

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND CONFLICT IN THE NIGER DELTA OF NIGERIA

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ABSTRACT

Corporate Social Responsibility (CSR) "is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local communities and societies at large". It was anticipated that the adoption CSR practice by the oil companies might be an effective panacea to the incessant conflict that has characterized the relationship between oil companies operating in the region and their host communities. However, regardless of such anticipation and oil companies' claims of adherence to the notion of CSR, conflict in the region has remained unabated. The study argued that to ensure a harmonious working relationship with stakeholders and to reduce the conflict in the region; oil companies should encourage host community participation in the design and implementation of CSR initiatives. It as well maintains that without poverty alleviation and host community development, militancy will not only remain, but the peaceful operations of oil companies in the region will remain a mirage.

INTRODUCTION

The discovery and the eventual production of crude oil in Oloibiri, a community in Bayelsa State in 1956 signal a milestone in the history of the Niger Delta. The discovery of crude oil changed considerably a minor region that was hitherto regarded inconsequential in the political space to one of great political relevance at the national and international levels. Presently, there are more than 606 oil fields in the oil-rich region, out of which 60% are onshore and 40% offshore (Aneej, 2004). The revenue generated from oil production in these fields amount to 40% of Nigeria's GDP; 95% of the Nigeria's overall export, as well as 80% of revenue that all tiers (federal, states, and local) governments largely relied upon. Regrettably, the degree to which this enormous contribution to Nigeria's common wealth has translated into the economic emancipation of the region as well as the improvement of the quality of life for its people remains questionable. The pervasiveness of poverty in the midst of abundance in a supposedly rich region is best described as a paradox. To some, oil wealth is seen rather as a curse than a blessing for the inhabitants of the region in particular and to Nigeria in general (Sarraf and Jiwaj, 2001; Ross, 2003). To others, oil revenue is a common wealth to be shared for self-enrichment as well as to maintain competitive communalism. Therefore, rather than assuaging poverty, it has helped in bolstering the predatory nature of the state (Frynas, 2000). Yet, others have drawn on the rentier state thesis and the Dutch Disease syndrome to describe the impoverishment of the Niger Delta.

The socio-economic situation in the Niger Delta, which is due partly to oil activities, is worse than any parts of Nigeria. The World Bank reported that the unemployment rate in the Niger Delta is the highest in Nigeria and the poverty level lower than the country's average (World Bank, 1995 cited in Clark et al., 1999). Basic social amenities such as electricity, pipe borne water, roads, schools and hospitals are largely absent in most rural communities in the oil-rich Niger Delta. Since most of the inhabitants of the region reside in rural communities, it simply implies that most inhabitants in the region still lack access to these basic social amenities. Furthermore, the incessant occurrences of gas-flaring and oil spills have impacted in no small measure to loss of traditional sources of revenue, thereby worsening the poverty level as well as unemployment rate in the Niger Delta. These abovementioned circumstances have led to the emergence of CSR practices as well as outburst of corporate-community skirmishes in the Niger Delta. The region that was hitherto known for peaceful co-existence has become aggressive and violent against oil companies and the Nigerian state. There are reported cases of oil induced intra-community or inter-community conflicts in the region, where

communities compete among themselves and fight for land ownership and developmental projects. These conflicts have led to loss of lives, properties as well as oil revenue for both oil companies and government. The consequence of the continued crisis in the Niger Delta is that the main source of revenue for Nigeria is in great danger, since oil is the main source of Nigeria's revenue earnings. The aggressive posture of the region has been the context under which CSR has been employed and practiced by oil companies operating in the region. The crisis situation in the region meant that for oil companies to be accepted they have to be sincere and adopt CSR initiatives that directly deals with social problems confronting the people. Some of the oil companies operating in the Niger Delta responded by showing commitment to CSR through increased spending on CSR programmes. In spite of demonstrating commitments to CSR programmes, there are still reported cases of stoppage of oil production, image damage, oil bunkering, vandalization of oil pipelines, kidnapping of oil workers, loss of lives and properties, attack on contractors and security personnel of oil companies (Afinotan and Ojakorotu, 2009). The continued violence in the region indicates that there are gaps in CSR practices, community development and other reasons for the crisis in the Niger Delta.

