

CORPORATE SOCIAL RESPONSIBILITY: A STUDY OF HOST COMMUNITY EXPECTATIONS OF OIL COMPANIES IN THE NIGER DELTA

Victor, Tarilate

Department of Management

Niger Delta University, PMB 071, Wilberforce Island, Amassoma Bayelsa State, Nigeria

ABSTRACT

Business organizations are expected to meet certain social obligations in terms of corporate social responsibility (CSR) to their stakeholders. In the Niger Delta, oil companies are not exempted in this regards. Regardless of oil companies' claim of bringing about community development in the region, the host community views oil companies as insensitive and abandoning their responsibilities towards them and meeting their expectations. Host community expectations of responsible CSR practices often form the foundation for community behavior towards oil companies. This paper examines host communities expectation of indigenous oil companies' CSR practices in selected host communities. Data for this study 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. The findings of this study suggest that, the lack of inclusion of host community expectations in the design of CSR policies and decision-making processes was a fundamental factor that has triggered conflict and constant dissatisfaction with the oil companies. The study reveals host community expectations to include concentration on poverty alleviation programmes in the community, assist in training host community members, provide employment for community members, provide basic infrastructure, and meeting regularly with host community members.

INTRODUCTION

Host community expectations of responsible CSR practices often form the foundation for community behavior towards oil companies (Idemudia, 2007). Since the discovery of oil explorations in the 1970s, the Nigerian economy has remained heavily dependent on its oil sector, which accounts for 90% of total foreign earnings and over 70% of consolidated government revenue (U.S. Department of State, 2014). Since then, the Niger Delta region has become the oil hub of the country and has witnessed an upsurge in oil-related activities as well as regular exchanges between oil companies and host communities. Subsequently, the Niger Delta, which was hitherto peaceful, soon became a battleground (Oviasuji & Uwadiae, 2010). With this, it has become imperative for oil companies to play a significant part in resolving the crisis (Colier & Wanderly, 2005). Host communities in the Niger Delta have blamed oil corporations of being responsible for the crisis in the region via environmental spoliation, human rights violation, and corruption. These blames from which the oil companies could not absolve themselves of are responsible for some of the violence occurrences in the Niger Delta. This has led to an increase in the cost of oil operation through stoppage of oil production, image damage, kidnapping, loss of lives and properties, oil bunkering etc. Some of the oil companies operating in the Niger Delta responded by showing commitment to CSR through increase in their spending on corporate-community engagement programmes. Moon, (2001) argues that this form of non-profit engagement and relations by firms is a means by which they demonstrate the validity of their commitments to social responsibility. In spite of demonstrating commitments to CSR programmes, corporate-community engagements remain elusive and volatile in the region (Fynas, 2001; Idemudia & Ite, 2006a). The incessant and growing hostility toward the oil companies indicates that there are gaps that require further investigation of host community expectations of CSR practices in the Niger Delta (Idemudia & Ite, 2006). An understanding of host community expectations will help oil companies operating in the Niger Delta to integrate host community expectations and interests into the formulation of CSR strategies. This article examines community

expectations of CSR practices of oil companies in the Niger Delta in the context of community development. The aim is to offer a better understanding of the expectations of the oil producing communities in the Niger Delta Region. This paper consists of a summary of relevant CSR literature. Following that is a critical examination of host community expectations of oil companies, motivators of community expectations and an examination of the differences in expectations across host community. Next is a description of the data collection and analysis procedures. The paper concludes with a discussion of the findings and the implications of the host community expectations on corporate-community relations.

Corporate Social Responsibility

The notion of CSR is not a novel idea in business practices. Although, there are evidence of early business social responsibility practices but 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, consumerism movement, the use of child's labour, women's right, the industrial revolution, and largely by globalization (Chambers et al., 2003, Carroll and Shabana, 2010). Globalisation brought about the emergence of global institutions, organisations, civil societies, non-governmental organizations, 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 Compact Initiative (UNGCI), Organisation for Economic Co-operation and Development (OECD), International Standards Organisation (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.

