frame from which households would be selected for the administration of the questionnaire. Nevertheless, in practice, there were no reliable records to rely on for the selected host communities. This is, in that, official records from the government authorized agencies couldn't be accessed as a result of bureaucratic bottlenecks in the two States. Encumbered with this challenge, the alternative was to carry out a manual counting of households in each of the selected host communities with the aid of the field assistant and youth leaders of the communities. All the households that were identified, members that were present and counted in the process constituted the sample. A total of 198 households were identified in the four surveyed host communities, out of which 170 households were selected using systematic random sampling. Questionnaires were personally administered to the randomly selected 170 households to examine host community expectations of the oil companies.

Questionnaire administration served as a veritable instrument for the recruitment of respondents for the semi-structured interviews and focus group discussion. Those interviewed composed of key informants identified during the questionnaire survey, youth leaders, women, politicians, chiefs, that have useful information due to their previous interface with oil companies or their privilege positions in the selected host communities. The researcher held Eight (8) Focus group discussions in the host communities along gender lines. The reason for the separation was to avoid male domination as is the case in most African traditions. Descriptive statistics such as percentages and Chi-squared tests were used in the discussion and analysis of the study findings.

Host Communities Perceptions of Nigeria's Oil Industry

The advent of the oil industry in the Niger Delta obviously had its attendant benefits and costs for host communities. Nonetheless, the impact of these benefits and costs on host communities would probably inform host community perceptions of the oil industry. In the survey communities, about 86% of the respondents maintained that the cost of oil production for host communities far outweighs the benefit they have got from oil production and exploratory activities. In addition, 14% of the respondents held a contrary position (as detailed in Table 1). A chi-square test of data showed a significant result (chi-square = 87.553, degrees of freedom = 1, P = .000).

Table 1: Host Communities Perception of the Oil Industry (Ranked)

Benefits of oil production exceeds its cost for the host communities	Host Communities				Total (N) 170
	Otuma-Ama (N) 70	Fikoru-Ama (N) 44	Effiat (N) 34	Udesi (N) 22	
No	31 (80%)	44 (100%)	28 (82%)	18 (82%)	146 (86%)
Yes	14 (20%)	0 (0%)	6 (18%)	4 (18%)	24 (14%)
Total	70 (100%)	44 (100%)	34 (100%)	22 (100%)	170 (100%)

Source: Questionnaire Survey

The interpretation of this data test result in Table 1 is that there is significant difference in the perceptions of respondents across the survey host communities. Whereas 80% and 82% of

respondents in Otuma-Ama and Effiat, respectively, maintained that the cost of oil production and exploratory activities outweighs its benefits to host communities, about 20% and 18% of respondents in the two communities mentioned above maintained a contrary view. In contrast, all respondents in Fikoru-Ama shared the view that the cost of oil production far exceeds its benefits. The reason all respondents in Fikoru-Ama held this view can mainly be ascribed to the fact the community has not benefited from any social amenity provided by indigenous oil companies, and yet suffers from the negative externalities of oil exploratory activities. In Udesi, whereas 82% of the respondents were of the view that the cost of oil production is more than its attendant benefits, only 18% are of contrary opinion. The overall implication of this finding is that respondents in the survey communities seem to perceive the oil industry in the Niger Delta as more of a burden than a blessing. This possibly explain why host communities are desirous of changes in the modus operandi and CSR practices of oil companies in the Niger Delta, without which the frequent conflict that have characterised corporate-community relation in the region, which have often led to interruptions of oil production will continue unabated. Whereas there are several likely explanations for this negative perception of the oil industry by host communities, effort is made here to point out three reasons that were prevalent in the survey communities.

