

The Politics of Conflict over Oil in the Niger Delta Region of Nigeria: A Review of the Corporate Social Responsibility Strategies of the Oil Companies

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Abstract This article evaluates the nature of corporate social responsibility related oil conflict with emphasis on the key reasons for the conflict in the Niger Delta region that has remained impoverished despite the region's huge contributions to the Nigerian economy for many decades. The problem is that the region has been underdeveloped despite its contributions to the national economy. In fact, observations show that the corporate social responsibility projects of the oil companies are inadequate and therefore require a change of strategy. The methodology is a combination of the qualitative data, especially secondary and primary sources including observation of the situation in some oil producing communities, and also the use of the Nigeria Watch database which identifies the sources and maps and the trends of violent deaths in the country. From observations, the resistant movements were formed in the region to address environmental rights violations and enhance economic development. In terms of theoretical and practical significance, the study argues, based on the stakeholder's theory that there is a direct relationship between corporate social responsibility (CSR) and conflict, considering the disconnect between the community development projects and the actualisation of human needs. Their capacity to differentiate between what the people want and their actual needs would end the attacks on the oil workers by restive youths. The article has suggested possible ways of resolving this conflict.

Keywords: *conflicts, CSR, Niger Delta, oil companies, stakeholder's theory*

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1. Introduction

Historically, the Niger Delta conflict dates back to the Akassa Raid of 1895, when the inhabitants of the area resisted economic domination by British merchants. The consequences of the Akassa Raid included the British invalidation and overthrow of the Royal Niger Company (RNC) and later colonialism. However, the region's feeling of domination was exacerbated in the 1990s. The reason being that after many years of oil exploitation there is yet to be any subsequent development. Instead, the region has remained impoverished, polluted and under-employed (Etekpe, 2009; United Nations Department of Political Affairs and United Nations Environment Programme 2015, p.11). This article is unique because it identifies the nexus between the politics of oil and CSR conflicts, and offers suggestions on potential abatement measures for providing peace and stability.

In fact, the inhabitants of the region have been subjected to untold hardship through oil pollution, environmental degradation, and the destruction of both the entire environment and the local populations sources of livelihood (Oviasuyi and Uwadiae, 2010,p.110; Okolie-

Osemene, 2015; Adams, 2014; Aghalino, 2012; Aghalino, 2011; Aghalino, 2009; Arinze 2010; Aghalino and Okolie-Osemene, 2014; Evoh, 2009). This is one of the drivers of the conflict because land is a resource that means a lot to the people. According to Aghalino (2011, p.6) the need for and occupation of land by the oil companies which construct flow lines, flow stations and other oil installations is the main driver of acrimony between the oil companies, the government and host the communities. This is due to the socio-cultural significance of land in such communities where some corporate practices clash with the traditional beliefs of the people.

Although many scholars have conducted studies concerning the Niger Delta, this article specifically explores the nature of CSR related conflict and how the multinational oil companies (MNOCs) have been the stakeholders of conflict with the support of government against the host communities. On the multidimensional problems of the Niger Delta, Oviasuyi and Uwadiae (2010, p113) maintain that "the region has been faced with the problems of oil spillages and gas flaring, which have caused serious atmospheric pollution, ground water and soil contamination, constant heat around the flare pits and abnormal salinity of the pool water, resulting in serious health hazards for the local inhabitants, and of course

grave disturbance to the life cycles of plants and animals in the region.” It is therefore pertinent to establish a relationship between the conflict, environmental degradation and CSR issues as the next section deliberates on the major causes of the conflict.

2. Key Causes of the Conflict

The conflict in the Niger Delta is triggered by a number of factors. These include but are not limited to the revenue allocation formula and resource control, federalism, environmental degradation, state imposed poverty, unfulfilled promises made by the government to mention a few.