Underlying the CSR debate are two theoretical school of thoughts framed around business profit maximization or promoting the social and economic wellbeing of society. Proponents of the preeminence of business concepts (profit maximization) posit that shareholder interest supersedes the interest of all other stakeholders in pursuing business objectives. One of the sternest advocates of this school of thought is Nobel Prize winning Economist Professor Milton Friedman. Milton Friedman (1962), in a New York Times magazine titled 'The Social Responsibility of Business is to increase its profits', came up with a radical and conservative view of CSR. According to Friedman, business corporations may only have a social responsibility if the going concern is an individual proprietorship and that it is more accurate to say the individual proprietor has a social responsibility to the society and not the business itself. He argued that corporate managers are employees of corporations, and their responsibility is to maximise returns to their stockholders. It is not the duty of corporate managers to impose their social or ethical views on shareholders and at the expense of the legitimate right to profit maximization but to uphold to the end their employment contract, which requires that they operate within the rules of the free marketplace with the primary aim of using resources of the corporations to earn the maximum possible profit for corporate shareholders. He argued that CSR is a subversive doctrine and that "there is one and only one social responsibility of business – use its resources and engage in activities designed to increase its profit so long as it stays within the rules of the game" (Friedman, 1970).

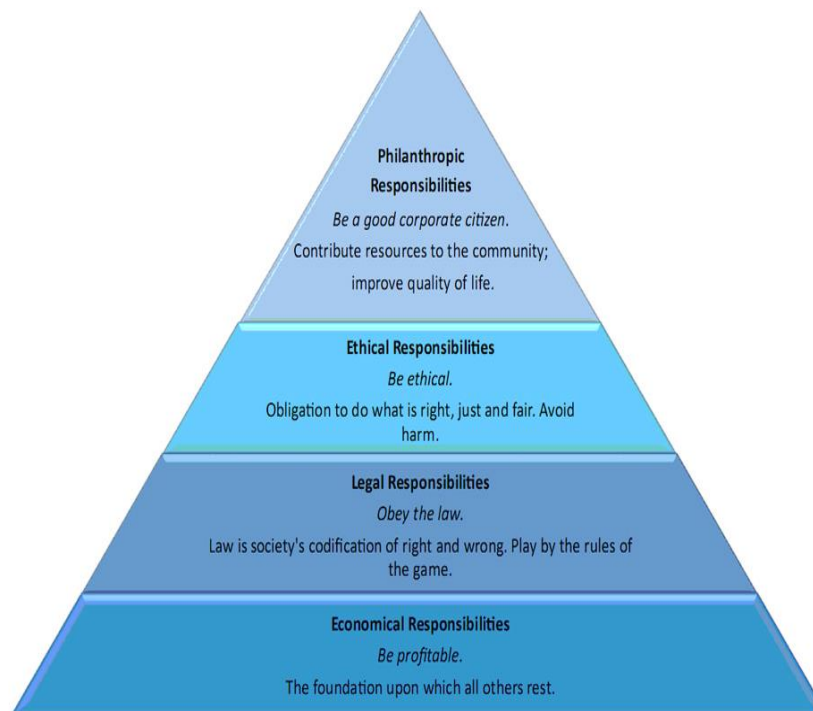
Opponents stress promoting human wellbeing and community development through responsible corporate social policies. Advocates of this school of thought emphasize a multi-stakeholder approach that incorporates the interests of diverse groups of stakeholders (Newell, 2005). From

the multi-stakeholder standpoint, business stakeholders comprise customers, investors, employees, suppliers, interest groups, communities, and government regulators.