An Overview of the Niger Delta Region

The Niger-Delta is located at the apex of the Gulf of Guinea on the west coast of Africa. Its border extends from the Benin River in the west, to the Imo River in the east and from the southernmost tip at Palm Point near Akassa, to Aboh in the north, where the River Niger bifurcates into two major tributaries (NDDC, 2001). The Niger Delta was previously known as the 'Oil River Protectorate' in 1855. When its borders were expanded in 1893, it was renamed 'Niger Coast Protectorate'. In 1900, it became a Nigerian territory under the British Colonial Government. Sir Henry Willink Commission Report of 1958 makes the case for the delimitation of the Niger Delta. The Niger Delta has a population of over 31 million people of more than 40 ethnic groups, speaking about 250 different languages across 3000 communities and occupies a total area of approximately 75,000 km² and makes up 7.5% of the overall land space of Nigeria (NDDC, 2001). Nigeria is presently divided into Six Geographical Zones and the Niger Delta is of the South-South Geographical Zone of the country comprising of five states (Bayelsa, Rivers State, Cross-Rivers, Edo, and Delta). These were the original states which composed the Niger Delta. However, for purposes of administrative conveniences, policy and planning, political expediency, and development objectives, the composition of the Niger-Delta was made broader to include all oil producing states in Nigeria. Presently, the Niger-Delta consists of 9 states, namely (Abia; Akwa-Ibom; Bayelsa; Cross Rivers; Delta; Edo; Imo; Ondo; and Rivers) and 185 local government areas, out of the 774 local government areas in the country. The Niger Delta consists of more than 800 oil producing communities with a total of 159 oil fields and broad network of over 1,481 oil wells and numerous petroleum production-related infrastructures (Environmental Resources Managers Ltd, 1997, Osuji and Onojake, 2004, Ite, Aniefiok E., *et al.* 2013).

A Map of Nigeria showing the Oil Producing States in Niger Delta Region



Source: Ite, Aniefiok E., *et al.* (2013)

The Niger Delta has four wide ecological zones, differentiated on the ground of relief and hydrological characteristics, namely: Coastal sandy barrier ridge zone; Mangrove swamp zone; Freshwater swamp zone, and Lowland rainforest zone (Moffat and Linden, 1995; Okoh, 1996). The Niger Delta, which is the largest mangrove forests in Africa and the third largest in the world, is the richest part of Nigeria in terms of petroleum resources and diverse natural ecosystems supportive of numerous species of terrestrial and aquatic fauna (Ite, Aniefiok E., *et al.* 2013). The region is known for the production of cassava, timber, pineapple, cocoa, rice, yam, cashew, fish, etc., in large magnitude. There is also the blend of other solid minerals like granite, gold, lignite, clay, marble, limestone, etc. It is one of the Deltas in the world with abundant natural resources.

The Niger Delta region is blessed with massive oil and gas reserves and occupies the sixth largest exporter of crude oil in the world as well as the third after Malaysia and Indonesia in Palm Oil production in the world. There are some Deltas in the world that are known for specific natural resources (Amazon in Brazil, Mahakan in Indonesia, Orionoco in Venezuela, Mississippi in USA are well-known for crude oil and natural gas. Other like Ganges in Bangladesh, Mekong in Vietnam and Indies in Pakistan) are predominantly famous for the cultivation of rice but the Niger Delta as one of the world's largest tertiary delta systems is extremely prolific hydrocarbon (Ite, Aniefiok E., *et al.* 2013) and a mixed of other natural resources. The abundance natural resources of the Niger Delta make it very important in the socio-economic development of Nigeria – more importantly with the discovery of oil in the region. The region has been one of the most studied basin owing to the occurrence of vast deposit of petroleum resources and the current production of all Nigeria's oil and gas reserve is derived from it (Obaje, N. G., 2000, Ite, E., *et al.* 2013). Curtis, (2005) maintained that a large part of the world's oil and gas reserves are in tertiary terrigenous fill on passive continental margins and the most significant hydrocarbon deposits of this type could be found in the U.S. Gulf of Mexico, Canadian Beaufort-Mackenzie Delta and Nigeria's Niger Delta. An evaluation and improved seismic technology indicated that the Niger Delta petroleum systems composed of Lower Cretaceous (lacustrine), Upper Cretaceous-lower Paleocene (marine) and Tertiary (deltaic) (Haack, R. C. *et al.*, 2000, Ite, E., *et al.* 2013).