The first explanation is that expectations and demands of host community development have largely not been met, which is mostly as a result of the failure of government as well as the initial rebuttal of indigenous oil companies to contribute to community development in that it was not their primary responsibility to do so, since they fulfil their tax obligations to the Nigerian government. Members of the communities surveyed argued that, with the volume of oil revenue generated from their land by oil companies and the Nigerian government, compared with the level of community development, they have incurred more cost of oil production, without a tangible developmental proof of been a host community. For example, Mr. Jeremiah Adadia resident of Effiat, maintained in an interview that:

“Moni-Pulo Nig. Ltd has been operating here for so many years now, but has not employed people from this community, as you can see we lack basic social amenities, yet we continue to be at the receiving end of the negative externalities of their operations on a daily basis” (Adadia 14 July 2016).

The second reason that explains this negative perception is high expectations by host communities that are not fulfilled by oil companies. For instance, a respondent in Effiat community maintained in an interview that:

“We in Effiat believed that as a host community, our community should have been as developed as Abuja, the Capital of Nigeria; we expect Moni-Pulo and other oil companies operating in our territories to be paying monthly stipend everybody over the age of 10 as an oil producing community” (Uduak, 15 June 2016). In as much as such high expectations are not likely to be fulfilled, negative perceptions of the oil sector amongst oil producing communities are likely to remain.

The third likely explanation for the negative perception of the oil industry is the general feeling of non-inclusiveness in decision-making, which is a pointer to the poor state of corporate-community relations by oil companies. According to Orusakwe, Former Youth Leader of Otuma-Ama:

“As a host community, we do not have input on what is produced from our land, even the indigenous oil companies have abandoned this community and do not consult us for what they do here. We do not have good relationship with most of the oil companies operating in our territory. That explains the reason they are moving about with security personnel everywhere they go, if there is cordial relationship between us, there wouldn't be any reason for them to be going about with security personnel” (Orusakwe, 18 June, 2016).

Host Communities Perceptions of Oil Companies

A harmonious relationship between host communities and indigenous oil companies and a positive perception is likely to emanate only when there is a mutual trust, respect and harmony among the various stakeholders. As a result, it is apt to find out whether or not host communities trusted

indigenous oil companies, how they see their link with indigenous oil companies as well as why this was the case for the survey communities. Table 2 indicates that 68% of the respondents in the survey communities trusted both companies and 32% of the respondents did not trust the case companies. A chi-squared test showed a significant result (chi-squared = 22.612, degrees of freedom= 1, P = .000). This result shows that there are variations in how respondents trusted Moni-Pulo Nig. Ltd and Nestoil Nig. Ltd in the survey communities. In the two host communities of Moni-Pulo, which were Udesi and Effiat, 91% and 79% of the respondents respectively trusted Moni-Pulo Nig. Ltd and 9% and 21% did not trust the company. In summation, while 84% of the respondents trusted Moni-Pulo Nig. Ltd and only 16% of the respondents did not trust company. The table also indicates that 68% and 56% of the respondents in Fikoru-Ama and Otuma-Ama respectively trusted Nestoil Nig. Ltd and 32% and 44% accordingly did not trust the company. In summation, whereas about 61% of the respondents trusted Nestoil Nig. Ltd, 39% of the respondents did not trust the company.

Table 2: Perception of Trust in Survey Communities (Ranked)

Do you trust the oil company?	Host Communities				Total (N) 170
	Otuma-Ama (N) 70	Fikoru-Ama (N) 44	Effiat (N) 34	Udesi (N) 22	
Yes	39 (56%)	30 (68%)	27 (79%)	20 (91%)	116 (68%)
No	31 (44%)	14 (32%)	7 (21%)	2 (9%)	54 (32%)
Total	70 (100%)	44 (100%)	34 (100%)	22 (100%)	170 (100%)