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 termed 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 of the notion, it suffices to note that the term CSR still remain the most predominant and used 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). The word CSR was brought to the fore in 1953 by Howard R. Bowen, often regarded as the "Father of modern corporate social responsibility" (Carroll, 1999 p. 4) in his famous book, 'Social Responsibilities of the Businessman' opens the definitional debate of CSR. He focused on addressing the question of what responsibility to society businessmen are likely to assume. He defined CSR as "the obligation of businessman to pursue those policies, make those decisions, or follow those lines of actions which are desirable in terms of the objectives and values of our society" (Bowen 1953, 6).

According to the World Business Council for Sustainable Development, "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 of the local community and society at large." (WBCSD, 1999).

Carroll (1979) suggested a conceptual framework for categorizing CSR that includes four levels of company obligations: to be profitable, obey the law, be ethical, as well as be good corporate citizens. He addressed these responsibilities in a pyramid of corporate social responsibility, and systematized these responsibilities into 4-layers in order of importance.



The first layer of Carroll's Pyramid is Economic Responsibility. He argues that the first obligation of business is to produce goods and services to satisfy the demands of the society with the aim of making profit and that economic responsibility is the foundation upon which all others rest; without it other elements become a doubtful consideration.

The second layer is Legal Responsibility. In pursuing the economic goal of business, societies expect business to comply with the rules and regulations promulgated by government at the various levels as the ground rules under which business must function. It is a partial fulfilment of the 'social contract' that exists between business and society; companies are expected to carry out their economic missions within the confines of the law.

The third layer of Carroll's Pyramid is the Ethical Responsibility. While economic and legal responsibilities incorporate ethical norms about fairness and justice, ethical responsibility encompasses those responsibilities and practices that are anticipated or prohibited by members of the society even though they are not organized into law. Ethical responsibility is an embodiment of those norms, standards, or expectations that reflects a concern for what all stakeholders consider as fair and just. The fourth and last layer of Carroll's Pyramid is the Philanthropic Responsibility. This entails those corporate activities that are geared toward responding to society's expectations that companies be good corporate citizens. It involves engaging in programmes or activities that promote human welfare or goodwill; such as business contributions to the education, arts, or communities where business operations are carried out. However, Carroll recognized that the economic and legal responsibilities of business to society have always existed, but that it is only lately that ethical and philanthropic responsibilities have become a foremost facet of business social responsibility. He noted that each of these responsibilities is separated in the pyramid; the pyramid is not envisioned to represent a continuum with social responsibility on one end and economic responsibility on the other (Idemudia, 2007). 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, work place 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.

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 Community Expectations of the Oil Companies

Host communities that are in proximity with oil infrastructure usually have broad range of expectations, and they differ from community to community. Ascertaining community expectations is essential so that such expectations can fit into corporate goals, and to ensure that the psychological contract between the oil companies and the host communities is intact. Furthermore, since host community expectations are likely to shape community decision-making, a comprehension of the motivating factors of community expectations will help deals with the incessant challenge of excessive community expectations. Table 1 indicates that 98% of respondents in the survey communities expect oil companies to embark on schemes that are geared towards poverty alleviation. Respondents amounting to 95% expected oil companies to provide employment for community members, 82% of respondents expected oil companies to provide basic infrastructure such as schools, hospitals, roads, in addressing needs of the communities. Also, 78% believed that it is important for oil companies to meet frequently with oil producing communities to dialogue on mutual concerns and to allow for a two-way communication between host communities and oil companies. This form of communication will engender trust between host communities and oil companies as well as will nib in the bud award of contracts to dubious indigenous contractors. A

chi-square test of the data showed a significant result (chi-square = 5.391, degree of freedom = 4, P = 0.25).

