CSCanada
Studies in Sociology of Science
Vol. 3, No. 4, 2012, pp. 11-21
DOI:10.3968/j.sss.1923018420120304.600

ISSN 1923-0176 [Print]
ISSN 1923-0184 [Online]
www.cscanada.net
www.cscanada.org

Community Perception and Oil Companies Corporate Social Responsibility Initiative in the Niger Delta

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Received 16 September 2012; accepted 15 November 2012

Abstract

Poverty and conflicts are endemic in the Niger Delta even as oil companies operating in the region intensify their corporate social responsibility (CSR) initiatives in community development. Yet, there is hardly any assessment of the transnational companies' CSR initiative privileging evidence from host communities. This paper assesses rather selectively the oil companies CSR as an anti-conflict strategy for development mainly from the viewpoint of Niger Delta residents. The author assesses how commitment in social investment seems to conflict with managing negative impact of oil production on host communities and their livelihoods. Using qualitative research methodology and perception survey it attempts to delimit the "blurred" boundaries of oil companies' social investments that are philanthropic gestures rather than obligatory ones. The paper suggests that CSR is only coincidental to community development. It thus suggests a transition from the voluntary mechanism of CSR if obligatory framework that will separate social investment from operational costs could be installed.

Key words: Niger Delta; Oil companies; CSR; Environment; Conflict

Godwin Uyi Ojo (2012). Community Perception and Oil Companies Corporate Social Responsibility Initiative in the Niger Delta. *Studies in Sociology of Science*, *3*(4), 11-21. Available from http://www.cscanada.net/index.php/sss/article/view/j.sss.1923018420120304.600 DOI: http://dx.doi.org/10.3968/j.sss.1923018420120304.600

INTRODUCTION

Environmental degradation in Nigeria's Niger Delta is traceable mostly to the operations of the international oil companies in the region. These operations are related to petroleum resources exploitation to meet global energy needs that are leading to "a deep toxic stain" spreading through air, water, and land on a universal scale (Hallowes, 2011, p. 108). Aside the level of poverty and underdevelopment, environment abuse is all too pervasive implicating oil spills and gas flares which continue unabated since the discovery of oil in commercial quantities in 1956. Environmental degradation remains the tinderbox of the region and a major source of grievance and disenchantment against the state and the multinational oil companies (Tonwe, Ojo, & Aghedo, 2012; World Bank, 1995). Yearly, there is news of major oil blow-outs that severely damage the environment without adequate remediation measures.

Multinational oil companies' remediation work might be held circumspect if traces of oil spills purportedly cleaned up resurrect to contaminate communities' rivers and farmlands. Several mitigation initiative to clean up oil spills remains "spade and bucket technology" by which locals scoop oil spills into dug out wells and set it ablaze. Oil companies seem to make up for such operational lapses by social investments through Corporate Social Responsibility (CSR) initiatives. This paper analyses these aspects of CSR and government's amnesty programme as anti-conflict and development template for the region.

The paper is informed by the on-going resource-conflicts in the Niger Delta and measures to curb them. The crisis of underdevelopment and the ecological devastation of the region have been noted as the root of conflicts in the area (Oteh & Eze, 2012; Okonta, 2006). In spite of some scholarly work in the area (Idemudia, 2009;

Ite, 2007; Zalik, 2004), little is known about oil companies CSR practises and how they fit into the overall sustainable development plan of the region. Oil companies' officials and the host communities have been locked in claims and counter claims over the practise of their CSR initiatives. A focusing on this under-researched area will complement a much richer literature and the delimiting of its multiple uses.

This empirical study conducted in 2009 and 2010 covered a cumulative period of six months in four oil-bearing states: Edo, Delta, Bayelsa and Rivers. In Edo State, Gelegele and Ologbo communities were visited while Iwherekan and Gbaramatu communities were visited in Delta State. In Bayelsa State, Imiringi and Beniseide were visited while in Rivers State, Rumu-Erushi and Okirika communities were the focus communities. These oil-bearing communities were chosen for their prominence as recipients of oil companies' social responsibility projects as well as being host-communities to important oil and gas infrastructures operated by transnational oil companies namely, Shell Petroleum and Development Company (SPDC), Texaco, ExxonMobil, Total, Agip and a few other indigenous oil firms.

Both primary and secondary data were collected from primary and secondary sources. A total of 100 questionnaires were administered in the communities, however, only 84 of the questionnaires were duly completed and returned. While multiple answers were provided to guide community responses, spaces were also provided to allow free expression. Questions focused mostly on the practise and relevance of CSR from the environment-development perspective drawing from community perceptions. As will be seen, these questions and the analyses of responses from the respondents inform the core finding. Interviews of 22 community members were conducted and covered community leaders, men, women and youths to underscore their perspective on the subject. Due to the difficult concept of CSR, careful selection was made of respondents that have attained a minimum standard in formal education, and this may have added to the informed positions that were canvassed. While the interviewees were mostly illiterate, the respondents to the questionnaires were fairly literate able to read and fill the questionnaires independently. Applying the snowball approach, being direct beneficiaries or a member of a benefiting community was the selection criteria adopted. Similar questions were posed to both the literate, semi-literate or illiterate groups which allowed for triangulation of the evidence gathered.