Source: Questionnaire Survey

The variation between the survey communities can be ascribed to three principal reasons. The first reason for this variation is the perceived involvement of indigenous oil companies in corruption. For instance, in Table 3, whereas 70% of respondents in Effiat maintained that there was corruption between Moni-Pulo Nig. Ltd and Effiat representatives, 18% of the respondents expressed the view that there was no corruption between representatives of the both parties, 12% of the respondents in Effiat were undecided. In contrast, in Udesi 82% expressed the view that there no corruption between Moni-Pulo Nig. Ltd representatives and the Udesi Community, and 18% were of the view that there was no corruption between Moni-Pulo Nig. Ltd and Udesi Community Representatives. In addition, 87% of respondents in Otuma-Ama were of the view that representatives of Nestoil Nig. Ltd and community representatives are corrupt. Whereas 59% of the respondents in Fikoru-Ama maintained that representatives of both Nestoil Nig. Ltd and community representatives are not corrupt, 30% of the respondents were of contrary view, and 11% of the respondents were undecided. In general (as detailed in Table 3), 76% of the respondents in the survey communities expressed the view that there was one form of corruption or another between indigenous oil companies' staff and community representatives, and just 19% of the respondents were of contrary view. The overall percentage of respondents who were undecided accounted for only 5%, which is low and statistically insignificant.

The reason there is relatively high proportion of the respondents expressing lack of trust of indigenous oil companies is the concern of renegeing in promises made to host communities. The problem of unfulfilled promises is prevalent in the Niger Delta Region of Nigeria, and does undermine community trust for oil companies and foster corporate-community skirmish. For instance, Mr. Bright Udesi, a resident of Udesi community, declared in interview that:

"I don't trust Moni-Pulo Ltd in that they promised us a number of projects but has not fulfilled them. The only market stalls they built for the community has been taken over by weeds, it has now become a breeding ground for reptiles and a hideout for criminals because the company has refused to commission the projects" (Bright, 20 June, 2016).

Table 3: Host Communities Perception of Corruption in Corporate-Community Relations (Ranked)

Are Oil companies and community representatives corrupt?	Host Communities				Total (N) 170
	Otuma-Ama (N) 70	Fikoru-Ama (N) 44	Effiat (N) 34	Udesi (N) 22	
Yes	61 (87%)	13 (30%)	24 (70%)	4 (18%)	129 (76%)
No	9 (13%)	26 (59%)	6 (18%)	18 (82%)	32 (19%)
Don't Know	0 (0%)	5 (11%)	4 (12%)	0 (0%)	9 (5%)
Total	70 (100%)	44 (100%)	34 (100%)	22 (100%)	170 (100%)

Source: Questionnaire Survey

The third reason for the lack of trust for oil companies is the delay in fulfilling promises made to host communities. For instance, respondents in Effiat declared that Moni-Pulo Nig. Ltd promised to construct a 12-Classroom block for the community school, and that it took them a very long time, the community made several efforts before the project was embarked upon and eventually completed. On the contrary, such issues were not raised in Otuma-Ama. This might have been in that Nestoil Nig. Ltd has just fulfilled a promise made to a neighbouring cluster community. Mr. Orusakwe, a former youth leader of Otuma-Ama asserted that: "Nestoil Nig. Ltd has executed some projects in Abuloma, Soku, and Omoku. Nestoil has signed a Memoranda of Understanding (MOU) with our cluster to start a water project. I trust them, since they have fulfilled their part of MOU agreements with other neighbouring communities" (Orusakwe, 10 July, 2016).