Table 1: Host Community Expectations of Indigenous Oil Companies (Ranked)

Host Community' Expectations	Host Communities				Total (N) 170
	Otuma-Ama (N) 70	Fikoru-Ama (N) 44	Effiat (N) 34	Udesi (N) 22	
Concentration on poverty alleviation programmes	68 (97%)	44 (100%)	32 (94%)	22 (100%)	166 (98%)
Assist to train host community members	65 (93%)	43 (98%)	31 (91%)	22 (100%)	161 (95%)
Provide employment for community members	62 (86%)	41 (93%)	33 (97%)	22 (100%)	158 (93%)
Provide basic infrastructure	40 (57%)	44 (100%)	34 (100%)	22 (100%)	140 (82%)
Meet regularly with members of the host community for dialogue	40 (57%)	41 (93%)	30 (88%)	22 (100%)	133 (78%)

Source: Questionnaire Survey

The test result in Table 1 indicates that there are no significant differences in expectations of respondents across the survey communities. The similarities in the expectations across the survey communities imply that majority of the respondents in the survey communities seem to hold a common expectation for poverty alleviation that will bring about human development. For example, all the respondents in Udesi and Fikoru-Ama expect oil companies to focus on poverty alleviation, 97% and 94% of respondents in Otuma-Ama and Effiat respectively held a similar notion. In the survey community of Udesi, all the respondents expect oil companies to assist in the training of members of the community, and 98% of the respondents in Fikoru-Ama held a similar notion. Also, 93% and 91% of the respondents in Otuma-Ama and Effiat respectively held similar expectations. The table also showed a similar pattern with regards to respondents expecting oil companies to provide employment for members of the communities. All respondents (100%) in Udesi and 97% of respondents in Effiat expect oil companies to provide employment for members of the host communities. Also, 93% and 86% in Fikoru-Ama and Otuma-Ama respectively held similar expectations. All respondents in three of the survey communities expect indigenous oil companies to provide basic infrastructure, only 57% of respondents in Otuma-Ama held that view. The importance for indigenous oil companies to meet with host community on regular basis was also widely shared in the survey communities. The Table indicates that all respondents in Udesi and 93% of respondents in Fikoru-Ama expect oil companies to meet host communities regularly, 88% and 57% of the respondents in Effiat and Otuma-Ama respectively held a similar view. The similarities and dissimilarities of expectations in the survey communities can best be described by exploring how locality has influenced community needs, as well as the influence of experiences on community expectations. The harmony across the survey communities expecting poverty alleviation schemes, training of members of the communities to acquire skills for capacity development, and employment

as means of empowerment has its origins in the common challenge of poverty in the survey communities. The Niger Delta has witnessed both economic and political marginalisation, as such poverty has become deep-rooted, and the survey communities are by no means an exception to this trend. Although, the researcher did not attempt to measure directly the level of poverty in the survey communities, evidence such as decline in the traditional occupations of the people of the region as predominant source of living, somewhat high unemployment rates point to this fact. Also, lack of social amenities, the general poor state of socio-economic development across the survey communities as well as the lack of opportunities imply that poverty is somewhat prevalent in the survey communities. Alaerigha, a native and resident of Otuma-Ama declared in an interview session that:

"The level of hunger and poverty is unbearable in this community. We hardly feed ourselves, because people cannot farm or fish as we use to do, and there are no jobs anywhere. We need help in the form of loans from oil companies to enable us do other things. We want Nestoil and other oil companies operating in this area to help train our youths to learn work, that would help us in no small measure" (Alaerigha, 20 July, 2016). Host community's expectation for poverty alleviation schemes seems to have emanated owing to the eagerness of the communities to get out of the scourge of poverty by dealing with the socio-economic problem of marginalisation that exist in their communities. This expectation is prevalent in that the survey communities exist within a similar socio-economic context. In a similar vein, the prevalent demand for effective communication across the survey communities suggest that they are not satisfied with the state of communication between indigenous oil companies and the survey communities. The dissimilarities of expectations in the survey communities can be described by the variations in communities' primacies, locations as well as experience. For instance, the high expectation of social amenities in Udesi, Effiat and Fikoru-Ama is mainly as a result of the inequality in the availability of social amenities across the survey communities. Otuma-Ama, headquarter of Oluasiri clan, has benefitted more from government and oil companies. For instance, whereas Otuma-Ama has befitting secondary school, clinic, tarred road and electricity via a caterpillar generating set, akin social amenities are either functioning abysmally or non-existent in other communities in the survey. The explanation for this is that, community like Udesi, although a host community to Moni-Pulo, lacks the power to enforce its 'social license to operate' as the operational base of Moni-Pulo is distant away from the community. Elder Stephen Okoro of Udesi asserted during an interview that:

"Our problem here is that Moni-Pulo office and operational base is not in this community, therefore it will be difficult for us to stop their operations through protest to attract the attention of management of the company" (Okoro, 5 June 2016).