Since, the discovery of oil in commercial quantity in the region, the Niger Delta had become the economic nerve centre or mitochondrion of Nigeria's economic survival. Crude oil is the main source of Nigeria's foreign exchange earnings and since 1975, the region oil resources accounts for 90% of the country's foreign export and earnings. These gifts of nature heralded and heightened hopes and aspirations of the Niger Delta people as it is the case with other countries where the 'black gold' was discovered. But, after decades of oil exploration in the region, the region has remained the sick of the nation, the most abandoned in terms of physical and socio-economic developments. The discovery of oil and the advent of the oil and gas companies in the Niger Delta region soon turned their anathema. A region that has one of the best ecosystems on the planet with high concentration of biodiversity, abundance of flora and fauna, with an arable land with the capability of growing

variety of crops, economic trees, as well as contains various species of fishes, had suddenly lost most of these vital components of their existence to activities of oil and gas companies. The population density and configuration of settlement in the region is mostly determined by the availability of dry land as well as the physical nature of the region (Inyang and Ituen, 2000). Niger-Deltans are predominantly farmers and fisher men; they contribute large proportions of fish to meet with the growing demands of proteins and other nutrients for the people.

Corporate Social Responsibility

The notion of CSR is not a novel idea in business practices. Although there is evidence of early business social responsibility practices, the formal writing of the idea has largely been a product of the 20th century (Carroll, 1999, Andriof et al., 2002). The prominence of CSR practices in the 20th century was motivated by social movements like environmental movements, civil rights abuses, the consumerism movement, the use of child labour, women's rights, the industrial revolution, and largely by globalisation (Chambers et al, 2003, Carroll and Shabana, 2010). Globalisation brought about the emergence of global institutions, organisations, civil societies, non-governmental organisations and transnational companies, and facilitated the link between developed and developing countries, which all influence the practice of CSR (Scherer and Palazzo, 2008). Consequently, the notion of CSR gained more prominence after the advent of global CSR debates in the 1990s. There was an upsurge of global guidelines and standards for CSR practices in the 1990s which helped in the spread of the notion. Examples of such guidelines and standards include United Nations Global Compact Initiatives (UNGCI), Organisation for Economic Co-operation and Development (OECD), International Standards Organization (ISO 26000) on social responsibility, and the International Labour Organization (ILO). All these organisations helped to stimulate CSR practices at the international arena (Chambers et al, 2003, International Organization for Standardization, 2008). For instance, ISO 26000 articulated the main concerns for social responsibility practices which include consumers' rights, human rights, environmental concerns, labour practices, fair business practices, community involvement, and development.

Generally, the concept of CSR has grown in reputation and prominence. This is not just in the area of differing definitions of the construct but also in terms of nomenclature (Donaldson and Preston, 1995, Carroll, 1999, Visser, 2008). In terms of nomenclature, a number of business scholars have presented CSR with somewhat different terminologies, such as corporate social responsiveness, corporate social investment, corporate social performance, environmental responsibility, corporate citizenship, triple bottom line, sustainable development, social accounting, sustainable business and corporate responsibility (De Bakker et al, 2005). Even though there are thematic differences around the notion, it suffices to note that CSR still remains the most predominant and widely used term by scholars and practitioners in the business world. Nonetheless, it is important to point out that, in spite of its attractiveness and pervasive use, there is no generally accepted definition of CSR as a concept (Garriga and Melé, 2004). The lack of a generally agreed definition has posed serious confusion to corporate managers, especially the fresh corporate managers who are struggling to take up responsibility towards stockholders and society (Van Marrewijk, 2003); therefore it is not surprising to see a burgeoning of CSR definitions in extant literature with differing contexts. It has been noted in the literature that most often CSR is based on specific challenges and situations and that terminologies and definitions are often prejudiced towards specific interests (Van Marrewijk, 2003).