Nonetheless, during focus group discussion session in Effiat and Udesi, respondents were equally split over who should be blame for corruption between indigenous oil companies and community representatives for unfulfilled promises of oil companies. Some of the respondents contend that community representatives as well as leaders should be held responsible for the unfulfilled promises made to host communities. According to the discussants, for instance, Moni-Pulo awarded a contract to indigenous contractors from the community in Effiat to construct a classroom block; the contractor collected the money and abandoned the project midway. The project was re-awarded to another contractor who eventually completed the project. On the hand, other discussants blamed Moni-Pulo and rather contended that if the community was involved in the decision-making, they would have used that medium to recommend a contractor with proven integrity. Focus group discussants also contended that Moni-Pulo employees in a bid to make money from contractors make upfront payment without verifying the extent of the project milestone achieved. Their arguments simply suggest that, Moni-Pulo might have good intents, and genuinely want to deal with host community expectations, but there are significant procedural errors with regards to how Moni-Pulo implements its CSR policies. In addition, the high trust for oil companies (91% of respondents) in Udesi in spite of being somewhat distance away from Moni-Pulo operational base is largely as a result of the completion of 200 units of market stalls, though not officially commissioned. Majority of the respondents in the community maintained that oil company has not disappointed them, they promised them market stalls and it was fulfilled. Therefore, experiences on a subject has a little effect on community perception owing to limited contact with oil companies; respondents were thus inclined to perceive oil companies in a positive light. The dissimilarities in perception across the communities imply that community perceptions of oil companies and the oil industry are influenced by community experience - which is one of the likely factors that influences community perceptions in the Niger Delta.

CONCLUSION

The perceptions of host community members are more negative than positive, as they perceive oil production has brought more harm to them than a blessing as a result of its attendant negative externalities. Members of the host communities have argued that with the volume of oil revenue generated from their land by oil companies and the Nigerian government, compared with the level of community development, they have incurred more costs of oil production, without so much to proof of being a host community. The prevalence of poverty, environmental degradation, lack of social amenities, loss of livelihood, among other factors have contributed to the negative perceptions of the oil companies by the host communities. Another possible explanation of the negative perception of the oil companies is that of high expectations and demands by host communities. Host community members believe that most of their expectations and demands have largely not been met, which is mostly as a result of the failure of government as well as the oil companies to contribute to community development. In as much as such high expectations are not likely to be fulfilled, negative perceptions of the oil companies are likely to remain.

Another obvious explanation that had shaped the negative perceptions of the oil companies is the lack of trust expressed by members of the host communities. The reason there is relatively high proportion of the respondents expressing lack of trust of oil companies is the concern of renegeing on promises made to host communities. The problem of unfulfilled developmental promises and abandoned projects is prevalent in the Niger Delta region and does undermine community trust for oil companies and foster corporate-community conflicts. Also, host community members expressed lack of trust for oil companies as a result of delay in fulfilling promises and projects execution. For instance, during focus group discussions, discussants in Effiat declared that Moni Pulo Nig. Limited promised to construct a 12-classroom block for the community secondary school, which took the company quite awhile to execute, community members agreed that it was their persistent pressure that led to the eventual completion of the project. Another possible reason adduced from respondents that contributed to the negative perception and lack of trust for the oil companies is the issue of corruption that is deep rooted in the oil industry as well as among community leaders. Majority of the respondents in the survey communities alluded to the fact that there was one form of corruption or another between oil companies' staff and community representatives.

In addition, non-inclusion of the host communities in decision-making with regards to the design and implementation of oil companies' CSR initiatives is another possible reason for the negative perception given during focus group discussions. Majority of the respondents during focus group discussions emphasised the importance of effective communication across the survey communities. This suggests that they are not satisfied with the state of communication between the oil companies and the survey communities. Humphreys (2000) noted that any going-concern that fails to listen carefully to its stakeholders will not understand the implications of their perceptions and cannot establish and secure harmonious relationship with them. Idemudia and Ite (2006) suggest that any attempt to promoting an enduring harmonious corporate-community relation will not be effective without attempts to change host community perceptions. Hence, to operate unhindered in the Niger Delta, the oil companies need to make deliberate and conscious attempts to transform community perceptions in order to build cordial relationships with the host communities. Host community perceptions of the oil companies operating in the Niger Delta is a serious concern and deserves to be accorded it pride of place by all relevant stakeholders. These perceptions are often the factors that determine the success or failure of any business, and the oil companies are by no means an exception. Thus, identifying community perceptions and the factors prompting these perceptions provide the foundation for understanding and embracing oil companies' undertakings. The findings of this study have shown that understanding host community perceptions provide the basis for which to access and consider the effectiveness of oil companies' CSR initiatives.

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