Therefore, whereas poverty alleviation is a key issue within the survey communities, dealing with these common issues should be done in a manner that they address the various immediate needs of the host community. Hence, it is apt to stress that oil companies CSR's programmes will have to vary, putting into account communities' priorities from one community to the other even if they might be within the same neck of the wood and share common socio-economic circumstances.

Factors Motivating Host Communities' Expectations and Demands

Table 2 indicates that 32% of the respondents in the survey communities expected oil companies to contribute to the development of the host community as means of compensation for the negative externalities of their operations. Another 29% of respondents anticipated indigenous oil companies to contribute to host community development in that they want the host communities to be part of the benefits of crude oil production akin to the benefit government and the oil companies derived from the oil production. Just 19% of the respondents in the survey communities expected indigenous oil companies to contribute to the development of the host community in that the oil is found on their land.

Table 2: Motivators of Host Communities' Expectations and Demands (Ranked)

Motivators of host community expectations and demands	Host Communities				Total (N) 170
	Otuma-Ama (N) 70	Fikoru-Ama (N) 44	Effiat (N) 34	Udesi (N) 22	
CSR as a means of compensation	27 (39%)	16 (36%)	8 (24%)	3 (14%)	54 (32%)
CSR brings mutual benefits to stakeholders	16 (23%)	11 (25%)	13 (38%)	9 (41%)	49 (29%)
CSR for oil ownership	14 (20%)	9 (20%)	6 (18%)	4 (18%)	33 (19%)
CSR as a result of proximity to oil installations	11 (16%)	5 (11%)	3 (9%)	2 (9%)	21 (12%)
Oil companies are rich	2 (3%)	3 (7%)	4 (12%)	4 (18%)	13 (8%)

Source: Questionnaire Survey

Only 12% of the respondents expected oil companies to contribute to community development as a result of the proximity of the communities to oil companies' infrastructures. The respondents who held the view that oil companies contribute to community as a result of the fact that oil companies are rich and have the financial wherewithal to do so accounted for just 8%. A chi-square test of Table 6.5 showed a significant result (Chi-squared = 13.706, degree of freedom = 4, P = .008, indicating that there are no real differences with regards to the factors motivating host communities' expectations and demands across the survey communities. From Table 2, we see two key motivators of host communities' expectations and demands of indigenous oil companies. The two motivators are compensation for the negative externalities of crude oil exploratory activities on host communities as well as the need for host communities to benefit from the oil wealth as an autonomous stakeholder. The expectations for community development benefit as a compensation for the negative externality of crude oil exploratory activities was prevalent in the survey communities. In Otuma-Ama, 39% of respondents expected community development as a means of compensation for the negative impact of crude oil production on the host communities. In the survey communities of Fikoru-Ama and Effiat, 36% and 24% of respondents respectively held a similar notion. Only 14% in Udesi held the view, the reason for this might be because Udesi is somewhat an upland community and far from the coastal area where Moni-Pulo operates, as such may not be as negatively impacted as coastal host communities.