Carroll (1999) and Dahlsrud (2008) have examined the different definitions offered over time and have identified features that are common to all the CSR definitions. For instance, Dahlsrud (2008) retrieved thirty-seven (37) definitions of CSR from Google and found out they all have five features in common: economic, social, environmental, stakeholders and voluntary actions, though economic and social dimensions have primacy in the literature (Dahlsrud 2008). Nevertheless, Dahlsrud's (2008) sample size for the study was critiqued as being infinitesimal to encompass other definitions that cannot be retrieved from a Google search (Carroll and Shabana, 2010). In contributing to the definitional debate, Visser et al. (2009) have advocated for a wider purview of CSR definitions,

contending that, irrespective of any definition, the notion of CSR encompasses “business performance in a variety of social and environmental topical areas that usually embrace issues of diversity, philanthropy, social responsible investment, environment, human right workplace issues, business ethics, sustainability community development and corporate governance” (Visser et al, 2009). These definitions suggest the wide scope of CSR as well as demonstrate the fact that definitions of CSR depend on the scholars’ worldview in a given situation or context. In a nutshell, the notion of CSR is about the roles and responsibilities of business to society.

A Table showing CSR definitions given by various scholars in the literature

Reference	Examples of CSR definition
Johnson, (1971)	“Social responsibility states that businesses carry out programmes to add profits to their organization”.
Frederick et al, 1992	“Corporate social responsibility can be defined as a principle stating that corporations should be accountable for the effects of any of their actions on their community and environment”.
Business for Social Responsibility, 2003b	“Corporate social responsibility is achieving commercial success in ways that honour ethical values and respect people communities and the natural environment”.
World Business Council for Sustainable Development, 2000	“...is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local communities and societies at large”.
Commission of the European Communities, 2001	“Corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment”.
CSRwire, 2003	“...the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees and the environment are reflected in the company’s policies and actions”.
Van Marrewijk, 2003	“Corporate sustainability and CSR refer to company activity – voluntary by definition – demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders”
Kotler, P and Lee, N (2005)	“Corporate social responsibility is a commitment to improving community well-being through discretionary practices and contributions of corporate resources”.

Source: Carroll (1999), Dahlsrud (2008)

CSR Practices by Oil Companies in the Oil Industry of Nigeria

The success of CSR practice entails that businesses must assess the impact of their activities on their operational domain and must show willingness to plan and implement actions that will reduce

negative externalities associated with their operations on the environment. In the Niger Delta, oil companies endorsed corporate social responsibility policies and practices as a result of the need to secure social licenses to operate regardless of continuous community skirmishes, delay, and sabotage of crude oil production and associated cost for the bottom line. For instance, Manby (1999) argued that oil companies' community development budget increased astronomically owing to incessant communal skirmishes, kidnapping of oil company employees and 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. It is therefore argued that oil companies embraced CSR principles just as a defensive strategy to defend themselves against denigrations. The underlying implication, therefore, is that the adoption of CSR principles and policies by oil companies is in effect a mere exercise of public relations and as such would often have a marginal valuable impact on community development (Christian Aid, 2004; Akpan, 2006; Frynas, 2005).

Whereas the oil companies are of the presumption that it is the role of the three tiers of government to improve the quality of life in the host communities, the oil producing communities on the other hand, emphasize that the oil production companies owe them proportionate community development and alternative means of livelihood, having damaged their wetlands and ecosystem (Zabbey, 2009; Enuoh, 2015), hence oil companies need to consciously institutionalize CSR policies. The effective management of these opposing views amongst all the stakeholders is the hallmark of CSR practices; this will ensure that the oil companies operate unhindered.

The negative externalities associated with oil exploitation and exploratory activities have greatly caused disruption of the ecosystem and traditional source of livelihood of communities in the Niger Delta (Zabbey, 2005; Enuoh, 2015). The advocacy for a reversal of this negative trend is attributable to the conflict between oil companies and their host communities. This is particularly so in that the oil companies had this wrong view that provided they have fulfilled their contractual obligations in terms of Joint Venture Contracts (JVCs), Production Sharing Contracts (PSCs), and Service Contracts (SCs) with the Nigerian Government, they are not duty bound to develop host communities (Zebbey, 2008; Enuoh, 2015).