Secondary data used in the study came from published accounts, books, documents, and reports by the oil companies themselves and their CSR initiatives. The paper assesses the evidence to suggest that multinational oil companies CSR could gain greater relevance if it is devoid of the veiled philosophy of philanthropy to obligatory social investments. Since social investments appear misunderstood, further empirical research is needed on the prospects of CSR as an anti-conflict and pro-poor development tool in the region.

RETHINKING THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

As with most contentious terms, CSR does not have a generally acceptable definition. The concept is complex given to several meanings and emphases, depending on who is writing and the school of thought the writer or researcher belongs. In a detailed case study, an analysis of 37 diverse definitions of CSR was conducted to underscore its uncertainty and difficulty of any unbiased framing (Dahlsrud, 2008). Similarly, two definitions by the World Business Council for Sustainable Development generally illustrate its diverse, changing meaning and emphasis. In 1998, it was defined as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of its workforce and their families as well as the local community and the society at large" (WBCSD, 1998, p. 3). Two years later, it defined it as "the commitment of business to contribute to sustainable economic development, working with employees, their family, the local community, and society to improve their quality of life". Although the latter appears more expansive, the change in interpretation excludes the fundamental obligation of ethical behaviour and instead emphasizes its affirmative duties and obligation of business to contribute to economic development (See also Idemudia, 2008; Jenkins, 2005).

Blowfield & Frynas (2005) observed that CSR is generally accepted by government, civil society and business as "a bridge connecting arenas of business and development" (p. 499). They held that CSR is an umbrella term for "a variety of theories and practices all of which recognizes that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance," hence "business needs to manage its relationship with the wider society whether for reasons of commercial viability or to add value to society" (p. 503). While the paper mirrors the suggestion that CSR should progress from "the domain of responsibility to the domain of accountability via legally binding regulations" to hold companies accountable for their practices (Idemudia, 2008, p. 93), yet, it is the environment-development nexus that mixes with the social dimension to render the practice susceptible to instrumental use. Here, the environmental dimension which entails responsibility for a "cleaner environment" and "environmental stewardship" are erroneously integral components of the CSR (Dahlsrud, 2008, p. 4). This paper argues that multinational oil companies CSR should subscribe to ethical codes for environmental stewardship within their operational systems and in ways that do not absolve them from their social responsibilities. Thus, this effort adopts the contribution that to manage the problem of conceptual complexity and the near absence of a consensual definition would require a focusing on the "distinction between business's affirmative duties" to contribute to development and "its negative injunction duties" to avoid contributing to underdevelopment or correcting development problems arising from its operations (Idemudia, 2008, p. 101).

Not withstanding its complex orientation, it is generally believed that the modern era of CSR scholarship started in the second half of the Twentieth Century with the publication of Howard Bowen's Social Responsibilities of the Businessman in 1953 (Hill and Cassill, 2004). According to Frynas (2005), business organizations engaging in social investments can gain "competitive advantage" over rivals with less social engagement in ways that reduce cost and increase their market share (p. 584). In conflict prone areas involving resource extraction such as the Niger Delta, it is directed at extinguishing agitation tendencies.

To some scholars and beneficiaries CSR relevance is not in doubt. Oil companies generally employ social investments to appease host communities to garner cooperation. This appeasement usually leads to a reduction in business-community conflicts and the disruption of business operations, thus enabling the firms to maintain or increase their corporate performance in terms of output, revenues and profit. Further, Frynas (2005) argues that this profit motive in CSR is in line with stakeholder theory, which states that companies "will listen primarily to those stakeholders who pose the greatest threat to their operations" (p. 589). Consequently, CSR helps business organization to secure their "social license to operate" in the society (Hohnen & Potts, 2007, p. 11). However, in a South African case study, business itself is abysmally redefining responsibility and in ways that "eschews the notion of corporate social responsibility" and instead "favours concepts of corporate social investment and corporate citizenship" that are in no way related to the question of liability and justice (Fig, 2005, p. 601).

The differing ideology driving business in the region plays out in two broad forms. While one relates to "a cooperative form in which there is a balanced concern for the environment and all the parties involved", the other involves "an exploitative form in which the constant and overriding goal is to satisfy the interests of the dominant, usually foreign and international capital involved in the oil extracting activities" (Iyayi, 2000, p. 170). What is perplexing is that CSR can be attuned to achieve both ends. Since the 1950s, oil exploitation in the Niger Delta and the accompanying CSR appear more driven by the latter paradigm. From this perspective, scholars argue that a good CSR should be one that has "comprehensive policies and practices in place throughout the business that enable it to make decisions and conduct operations ethically, meet legal requirements, and show considerations for society, communities and the environment" (Trialogue, 2004, as cited in Fig, 2005, p. 601). While adopting this claim, I question the voluntary mechanism of CSR set out to meet business interest, and failing to adequately align with those of the poor that might have redefined its meaning and relevance in the Delta region.