The expectation and demands for community developmental benefits from oil companies by host communities was as well prevalent in the survey communities. A total of 41% of the respondents in Udesi shared this view in that they deemed it fit that their community should as well benefit from oil production as they are an impacted community. A total of 38%, 25% and 23% of the respondents in Effiat, Fikoru-Ama and Otuma-Ama respectively shared a similar view. This widespread expectation and demand for host communities to benefit from oil production seem to be as a result of the conviction that oil companies and government are making so much money from oil production, and host communities as legitimate stakeholders are relegated and not considered in the scheme of things. Elder Stephen Okoro of Udesi asserted during an interview that:

"Assuming oil companies are not truly deriving benefits from oil production, they would have discontinued with their activities by now, in view of the ceaseless crisis in the Niger Delta, resulting in destruction of their facilities and kidnapping of their workers. Also if 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 happens; we can only accept that host communities

have benefitted as owners of the crude oil when our expectations are met by oil companies" (Okoro, 5 June 2016).

This finding is in consonant with the argument by 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 (Ite, 2005; Frynas, 2005).

The issue with this line of reasoning is that it indirectly holds on a dichotomous notion of the stakeholder nexus in the oil sector; i. e., host communities with government on one side and oil companies on the other. This line of reasoning undermines the notion of stakeholder theory, and is in variance with the way communities' see themselves as autonomous stakeholders in the oil industry, with vested interest and legitimate right not only to place a demand for, but as well benefit from the wealth of crude oil production independent of the benefit government gains from crude oil production. Therefore, while the inability of the government has in a way been responsible for the reasons host communities demand direct benefits from oil exploratory activities, such demands are not motivated purely by the failure of government in the survey communities; as seen in the variety of reasons acknowledged by respondents in the survey communities for demanding benefits from oil companies (as detailed in Table 2).

Another motivator of host community expectation and demands of oil companies identified was the claim of crude oil ownership. In Otuma-Ama and Fikoru-Ama, 20% of respondents in each community expected oil companies to meet community expectations and demands in that they owned the crude oil being produced. In Effiat and Udesi, 18% of the respondents in each community held a similar perspective. 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 government, hence expected to be regarded and accorded the privilege of independent stakeholders. Therefore, 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 recent in a national dialogue with the FGN on resource control, to restrain 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.

Also, the proximity of oil companies' infrastructures to communities in the region was another motivator for host communities' expectations. In Otuma-Ama, 16% of the respondents expected oil companies to contribute to community development owing to their nearness to oil infrastructures. Similarly, 11% of respondents in Fikoru-Ama, 9% of respondents for both Effiat and Udesi shared the same view. Host communities expect oil companies to play an intermediary role between them and the government because of their closeness. Oil companies are perceived to have strong affinity with government, as such is seen to have better access and link with the government than oil producing communities. Also, during focus group discussions, participants in the survey communities maintained that if oil companies cannot deal with the needs of host communities, they can mount pressure on the government to give attention to community expectations and demands in the Niger Delta. An opinion leader in Otuma-Ama asserted that:

"Since we cannot secure access to the FGN in Abuja but oil companies would, we expect them to use their influence to assist us tell government our plights as they cannot proffer panacea to them,

because we see them (oil companies and government) as partners in oil business transactions. Oil companies' representatives are very powerful and meet frequently with influential officials of government and they are aware of our circumstances because they are closer to us than the government" (Okene, 10 June 2016). Another motivator of host communities' expectation from the study result is the notion that oil companies are rich and have the financial wherewithal to attend to community expectations and demands. 18% of the respondents in Udesi expected oil companies to deal with community expectations and demand owing to the fact that they are rich and have the wherewithal to do so. In Effiat, Fikoru-Ama and Otuma-Ama, 12%, 7% and 3% of respondents respectively held a similar notion. This motivator of host community expectations and demands can be ascribed to the display of affluence of oil companies and their staff. This is demonstrated not only in the nature of the physical structures of oil companies' offices and residential quarters of their employees that are in most cases direct opposite to communities in the region, as well as the prevalent awareness that wages of oil companies' employees triple what government pays her employees in the public service. According to a female civil servant in the Mbo Local Government Council and a native of Udesi:

"It is an irony to point out to you that as a civil servant with a master degree, my monthly take home pay is less than the wages of a cleaner in oil companies, you don't need a prophet to tell you that oil companies are richer than the government. A mere look at the residential quarters of oil companies will convince you. Go to Port Harcourt and see where staff of Moni-Pulo live and contrast it to our living condition here. If Moni-Pulo can do those things, they can as well replicate same here, they have the means but they would not do it with us" (Comfort, 13 June 2016).