The revenue allocation formula being adopted by the Nigerian Government has been particularly criticized and rejected by scholars for not reflecting the interests of the people in the Niger-Delta region, where over 80 per cent of the national resource is generated. The restiveness in the Niger-Delta region is attributed to the politics surrounding resource control by the federal government. In the opinion of Ojekarotu (2009, p. 2), the Niger Delta upheaval in relation to revenue allocation has grown from bad to worse by assuming horrendous dimensions in the early 1990s with the emergence of social movements and militant youth groups that became aggressive and started to challenge not only the Nigerian state but also the policies, attitudes, and activities of the multinational oil companies (MNOCs) in the region. The Niger Delta conflict is premised on the laws regulating oil exploration and land ownership, which the Niger Delta militants believe must be abrogated as they do not represent their interests as the host communities (Nna and Ibaba, 2011). Closely related to this view is the argument by Watts, Okonta and Kemedi (2004), stating that at the heart of the struggle for participatory democracy lies in the question of resource control and self-determination. The Niger Delta conflict has been given different interpretations by different ethnic groups, comprising the Nigerian State. Notwithstanding, the divergent interpretations of the Nigerian people on the issue of conflict in the Niger Delta, the people of the Niger Delta tend to be highly passionate about the issue of resource control. It has been observed that, over the years, the people of the Niger Delta have consistently argued at various forums that resource control is the basis of the problems in the Niger-Delta region (Ojakuotutu, 2009, p. 6). He further suggests that as far as the Niger Delta is concerned, resource control is the sine qua non for sustainable peace and development in Nigeria. To corroborate this point Obi (2001, p. 87), argues that the revenue sharing formula being adopted in Nigeria is the major cause of most of the conflicts in the area, and how well the government is able to resolve it would largely determine the peace and development of the region.

Consequently, the dialectics of resource control are critical to an understanding of the dilemma of the minorities in the oil producing communities in Nigeria. This is because resource control has been the basis of many of the unending conflicts in the region, especially in recent times. The agitation for resource control draws heavily on the structural deformities of the Nigerian state, which have constantly negated the aspirations of the oil-producing minority states in terms of sustainable development of the region (Ojekarotu, 2009, p. 6). The perception of the people within the host communities of

the Niger Delta is that, rather than achieve development, oil production activities in the region has bedevilled the communities with environmental degradation, mass poverty, oppression, coupled with cases of human rights violations by government security agents in the region. In the argument of Oyefusi (2007), the absence of workable institutional and financial mechanisms to deal with the cases of ecological damage, and compensate the people of the region over the environmental damage caused by oil exploitation tend to have provided a basis for militancy and activism in the region over the years. The grievances of the Niger Delta people over the revenue allocation mechanism in the country allegedly prompted the renowned environmental activist, Ken Sarowiwa, to embark on a peaceful struggle for the emancipation of the Ogoni People from state-imposed poverty (Moro, 2009; p. 324). According to Ejibunu (2007; P. 7), in 1990, the Ogonis took an evaluation of their situation and came to a conclusion that despite the stupendous oil and gas wealth in their land that feeds the entire nation, the Ogoni people still unfortunately live in poverty and squalor. Unemployment and underemployment are running higher by the day, and worse still, Niger-Delta environment has been adversely affected by reckless oil exploitation, or ecological warfare being sponsored against the people by the transnational oil industries operating in the area. The Ogonis believe that their existence as a people is endangered by environmental degradation, political marginalization, economic strangulation and slavery, which the people of the region are being subjected to every day. Yet both the government and the MNOCs are yet to respond to the local peoples call for justice. It was towards this direction that Ojakuotutu (2009, p. 5), advocates that, this unprecedented response to the state of affairs in the region; generated the emergence of environmental rights activism by civil society groups. Some of the organisations fighting for the economic liberation of the Niger-Delta people include the Pan-Niger Delta Resistance Movement, the Environmental Rights Action (ERA), the Ijaw Youth Council (IYC); the Movement for the Survival of the Ogoni People (MOSOP), the Movement for Reparation to Ogbia (MORETO) and the Movement for the Survival of the Ijo in the Niger Delta (MOSIEND). It is pertinent to mention that each group was formed with an inclination towards ethnic nationalism in order to liberate the people in the Niger-Delta region. Obi (2001, p. 87) describes the evolution of the politics of oil in the Niger-Delta as being a gradual process, where ethnic identity is transformed into a mobilizing element, not only for contesting access to state and oil power [...], but also a modality for organizing social forces into an alliance for resisting, alienating, extracting and excluding the Niger-Delta from the proceeds meant to alleviate the suffering of the people having been deprived of the use of their land and water to earn a living. Ethnic nationalism in the Niger-Delta has become one of the major problems in the region as many people under the guise of fighting for the economic emancipation of the Niger-Delta people exploit the oil companies and federal government by demanding money that never gets to the hands of the downtrodden citizens in the Niger-Delta region.