Challenging oil companies CSR is to square up against the overarching ideology of profit first that is behind multinationals oil business. This "business case" is informed by an ideological framework that operates at the level of the market that corporations should be "free to act solely on the basis of profitability without regard to national or local consequences" (Korten, 1996, p. 131). Accordingly, Ashton-Jones (1998), pointed out that "profit maximization is the only basis upon which a company can run, so that any expenditure beyond what is required to get out the oil is resisted" (p. 130). This ideology is rooted in the strategic deployment of social services allowing oil companies assume the role of government agency and the assumption that they are the effective local governments (Iyayi, 2007).

The adoption of this framework largely coincides with the oil companies' conduct of their CSR that uses philanthropy as the basis of conducting community development. Shell, like the other oil majors, claims that it is a way to give back to the society (Shell, 2007). Consequently, its CSR finds relevance in the need to improve its image and portray it as good corporate citizen in the society. Yet, it is the plight of the poor local residents that can best underscore any relevance of multinational oil companies CSR which rather surprisingly, produces mix responses.

SOCIO-ECONOMIC IMPACTS OF OIL PRODUCTION AS CONFLICTS

The increasing resource-conflicts and *petro-insurgency* in the Niger Delta has attracted attention to its growing importance. The ecological devastation of the region has aggravated socio-economic impacts (Ite & Idemudia, 2006). In geographic terms, the region is one of the largest wetlands in the world comprising of expansive mangrove forests, and located around the tributaries of the River Niger in South Eastern Nigeria. It covers an area of 70,000 kilo-metres with an estimated population of about nine million. Most of the ethnic minorities in southern Nigeria are concentrated in the Delta region. Amongst these are the Ijaw (4th largest ethnic group in Nigeria and the largest in the Niger Delta), Edo, Ogoni, Ilaje, Ibibio, Itsekhiri, Urhobo, Isoko, Ikwerre, and many more (Stern, 2005, p. 209). This region contains approximately 15 percent of the Nigerian population.

Politically, the region refers to the nine oil-producing states of Nigeria. These oil-producing states are Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo, and Rivers. Economically, the Delta has been one of the most strategic and contested locations in Africa since the fifteenth century when Portuguese explorers and traders arrived in the area. In recent time, the fate of the region remains largely the same though the articles of trade have metamorphosed over the centuries from "spices and textiles to slaves, to palm oil, and now crude oil" (Obi, 2005, pp. 189-190). The region contains 95 percent of Nigeria's known oil reserves, and about 90 percent of all government receipts (Ikelegbe, 2005).

The woes of the region and how they differ from the rest of the country paints a picture of political and economic marginalisation as well as ecological devastation. Despite its huge wealth, the region is one of the poorest in the world among the least developed parts of Nigeria (Watts, 2007). There is an alarming unemployment rate of 36.9 percent in some areas which more than doubles the average national unemployment rate of 18.1 percent (Eregha & Irughe, 2009). This means that the oil induced environmental degradation which destroys the main source of income and productive economic activities of farming and fishing in the region results in increasing unemployment. The United Nations Report conducted recently attested to the ecological devastation of the region and its severe lack of basic amenities such as the provision of electricity, potable water, and health facilities (UNEP, 2011). The study also noted that Ogoni indigenes the region suffers from the enormous negative externalities engendered by oil extraction and production including oil spills and gas flaring that will take about 30 years to remediate. The wasteland of degraded farmlands and polluted water sources with carcinogen destroy local inhabitants' traditional livelihood sources and endanger lives.

Environmental degradation associated with oil and gas exploitation is a major source of grievance in the region (Tonwe *et al.*, 2012). This is inevitable since mining for energy is driven essentially by profit in "the value chain of production that is shadowed by a vast chain of waste and destruction" on man and his environment (Hallowes, 2011, p. 108). According to the World Bank, the arrival of the oil industry, population boom in the area and the failure of government policy combine to account for the woes of the region (World Bank, 1995). Since the 1950s oil and gas production have resulted in enormous human and environmental costs (Watts, 2007; Ibeanu & Luckam, 2006; Doyle, 2002). Mitigation of the ecological problems has largely been relegated fueling decades of community grievance and protests against the oil companies and the government.

Oil spillage has been identified as a major source of environmental degradation in the region. A new report by the Amnesty International blamed the oil companies operating in the region and Shell in particular as responsible for widespread pollution in the Niger Delta. The human rights body argues that, "oil spills, waste dumping, and gas flaring are notorious and endemic" in the Niger Delta. Though Shell refutes some of these allegations, it however shares Amnesty International's concern and admits that the people of the Niger Delta have not benefited from oil extraction as they should (*Saturday Mirror*, 2009, p. 2).

Indeed, Agboola & Olurin (2003), recorded that between 1976 and 1996 at least 4, 835 oil spills occurred with an average of 230.24 per year or about two spills every three days (p. 7, 8). Till date the average yearly oil spills in the region accounts for about twice that of the BP Gulf of Mexico deepwater horizon oil blowout in October 2010. Table I shows the number of spills in relation to net volume lost to the environment. According to the Director, Nigerian Oil Spillage Detection and Response Agency (NOSDRA), about 66,697.2975 barrels of oil were lost to spillage between 2006 and 2009. In 2006 alone, 28,036.0721 barrels were spilled.