By and large, these motivators of host community expectations and demands are largely in consonant with the debates usually made in mainstream CSR to substantiate why business organisations should practice CSR.

CONCLUSION

Some writers have contended that community development is the prime responsibility of the government (Ite, 2004, Idemudia 2007). This perspective fails to recognize the shortcomings of governments in developing countries. Governments in developing countries are confronted with weak institutions and poor supervision. For instance, the Nigerian National Petroleum Corporation (NNPC), the oil corporation through which the federal government of Nigeria regulates, oversees, and participates in the country's petroleum industry, is grossly ineffective and hampered by excessive bureaucracy, power and corruption. Community expectations of CSR practices of oil companies emanated from the relative power imbalance between the host communities and oil companies operating in the region (Newell, 2005). The host communities were in a relatively weak power position politically and economically. Although, there is no one particular cause of conflicts between host communities and the oil companies operating in the Niger Delta, evidence suggests that, the lack of inclusion of host community expectations in the decision-making processes was a fundamental factor (Idemudia & Ite, 2006). Host community expectations revealed in this article are in consonant with the findings of Idemudia (2007). The study reveals host community expectations to include concentration on poverty alleviation programmes in the community, assist in training host community members, provide employment for community members, provide basic infrastructure, and meeting regularly with host community members.

Respondents anticipate oil companies to carry out projects that will bring about community development. The reasons for attribution of responsibility to the oil companies include compensation for the negative externalities of crude oil exploratory activities on host communities' traditional occupations, the need for host communities to benefit from the oil wealth as autonomous stakeholders, claim of oil ownership, proximity to oil installations, and the belief that oil companies and the government are making so much money from oil production.

The integration of community expectations is key to CSR strategy formulation and implementation, requiring collective action in community settings. Community engagement conducted in an

environment of mutual trust, respect and cooperation will promote the building of consensus between the oil companies and the host community. This means engaging critical stakeholders, such as, the traditional rulers, community development councils (CDCs), youth leaders, women groups and the various community-based organizations in the host communities, taking into account the autonomous nature of the communities in implementing CSR programmes.

Therefore, the planning, design, and implementation of CSR programmes need to be driven by the overarching goal to promote a trust-based and mutually beneficial corporate-community relationship. Practically, this requires oil companies to re-examine a number of assumptions that support their CSR programmes and seek to realign with host community expectations. Such realignment will enable oil companies to draw from the benefits of their CSR programmes, gain legitimacy within its host communities, and be less disposed to community related-conflict.