The CSR approach adopted by most oil companies in the Niger Delta seem to be anchored on the notion of the "business case". This approach presupposes that the economic goals of business are often not in consonant with host communities' developmental aspirations. As a result CSR initiatives by businesses scarcely varied from legal compliance and providing the "moral minimum" (Desjardins, 2006; Enuoh, 2015). Dependence on this narrowly defined business case approach hindered the oil companies from taking proactive steps in designing and implementing CSR initiatives. Nonetheless, the efforts made by the oil companies in this regards have received huge condemnations from the oil producing communities as most of the CSR initiatives are perceived to be embarked upon in reaction to the agitations from the inhabitants. In all, regardless of the huge capital outlays in community development projects, CSR initiatives in the region are perceived by members of the host communities as mere attempts to act in a socially responsible manner in order to protect the company's reputations and legitimacy of the oil companies (Ite, 2004).

In a similar vein, the uncoordinated strategic approach to the implementation of CSR initiatives resulted in uneven distribution of projects that have no impact on the host communities (Idemudia and Ite, 2006). The gargantuan amount of money spent on CSR initiatives, such as, scholarships, schools, roads, healthcare facilities and agricultural extension projects, as claimed by the oil companies, have had no impact on community development and poverty alleviation of the host communities in the region. The lack of a comprehensive emergency response plan to handle oil spills in the region explains this point. The oil company's response to such environment degradation scarcely extends beyond the communities in the surrounding area to communities downstream that were equally ruined (Enuoh, 2015). It is apparent from previous researches that the CSR initiatives by oil companies in the region are not having the expected positive impact and the quality of life of the host communities have not improved which has resulted in ceaseless crisis by the host communities (Ejumudo et al., 2012; Enuoh, 2015).

Methodology and Findings

The study adopted a case-study approach and combined both primary and secondary data. Primary data were collected through a questionnaire survey, guided interview, focus group, and documentary evidence in four host communities. These data instruments were employed for them to complement each other to achieve complementary integration. 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. Those interviewed composed of key informants identified during the questionnaire survey, youth leaders, women, and 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.

The findings of this research indicate that host communities resort to violence in that oil companies failed to sufficiently deal with their negative externalities as there remains ceaseless gas flaring, oil spillage, lack of compensation for oil spills and inadequate community participation in oil companies' decision-making with regards to CSR policies and programmes. Consequently, failure to pay adequate attention to their negative externalities arising from their operations constrains the effect of the significant contributions they make to community development, particularly, as members of the host communities used to depend mostly on their traditional sources of livelihood (fishing and farming). Likewise, environmental issues and concerns of poverty are mostly not detachable in developing countries (Waddell, 2000).

Another salient factor responsible for the conflict in the region is the feeling of neglect and deprivation of basic social amenities. There is the widespread expectations and demands for host communities to benefit from oil production; this seem to be as a result of the conviction that oil companies and the Federal Government of Nigeria (FGN) are making so much money from crude oil production, and host communities as critical and legitimate stakeholders are relegated and not considered in the scheme of things. This therefore suggests that lack of community development initiatives for several years is attributed to the conflict in the Niger Delta. Regardless of the surfeit of expectations and demands by the various host communities, the oil companies should design strategies to handle such expectations and demands if they desire a serene and peaceful working environment. The reaction of the host communities indicate that their high expectations have not been met. Elder Okoro of Udesi community – one of the participants, asserted during an interview that:

"Assuming oil companies are not truly deriving benefits from oil production, they would have discontinued their activities by now, in view of the ceaseless crisis in the Niger Delta, resulting in the destruction of their facilities and kidnapping of their workers. Also, if the government is not deriving benefits from oil production, they would not be hasty in bringing the military to defend oil companies' facilities and personnel before any little thing happen; we can only accept that host community have benefitted as owners of the crude oil when our expectations are met by oil companies." (Okoro, 5 June 2016).

This finding is consonant with the argument by Wasserstrorn and Rieder (1998) that host communities in a remote area expect and demand a fair share of oil benefit for community development by crying out to oil companies to provide basic social amenities, such as health care and education, as well as other social services that ordinarily fall within the purview of government responsibility. Nonetheless, this argument implicitly suggests that the expectations and demand for CSR practices by the survey communities is as a result of the inability of the government to tackle its responsibility as well as its failure to evenly redistribute the oil wealth obtained from sales of crude oil (Pedro and Zandvliet, 2002; Ite, 2005; Frynas, 2005).