Furthermore, 11,878.1713 and 21,689.9805 barrels were spilled in 2007 and 2008 respectively, while 5,093.0783 barrels have also been spilled between January and June 2009. A breakdown of the figure during this period by NOSDRA shows that the Nigeria Agip Oil Company (NAOC) was the highest spiller in Nigeria with 33,557.13 barrels, followed by SPDC with 20,804.1825 barrels. Mobil Producing Nigeria with 5,606.4 barrels and Elf with 3,629.984 barrels were ranked third and fourth respectively (Salau, 2009, p. 80).

Table 1
Time Series Analysis of Oil Spills in the Niger Delta

S/No	Year	Noof Spill	Quality Spilled (Barrels)	Quality Recovered (Quality)	Net volume lost to the Environment (Barrels)
1.	1976	128	26,157.00	7,135.00	19.021.50
2.	1977	104	32,879.25	1,703.01	31,176.75
3.	1978	154	489,294.75	391,445.00	97,849.75
4.	1979	157	94,117.13	63,481.20	630,635.93
5.	1980	241	600,511.02	42,416.83	558,094.19
6.	1981	238	42,722.50	5,470.20	37,252.30
7.	1982	257	42,841.00	2,171.40	40,669.60
8.	1983	173	48,351.30	6,335.90	41,995.40
9.	1984	151	40,209.00	1,644.80	38,564.20
10.	1985	187	11,876.00	1,719.00	10,157.30
11.	1986	155	12,905.00	552.00	12,358.00
12.	1987	129	31,866.00	25,757.00	25,757.00
13.	1988	208	9,172.00	1,955.00	7,207.00
14.	1989	228	5,956.00	2,153.00	3,803.00
15.	1990	166	14,150.00	2,785.96	12,057.80
16.	1991	258	108,367.00	2,785.96	105,912.05
17.	1992	378	51,187.90	1,476.00	49,711.20
18.	1993	453	8,105.32	2,937.08	6,632.11
19.	1994	495	35,123.71	2,335.93	32,787.78
20.	1995	417	63,677.17	3,110.02	60,568.15
21.	1996	158	39,903.67	1,183.81	38,716.86
Total		**4,835**	**1,809,373.68**	**570,575.10**	**1,860,927.87**

Source: Agboola and Olurin (2003, pp.7-8); Niger Delta: Environmental Survey (1997)

Oil spill is common and often leaves lasting impact on the environment some of which are irreversible. For example, one of the first Shell's oil blow-outs in Ogoni land was in 1970 when Shell's Well II in the Bomu oil field devastated the Kegbara Dere town, causing untold hardship to the people whose water sources were poisoned, their air polluted and farmlands destroyed. There have been similar Shell's blow-outs in Nembe on March 8, 1994, Funiwa 5 Texaco offshore blowout in 1978 that devastated Akassa coastal communities (Okonta & Douglas, 2001; Frynas, 2000). As at 1996 the Okpare community of Delta State had lost 8,500 hectares of farmland to Shell, ruining the livelihoods of over 2000 people who depended on the land for farming (Omoweh, 2005, p. 141).

Government's responses to the region's despoliation driven by civil society pressure and community protests informed the on-going oil sector policy reform. Two new oil regulatory agencies the National Environmental Standards and Regulations Enforcement Agency (NESREA) and National Oil Spillage Detection and Rapid Response (NOSDRA) were established in 2007.

In particular, the NOSDRA agency for the detection of spills and rapid responses confessed it has neither the capability nor technological requirements to detect spills and respond to stopping it. That said, it has through policy thrusts ensured stiffer penalties against perpetrators of oil spillage and recently proposed a US $5 billion fine against Shell's 40,000 crude oil Bonga spills in deep waters that occurred in December 2011, which devastated coastal communities in Akwa Ibom, Rivers, Bayelsa, Delta and Ondo states.

Furthermore, NOSDRA Act also stipulates that oil spill must be reported to the agency not later than 24 hours after occurrence and imposing a fine of N500, 000 per day in the event of non-compliance and a fine of N1 million for failure to clean up impacted sites as a result of spillage (NOSDRA Act, 2009; see also Salau, 2009, p. 80). Yet, these regulations are hardly enforced except for few instances. For example, recently, NOSDRA reportedly fined Shell the sum of N1 million (about US$9,000) for the company's failure to clean up the Peremabiri community that was devastated by the firm's oil spill which resulted in an inferno. The fire ravaged several farmlands in the area. As with other oil companies practice of impunity such regulations are largely undermined despite contravening the regulatory provisions in Section 6(3) of the Act and failure to act within a reasonable period (Akeregha, 2009, p. 49).

To a large extent, through infiltration of government parastatals and politicians the oil industry lobby is powerful enough to block legislation and continue to shield oil companies when they run foul of the law (Smith, 2010). Furthermore, NESREA as the regulating agencies is hampered by its own mandate to the extent that the agency shall regulate and monitor environmental degradation except in the oil sector. The provision of such ouster clauses is deliberate and provides windows of escape for the oil companies and a license to operate with impunity. Other measures by government included the setting up of development agencies such as the NDDC, Ministry of the Niger Delta, that are yet to make any meaningful impact in the environment and lives of the people (Idemudia, 2009).