REFERENCES

- Andriof, J., Waddock, S., Husted, B. and Rahman, S.S. (ed.) (2002) *Unfolding stakeholder thinking – theory, responsibility, and engagement*. Leeds: Greenleaf Publishing Limited.
- Bowen, H. (1953), *Social Responsibilities of the Businessman*. New York: Harper.
- Carroll, A. B. and Shabana, K. M. (2010) 'The business case for corporate social responsibility: a review of concepts, research, and practice'. *International Journal of Management Reviews*, vol. 12, pp. 84-105.
- Carroll, A. B. (1999) 'Corporate social responsibility', *Business and Society*, vol. 38, no.3, pp.268-295.
- Carroll, A. B. (1979) 'A three-dimensional conceptual model of corporate social performance'. *Academy of Management Review*, vol.4, no.4, pp.497-506.
- Chambers, E., Chapple, W., Moon, J. and Sullivan, M. (2003) CSR in Asia: A seven country study of CSR website reporting. Research Paper Series International Centre for Corporate Social Responsibility ISSN 1479-5124.
- Collier, J. and Wanderley, L. (2005) 'Thinking for the future: Global corporate responsibility in the Twenty-first-century' *Futures*, vol.37, pp.169-182.
- De Bakker, F. G., Groenewegan, P. and Den Hond, F. (2005) 'A bibliometric analysis of 30 years of research and theory on Corporate Social Responsibility and Corporate Social performance', *Business and Society*, vol. 44, pp. 283-317.
- Donaldson, T. and Preston, L. (1995) 'The stakeholder theory of the corporation: Concepts, Evidence, and Implications'. *Academy of Management Review*, vol. 20 (1), pp. 65-91.
- Friedman, M. (1962) *Capitalism and Freedom*. Chicago: University of Chicago Press.
- Friedman, M. (1970 13 September), 'The social responsibility of business is to increase its profits', *New York Times Magazine*, 33.
- Frynas, J. G. (2001) 'Corporate and state responses to anti-oil protests in the Niger-Delta', *Africa Affairs*, vol. 100, pp. 27-54.

Frynas, J. G. (2005) 'The false developmental promise of Corporate Social Responsibility: Evidence from multinational oil companies', *International Affairs*, vol. 81, no. 3, pp. 581-598.

Garriga, E., and Mele, D. (2004) 'Corporate social responsibility theories: Mapping the territory', *Journal of Business Ethics*, vol. 53, pp. 51-71.

Idemudia, U. (2007) *Corporate Social Responsibility and Community Development in the Niger Delta, Nigeria: A Critical Analysis*. A PhD Thesis, Department of Geography, University of Lancaster, Lancaster: United Kingdom.

Idemudia, U. (2007) 'Community Perceptions and Expectations: Reinventing the Wheels of Corporate Social Responsibility practices in the Nigerian oil industry', *Business and Society Review*, vol.112:3, pp.369-405.

Idemudia, U. and Ite, U. E. (2006a) 'Corporate-community relations in Nigeria's oil industry: Challenges and imperatives', *Corporate Social Responsibility and Environmental Management Journal*, vol. 13, pp. 194-206.

International Organization for Standardization (2008) ISO and social responsibility: Available at: <http://www.iso.org/iso/socialresponsibility.pdf> (Accessed: 8 June 2015).

Ite, U. E. (2004) 'Multinational and corporate social responsibility in developing countries: A case study of Nigeria', *Corporate Social Responsibility and Environmental Management Journal*, vol.11, pp. 1-11.

Ite, U. E. (2005) 'Poverty reduction in resource-rich developing countries: What have multinational corporations got to do with it?' *Journal of International Development*, vol. 17, pp. 913-929.

Moon, J. (2001) 'Business social responsibility: A source of social capital, reasons in practice', *Journal of Philosophy Management*, vol. 1, no. 3, pp. 385-408.

Newell, P. (2005) 'Citizenship, accountability, and community: The limits of CSR agenda', *International Affairs*, vol. 81, no. 3, pp. 559-580.

Oviasuji, P. O. and Uwadiae, J. (2010) 'The dilemma of the Niger Delta region as oil producing states of Nigeria', *Journal of Peace, Conflict and Development*, vol. 16, no.1, pp.10-126.

United State Department of State (2014) Investment Climate Statement. Available at: <http://www.state.gov/documents/organization/229183.pdf> (Accessed: 10 June, 2016).

Van Marrewijk, M. (2003) 'Concepts and definitions of CSR and corporate sustainability: between agency and communion', *Journal of Business Ethics*, vol. 44, pp. 95-105.

Visser, W., Matten, D., Pohl, M. and Tolhurst, N. (2009) *The A to Z of corporate social responsibility: a complete reference guide to concepts, codes, and organisations*, John Wiley & Sons.

WBCSD (2009) *Corporate social responsibility: Meeting changing expectations*, World Business Council for Sustainable Development (WBCSD), Geneva, Switzerland.