Another salient factor responsible for the conflict in the region is the refusal to recognize and accept host community claim of crude oil ownership. Host communities members expect to be regarded and considered as autonomous stakeholders, as owners of crude oil. Host communities expected oil companies, by way of fulfilling their social contract, to contribute to community development. They also expect that such contributions would be independent of government responsibility and social performance. During interview sessions with respondents, it was revealed that respondents in the survey communities did not view their claim of ownership in isolation of the government's claims of ownership. Instead, host communities claimed co-ownership with the government, hence expected to be regarded and accorded the privilege of independent stakeholders. Whereas oil companies have obligations to the government to pay taxes and royalties for oil production, host communities perceive oil companies as having an implicit social contract to contribute to community development and poverty alleviation. This might possibly explain why the people of the Niger Delta of late, in a national dialogue with the FGN on resource control, restrained their demand on resource control to 50-50% share with the FGN as well as allotment of crude oil licenses to indigenes of the Niger Delta. Another salient finding of this research that is responsible for the conflict in the Niger Delta is the concern of unemployment. The youths in the host communities had the hope of being gainfully employed in oil companies operating in their domain which would bring about poverty alleviation community development. This feeling of despondency emanates from the fact that they can hardly secure employment in the oil companies and at the same time, their traditional livelihoods which would have been an alternative have been damaged. Members of the host communities ascribe their unemployment to the negative effects of oil production which have destroyed their traditional source of livelihoods. Forsaking their traditional livelihoods has resulted in persistent disputes and restiveness of youth in that most of them have become idle. For example, Mr. James - a participant from Effiat village asserted that follows:

"We have abandoned our traditional source of livelihood because of continuous oil spillage. We are discouraged from doing our fishing trade because you go to the river and toil all night and come home often without catching a single fish. The youth are roaming the streets doing nothing. Therefore, with the slightest provocation, they take up arms against oil companies. They did not just emerge spontaneously to take up arms against oil companies. It is as a result of prolonged frustrated efforts at improving the lot of their communities. They kidnap oil workers, vandalize crude oil pipelines, and exchange crude oil for sophisticated arms in return" (Mr. James, 14 June, 2016). This explains why members of the host communities resort to repeated conflict and this can hardly be stopped. Environmental degradation via oil spills and gas flaring are seen as the major causes of conflict in the region in that they impact the socio-economic wellbeing of members of the host communities. Nonetheless, oil companies are of the opinion that the conflict in the region is owing to their inability to fulfill the high expectations and demands of the host communities. The emphasis should not be on the actions of the host communities but rather the cause of their actions. The annihilation of traditional sources of livelihoods through oil spills should be given primacy if the conflict in the region has to be nib in the bud. The reaction of the host communities underpins the views of Eweje (2006) who opines that environmental impacts of oil exploitations have increased the challenge of the Niger Delta region.

RECOMMENDATIONS

Having extensively discussed the causes of the conflict and some challenges in finding a solution, it is necessary to offer suggestions on the way forward. Oil companies must prioritise dealing with the negative impacts of their activities so as to foster a harmonious relationship with host communities and make sure their contribution to the development of host communities is sustainable. Dealing with these negative externalities in a milieu such as the Niger Delta of Nigeria can be somewhat complex, owing to the fact that oil bunkering and intentional sabotage of oil pipelines for the purpose of compensation is now a common practice in the Niger Delta. Nevertheless, the present oil companies' stance of refusing to pay compensation even in other scenarios where this might not be the situation negates the spirit of building a symbiotic relationship. Issues of compensation are made

complex and intricate to treat. The first thing to do to manage this challenge is to seek more host community participation in the process of identifying the root cause of any occurrence of oil spills. The formation of a specialist unit or team within a Corporate-Community Foundation to work in conjunction with oil companies' sustainable community development unit and government officials as well as host community members would provide for credibility in the process of identifying the immediate and remote causes of oil spills and for oil companies to prove to members of host communities that they are genuine. Furthermore, there should be increased community developmental benefits to host communities where oil pipeline sabotage had not taken place for over a set period. This kind of award system that is not directed at powerful individuals but at dealing with the general wellbeing of host community would serve as a motivation for host communities to be more watchful and dissuade oil sabotage. The basic idea for this is that a carrot-and-stick style approach to avert oil sabotage is likely to be much more effective than the current style that relies so much on sanctions and the use of force. Such a reward system for the non-occurrence of sabotage would change the cost-benefit analysis for carrying out sabotage in host communities.