Another source of community grievance is gas flaring which constitutes a huge hazard to human and environmental resources in the oil-bearing Niger Delta region. Gas flaring occurs in the process of separating oil from gas and flared as associated gas. It reduces crop yields, damages plant and animal life, and constitutes a menace to social life in these communities. More importantly, it affects the health of the local inhabitants negatively. According to World Bank estimate, Nigeria loses as much as $2.5 billion annually as a result of gas flaring (Shaxson, 2007, p. 95; see also *The Guardian*, 2009, p. 16). After decades of reluctance, the Nigerian senate is considering passing a bill prohibiting gas flaring in Nigeria. Deadline after deadline has been fixed since 1984 reinforced in 2005 by a historic Federal High Court ruling sitting in Benin City prohibiting gas flaring as amounting to a violation of fundamental human rights by Shell in its operations. Still, gas flaring persists.

Compensation from environmental degradation and damage to crops and water pollution represent another source of community grievance. Compensation is often denied, or when it is paid at all, is arbitrary and grossly inadequate (Omoweh, 2005, p. 57, 58). For example, since the promulgation of the Land Use Decree in 1978 (it became a Land Use Act in 1979), land crisis has worsened in the region due to the huge land grabbing in oil extraction. The Act vested the paramount ownership of all land and held in trust by the state thereby undercutting individual and community rights to prime lands (Frynas, 2000).

Compensation is restricted to crops destroyed rather than on land appropriated. While the view is widely held that the Land Use Decree was promulgated to protect the oil companies, competition for scarce land and fishing is fierce, resulting in inter and intra-communal conflicts on land related squabbles (Omoweh, 2005). Other catalogues of political marginalization, ecological devastation and socio-economic impacts of oil extraction as sources of conflicts have been documented (Okonta & Douglas, 2001). It is this magnitude of environmental conflict induced grievances and problems that the oil companies CSR seek to confront that is proving an uphill task.

OIL COMPANIES MEASURES TO ADDRESS SOCIO-ECONOMIC PROBLEMS

There is some level of consensus both from the literature and this study that CSR is beneficial to the target communities. The concern however, is the quality of benefits and how the concept has been deployed without leveraging opportunities from other stakeholders (Zalik, 2004). To some extent government commitment to ending the ecological devastation in the region is seen in the laws promulgated to regulate the industry. Yet, the state owned Nigerian National Petroleum Corporation (NNPC) and the Department of Petroleum Resources (DPR) as both regulator and operator have vested interests that impinge on the exercise of political will to properly regulate the oil sector.

From the perspective of the multinational oil companies, CSR is demand driven to address host communities perceived needs and poverty reduction. For the oil companies, the pattern of CSR operations is similar. It is mainly drilling oil for returns on investment while passing ecological and social costs to third parties (Bryant & Bailey, 1997). Yet, the oil companies are involved in one form of social amenities provision or the other in the Niger Delta. Though they differ in size and commitment, collectively, they provide social amenities including the construction of roads, building of community hospitals, and provision of water. Others are local capacity building for resource management, training for freshers in business, micro-credit schemes, and scholarship for tertiary education some of which are unrivaled by the absentee government (Total, 2011; 2009; Shell, 2011; 2007; Idemudia, 2009; Mobil, 2005).

Notably, Shell combined its business goal with its corporate social investments and as a response to its impact on community livelihoods and environment. The company, like the other oil firms, recognizes that the company's survival and business success depends on the development and survival of the communities (Shell, 2004). Consequently, to improve lives in the region, it embarked on some projects in the construction of roads, hospitals, clinics and some livelihood and micro-credits schemes in the communities (Shell, 2007), contributing in 2010 US $161 million to the NDDC, expanding the business of 30,000 local people as well as operational 27 micro-credit schemes that enabled 2,700 women and youths to set up small scale businesses (Shell, 2011). Similarly, in 2003, Shell contributed US$32 million and in 2006, it was US $53 million (Shell, 2007).

Indeed, oil companies such as Total, ExxonMobil and Shell have invested millions of dollars into its community social projects that compete closely to government commitment in the region (Total, 2011; Shell, 2007). For Shell however, the figure appeared insignificant, less than one percent of profit share compared to the declared profits of US $ 27.6 billion in 2006 prompting Friends of the Earth International to urge them to put their money where their mouth is and clean up their mess in the area (FoEI, 2007).

Notably, some developmental drawbacks are prominent in the oil companies' social service delivery. On the one hand, there is lack of transparency and accountability in the CSR process that excludes community genuine participation. On the other hand, accounting for the funding proved difficult as projects on ground often do not justify such funding claims (Zalik, 2004). Indeed, the financial operations of transnational companies operating in developing countries are hardly transparent as financial dealings are sometimes inflated to increase profit. For example, KPMG a renowned auditing firm which audited the CSR accounts of Shell in 2003 could not confirm the oil company's community development activities due to inconsistencies and poor record keeping (SPDC, 2003, p. 25; see also Zalik, 2004, p. 411). Subsequent independent assessments commissioned by SPDC showed that the company's 81 community development projects in 2000 rated 36 percent unsuccessful, 33 percent partially successful, and 31 percent successful. The lack of transparency and accountability explains the high rate of abandoned and dysfunctional projects in the region. While government is negligent in the failure to enforce environmental regulations partly due to corrupt practices, greater blame rests on the oil companies for deliberate manipulation of the weak environmental regulations to suit business interest. Perhaps the absence of transparency and accountability measures explains why the millions of dollars invested have not resulted in any discernible improvement in local residents' quality of life.

CSR AND THE AMNESTY PROGRAMME

Although decades of alleged political marginalisation of the Niger Delta region has been addressed since the coming to power of President Goodluck Jonathan, an Ijaw indigene from the Niger Delta, yet economic woes, ecological devastation and insecurity remained the status quo. The rebellion against the state by arrays of militant groups (symbolized by Movement for the emancipation of the Niger Delta) between 1999 and 2009 achieved economic sabotage, reduced income from oil by 40 percent, and threatened national stability. The amnesty programme put in place since October 2009 by former President Umaru Yar'Adua aimed to grant militants freedom from persecution, demobilisation and rehabilitation and thus restore peace.

The oil companies have allocated undisclosed amount to the amnesty programme perhaps as part of their corporate social responsibility. Recently, it emerged that oil companies and government paid top notched ex-militants to keep them at bay. Indeed, pipeline vandalisation and oil theft is emerging as a lucrative poverty alleviation strategy by unemployed youths, a new challenge facing the country (Oteh & Eze, 2012). While government paid four warlords cumulative awards of US $35 million annually, Shell spent about US$400 on protecting its oil installations between 2007 and 2009, and 2009 alone "spent US $75 million on other unexplained security expenditure", and such cash payments is contributing to fueling crisis in the region claiming about 1,000 lives annually (Ross, 2012, para. 9, 11). Yet, such funding will likely detract from the overall funds available to addressing the problems of community development in ways that the amnesty may even become a liability to the CSR process. Thus, the amnesty programme has been described as no more than an effort "to buy short-term cease-fires", with too little government commitment "to engage core conflict issues, or adequately understand the region's problems" (Newsom, 2011, p. 1).

The amnesty package seems to follow a similar trend of the oil companies CSR that often targeted voices of dissent. Some of the warlords have been heavily 'settled' by monetary gains, becoming oil spill clean up contractors, a service that renders them a liability to oil companies. Yet, only a few of the rank and file unemployed ex-combatants have benefited from limited training and skills acquisition programmes both within and abroad while some have been aided with business starter packs with economic incentives. Yet, others have been left out including women who were part of the militants' operational command. Still, the socio-economic problems and grievances which ignited the armed revolt, in the first instance, have been left largely unaddressed.

It is pertinent to question the relevance of oil companies CSR and the amnesty programme that are being administered with a common goal of poverty reduction, environmental health and security. The fact that CSR initiatives were already in place before the commencement of militants' revolt only illustrates that the social amenities provision by oil companies failed to address the region's socio-economic needs. An emphasis on CSR as a solution side by side the amnesty programme will also appear misplaced prompting the need for a unified integrated approach to community development. The absence of a formal structure of conducting CSR beyond impacted or restive communities is bound to produce marginal results. As already manifesting, though in pockets, rag-tag gun trotting militants are emerging in the creeks with renewed violence, kidnapping and sabotage of oil facilities (Newsom, 2011), perhaps as a negotiating strategy to gainful employment and position of privileges.

OIL COMPANIES CSR AND COMMUNITY FEEDBACK

Given the incontrovertible evidence of ecological devastation and CSR responses there are bound to be disaffection. Evidence from the data obtained from the questionnaires and interviews conducted in the oil-bearing communities show CSR as no more than a PR tool for the oil industry. "They do not care about us. They give us peanuts so they can take our oil", remarked a community member. Such views are rife but hardly new and shared by even oil companies though manipulated to serve company interests. The oil companies are in agreement with the impacted communities claiming that since their activities impact the environment, it is thus their responsibility to give back to the community in terms of compensation and the provision of some basic social amenities that are lacking (see Shell, 2002; 2011; Total, 2011).

Evidence from community feedback on oil companies CSR is compelling. To begin, the educational level attained by respondents proved to be a factor. Aside the insecurity and risks involved in researching conflict prone areas is the problem of illiteracy. Conscious effort was made to reach out rather selectively to those who have attained a level of primary education because of the difficulty of the concepts that has no correspondence in the local dialects. In concrete terms, 45 percent of the respondents surveyed for the study have received primary education while 31 percent indicated that they have had secondary school education. The remaining 24 percent have had tertiary education either in the university or its equivalent. This implies that all the respondents have had some formal education and thus ought to be familiar with CSR related questions that were posed.

Not surprisingly, the issue of CSR was not well understood and the concept does not occur in the local dialects. This explains why most of the oil companies CSR initiatives are seen as community development activities simply labelled pejoratively as company "gifts", "sympathy" or "philanthropy". Here, some of the conflicting responses from the community members who defined CSR "compensation mechanism" by the oil companies "for what is destroyed during oil activities" came into sharp focus. Only a negligible percentage saw oil companies CSR as a process in which "their rights to development is masked or denied".