Oil companies need to identify and understand the various stakeholders and power-brokers in the host community. This would allow oil companies to identify likely sources of information as well as the diverse points of decision-making in the host community that can impact not just the company but its relationship with the host community.

Oil companies need to embrace and employ formal and informal ways of two-way communication channels, like frequent open community meetings in town halls, placement of suggestion boxes in a strategic location in the community and public workshops, as well as make available periodic community newsletters. It is significant that strategies for giving feedback to members of host communities, like the use of local radio announcements and town criers on complaints or concerns identified should also be employed. The aim here is to create an atmosphere for transparency, accountability as well as the building of trust in their relationship with host communities.

Oil companies need to adopt collection of useful information from the community through surveys and interviews of employees (particularly employees who live in or close to host communities) as well as members of the host communities; such information would comprise demographics of the community, cultural and historical information and the needs of the community as well as unemployment levels in the community. Other likely information would comprise community expectations and attitudes as well as the company-community reputation. These recommendations, if genuinely implemented, would assist in mitigating some of the challenges facing corporate community relation in the oil-rich Niger Delta.

Limitations of the Study

The implications of the methodological challenges need to be taken into consideration in reviewing the outcomes of this study. While some of these challenges offer opportunities for further investigation, others might have presented some level of prejudice in the study. For instance, concerning the qualitative part of the study, while substantial attempts were made to interview individual at different strata of the survey communities, the nature of the research and the lopsided nature of interviewees' understanding on the subject created an unavoidable prejudice towards individuals that were directly involved in corporate-community interfaces on behalf of host communities. The judgment and standpoint of ordinary members of the host community might therefore be under-represented in the work. Nonetheless, this was to a large degree dealt with through the utilisation of household interviews, which principally captured the standpoints of the ordinary members of the survey host communities.

The lack of adequate direct access to oil companies also meant that some of the concerns expressed by members of host communities could not be confirmed face-to-face in an interview with oil companies' staff. The face-to-face interview could have provided a rich insight into oil companies'

perspectives as well as facilitating an improved comprehension of the internal dynamics of the oil companies' community relations units. The researcher can therefore argue that the standpoints of oil companies are not sufficiently captured. Nonetheless, it is worth noting that the inability to gain access to oil companies' staff was successfully dealt with by evaluations of locally published oil companies' community newsletters, where formal oil companies' views were in most cases plainly expressed. These above-mentioned methodological challenges encountered in the course of this work underscore some of the strengths and weaknesses of employing a mixed method or strategy to research in developing countries and needs to be considered in the design of studies of this nature.

CONCLUSION

Sequel to the aim of result-oriented CSR practices as well as the need to boost a positive impact via its activities with all the stakeholders and the environment, this study has considered the CSR approach by oil companies in the Niger Delta. The planning, design and implementation of CSR policies by oil companies has been defensive and not necessarily with the intention of developing the host communities. The negative perception by the host communities has hindered a cordial relationship that is hinged on trust and mutual benefit. The lack of cordial relationship between the oil companies and host communities is ascribed to the numerous cases of pipeline vandalizations, crude oil thefts, kidnapping of oil companies' workers, destruction of lives and property as well as the insecurity in the region. The conflict in the Niger Delta is as well attributable to the feeling of anger, frustration, and deprivation as a result of prolonged neglect by oil companies and the government in dealing with the negative externalities associated with oil exploratory activities. The study maintains and concludes that to ensure a harmonious working relationship with stakeholders and to reduce the conflict in the region; oil companies should encourage host community participation in the design and implementation of CSR initiatives. It as well maintains that without poverty alleviation and host community development, militancy will not only remain, but the peaceful operations of the oil companies will remain a mirage.

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