Next, community responses to the question as to whether or not oil companies operating in the Niger Delta should be involved in the development of their host communities through CSR programmes did not achieve consensus. However, almost all the respondents (98 percent) agreed that companies prospecting for oil and gas in the region should be involved in the development of their host communities. Majority of the respondents were of the view that oil companies are benefiting from oil proceeds more than the national government and the communities and therefore should "pay back by way of projects in the communities". As some of these respondents put it, "the money the oil companies are spending is oil money and we Deltans own the oil. We support CSR if it will bring back a fraction of our oil money to us". However, only 2 percent of the respondents are of the opinion that oil companies should not be involved in the social development of their host community. The opinion of the minority that community development is the responsibility of government and not oil companies is significant. While it may be difficult for oil companies to combine profit making, welfare and environmental integrity, however, in reality, it is the former opinion that carries the day.

The 98 percent of respondents who voted for oil companies to conduct CSR for community development in the region were further asked to define what obligations should be ascribed to the firms. Not surprisingly, 68 percent of the respondents indicated that the firm's responsibility should be a "moral obligation" while 32 percent prefer "legal obligation". CSR activities by oil companies operate with non-enforceable voluntary mechanisms, and are not accountable to community institutions. Because it bothers on gifts and philanthropy, most often, the projects pack up soon after commissioning making the quality of the projects questionable (Adetoun, 2005, p. 53). It is clear that although the respondents want oil companies' participation in community development, others would prefer that government carry out its primary responsibility, hence the moral obligation role being ascribed to oil companies.

Community members' responses as to whether or not the oil companies are substituting CSR for environmental liability was suprisingly less challenging. The respondents posted a consensus to affirm the statement that oil companies are substituting operational requirements for managing environmental standards with CSR projects. They explained that when a spill occurs, rather than the prompt clean up, oil companies often introduce development projects in the area. They affimed further how the oil companies are deploying material "gifts" to evade adherence to environmental liability in the oil industry. Thus, although oil companies CSR packages are abused, and deceptively deployed against the locals, yet, it is the oil companies that end up being deceived into believing erroneously that their CSR is genuinely acceptable to the communities.

Community members' responses as to whether oil-bearing communities are wrongly demanding for CSR instead of environmental protection elicited diverse perspectives because of the material benefits underpinning the question. Similar to the claims of oil companies substituting CSR for environmental protection, 68 percent of the respondents survey agreed that impacted community members are wrongly demanding for CSR and community development projects alone instead of pressing for environmental remediation and sustainable livelihoods protection. Some community members recognised their predicament. "We are always seeking compensation, compensation and compensation. But each time they spoil our resources we should worry more about the protection of our food sources". While 2 percent were undecided, a significant number, 30 percent disagreed due mainly to the poverty level and problems of daily subsistence.

The compensation syndrome has played out, so far, as a huge trap to turn attention away from the real problems of the ecological devastation of the region some of which are irreversible. A misplacement of priority on the part of a significant number may continue to drive this trap of compensation syndrome over environmental liability.

Further, community assessment of the oil companies' CSR performance was lopsided. While 76 percent of the respondents gave the oil companies "poor" grade, 23 percent said it was "unsatisfactory". Only 1 percent of the respondents gave the oil companies "good" grade of "Pass". This again confirms the assertion that, in spite of the huge annual budget allocated to CSR by oil companies, communities neither feel indebted to them nor satisfied claiming that there is really nothing on ground in the communities to justify such huge expenditures. On the other hand, the one percent score is significant for the oil companies which translate to a level of acceptance and relevance in community development.

Rather surprisingly, community members' responses on who should be held responsible for the failure of oil companies CSR to deliver on environmental and developmental problems in the Niger did not exculpate themselves from blame. 27 percent of respondents claimed that by "deliberately frustrating the process, some community residents have a fair share of the blame" This is evidenced by claims of colluding persons, local community leaders and "cash and carry contractors" to the oil companies noted as "benefit captors" appropriating to themselves CSR development gifts intended for the collective. While 44 percent put the blame on the doorstep of government, only 29 percent blamed the oil companies.

On the one hand, the widespread blame on government re-instates the sentiment on multi-stakeholder approach to development. It also underscored government's failure over its inability to regulate oil companies operations to adhere to standards. On the other hand, this may be justified if the failure of oil companies CSR is due to the failure of government to properly regulate the industry. Oil companies sometimes take side with the communities to blame government. According to an official, the oil industry "generates a lot of money and it is up to the government to use that money responsibly" (*Sweet Crude*, 2009, p. 8). Although some community members agreed with this position, yet they are unable to hold the government to account hence they look up to the oil firms.

The next was a consideration of the role oil companies should play in the process of resolving resource-conflicts in the Niger Delta. While two percent of the respondents ascribed no role, 73 percent prioritized "maintenance of environmental standards." In contrast, 25 percent indicated that "oil companies should increase their funding of CSR activities." To the latter group, this is simply desirable so that "we do not loose out on governments poor funding, and then allow oil companies to short-change us". This sentiment expressed from a position of weakness is similar to the reasons why the communities continue to knock on the doors of the oil companies for "gifts" rather than on their government.

Finally, community members' responses were rather intriguing on what usually prompt the oil companies in the Niger Delta to engage in CSR activities in their communities. Here, Oil Company's volition scored zero percent. 76 percent of respondents indicated that the oil companies only engage in CSR activities after demand or pressure have degenerated into unrest, protest, or violence. They explained that these may take the form of face-offs, threats, equipment sabotage, occupation of flow stations, and general disorder (see also Frynas, 2005). Only 23 percent of the respondents indicated that the CSR projects embarked upon by oil companies in their communities were proactively anti-conflict negotiations. The result suggests that to safeguard oil companies' interests for the oil to flow unhindered, CSR acted as a pun and response strategy to "troublesome" stakeholders threatening profit.

ACCOUNTING FOR THE GAP IN OIL COMPANIES' CSR INITIATIVES IN THE NIGER DELTA

The study underscores a major gap in the nature of the regulatory mechanisms and institutions in the oil sector which tended to favour capital investment and profits over the Niger Delta people and their environment. This negates the principles of sustainable development that specifies a balancing between development and environmental concerns. The lack of transparency and non-involvement of local people in the monitoring of oil companies activities and CSR packages is a metaphor for the lack of democratic system that often excludes local residents from participation in policy formulation, decision making and poverty reduction projects.

It is perhaps a deliberate omission on the part of the law makers who could condescend to undo the system by prescribing ouster clauses on an agency meant to regulate the oil sector. This sort of commitment can only be explained by the nature of the state that is weak because of its rentier-state character and depending mainly on oil revenues generated by the multinationals.

The spurious role of CSR voluntary mechanisms to address development needs of the region is incongruent to sustainable development. Institutional and policy reforms should be directed to deciding on a legal obligatory framework for CSR rather its statutory philanthropic gestures in an oil resource management in which community stakes of ownership and control remained unresolved. While, the oil industry needs an all round overhaul to stricter adherence to environmental standards this should in no way impaired CSR funding. Clearly, only the exploitative form of CSR rather than the sustainable and non-exploitative one gains prominence hence it is prone to resistance and violence rather than the professed posture of a magic wand for community development.

Furthermore, there is a "dialogue deficit" in the oil companies' CSR operations and engagement with the communities. In most cases, host communities are excluded in the design, planning and implementation of such projects that turn out to be company interest driven. Non-participation means that recipient communities often refer to executed community projects as "Agip bridge", or "Mobil engine boat"; "Shell borehole", "Shell hospital", "Shell road", and so forth (see also ICG, 2006, p. 14). In relation to the amnesty programme CSR is its mirror reflection, displaying an absurdity in which "vocal or violent behavior, not peaceful means is rewarded" (ICG, 2006, p. 11; see also Newsom, 2011; Ikelegbe, 2005).

Indeed, the poverty situation in the region deserves greater attention and a multi-stakeholder approach. Communities caught in the web of compensation syndrome only allow a narrow view toward understanding and mitigating environmental problems that is based mostly on immediate material relief. The oil companies seem to capitalize on the multiple uses of CSR to downplay its statutory responsibility to the people and environment.

CONCLUSION

This paper has assessed the relevance of CSR by multinational oil companies operating in the Niger Delta from the lens of community residents. To guide future CSR practices, it suggests a timely transition from the lowly stage of philanthropy to the more desirable social responsibility guided by obligatory legal mechanisms (see also Idemudia, 2008; Blowfield & Frynas, 2005). It notes the differing community perceptions of CSR that is in sharp contrast to the oil companies understanding. The oil companies operating in the region are consciously applying the CSR ambivalently and to secure the social license to operate and pacify restive communities impacted by oil activities. This ambivalent practice strongly undermines oil companies CSR that is also substituting adherence to environmental standards with CSR initiatives. In general, re-conceptualising CSR focusing on social amenities provision in lieu of environmental responsibility that is a detraction and not a contribution requires urgency. In particular, the oil induced poverty and the oil companies' CSR response to the environment-development mix makes the practice subject to instrumental use hence the need for ethical codes.

Part of the difficulty to fully appraise oil companies' social services and relevance is a partial understanding of CSR that has firmly reduced ecological devastation to a trap of compensation rather than the more robust claims of ecological remediation, insisting on reducing risks, and other externalities in the oil production process. The study has also shown that the CSR projects that are based mainly on philanthropy are mere stop-gap projects representative of the prevailing understanding informing the CSR practises in the Niger Delta. The oil companies' attention is diverted and their CSR weakened if they maintain funding government development agencies and the amnesty programme that is built on the economy of violence.

From the evidence, we generalise to the extent that a policy intervention would insist on the withdrawal of oil companies from the provision of social services in the short term since the responsibilities are in the first place that of government and relevant development agencies. In this way, the use of CSR to deliver on services that are also acting as smokescreens to cover a general unenviable track record of environmental degradation and human rights abuses will likely come to an end. It will also make clear its statutory responsibilities to people and the environment distinct from philanthropy gestures.

On the long run, once social and enviornmental audits such as that of the 2011 UNEP report on Shell and Ogoniland comprehensively implemented, the issue of oil companies CSR could then be reinstated within a legal regime. Isolating ecological remediation management and social amenities delivery makes clearer the understanding of the concern for appropriate intervention. This will likely be in the interest of the oil companies themselves, impacted communities, as well as other stakeholders involved in the sustainable development of the region.

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