Federalism in Nigeria can be traced back to British colonial rule. Prior to the emergence of the British

Government in the West Africa sub-region, the political entity now known as Nigeria was populated by people from diverse ethnic nationalities, kingdoms and communities governed by traditional institutions. Most of the people who lived in the Nigerian traditional society shared almost everything in common, and resolved every dispute that occurred within the community through the traditional judicial system. Nonetheless, there were some unacceptable practices in the traditional African societies, such as the killing of twins, human sacrifices to the gods and the abolishment of despised set of living-humans yet dedicated to gods. These people are referred to as 'outcasts', locally known as 'Osu'. They were treated as alien or exiles in own community. The early missionaries in Nigeria fought and stopped the killing of twins along with other barbaric acts. The threats to modern norms and values were significantly reduced by the British colonialists in Nigeria (Etekpe, 2009). Federalism was found to be the most appropriate political system because of the pluralistic nature of the society in terms of ethnicity and religion.

However, the Nigerian federal system has been very problematic right from its inception. There has been a trend whereby the federal government tends to favour the section of Nigeria that produces the head of the government in every administration (this has been one of the sources of conflict in the region). It was towards solving the problem of ethnicity and religious intolerance that Major-General Aguiyi Ironsi introduced a unitary system of government in Nigeria in May 1966. Unfortunately, General Aguiyi was killed in July 1966 coup while implementing the principles and values of a unitary system of government. General Yakubu Gowon, who took over government from Aguiyi Ironsi, and later returned the country to a federal system of government. It was the disagreement between the former Military Governor of the Eastern region, Lt Colonel Chukwuemeka Odimegwu Ojukwu, and the former Head of State, General Gowon, coupled with issues surrounding the Kano riots, that led to the Nigerian Civil War of 1967 to 1970.

Although it is believed that Niger Delta has a long history of violence stretching from the 1400s through to the present today, the situation has recently degenerated from "bad to worse, and some elements among the agitators for the liberation of the Niger Delta people have resulted to kidnapping and hostage-taking of the people they considered to be part of the problem of the region. On the other hand, scholars and environmentalists are leading the campaign for the economic empowerment of the Niger Delta people. The campaign first manifested itself in 1966 when Isaac Adaka Boro led a revolution leading to the emergence of the Niger Delta Republic. The leaders of the failed republic had intended to put pressure on the federal government through civil disobedience to redress the economic imbalance created through oil exploration/exploitation in the region, thereby making it difficult for the people to engage in farming and fishing, which are mainly the vocations of the people of the region. The protest led by Isaac Boro, though unsuccessful, created the basis for the continuing agitation among concern groups that are fighting for the liberation of the Niger Delta people. Central to the struggle for the survival of the Niger Delta region, are the "Movement for the Emancipation of

the Niger Delta (MEND), the Niger Delta Peoples Volunteer Force (NDPVF), the Joint Revolutionary Council (JRC), and Movement for the Survival of the Ijaw Ethnic Nationality (MOSEIN)" (Ejibunu, 2007; p. 9).

State imposed poverty is another major cause of the conflict. The Niger Delta region is seen as the engine-house of the Nigerian economy that has been generating billions of dollars for the government since oil was first discovered in 1956. Nigeria is a member of the Organisation Petroleum Exporting Countries (OPEC) and the sixth largest oil producer in the world. Oviasuyi and Uwadea (2010; p. 115), observed that despite this huge amount of money, the local people in the Niger Delta live in abject poverty that expresses a state of deprivation, to the extent that the people have no access to basic social amenities, like good water and electricity. The majority of the Niger Delta people live in creeks, where they watch daily seeing the oil industries making a fortune from the petroleum deposits in the region. Similarly, Ejibunu (2007, p. 10), opines that the region tends to be a place "where time seems to have stood still and where people live in poverty, leaving the residents of the region without any other option than to be bitter and angry over the neglect of the people by the federal government. Ejibunu reflected on the comment made by Mukagbo, the CNN reporter on Inside Africa. He said: "In Niger Delta, a scene of abject poverty pervades the area, which is very similar to what one is likely to find in a refugee camp notwithstanding the fact that the region fetches the government the money for running the affairs of the state (Ejibunu, 2007, p. 10). Research has revealed that poverty and deprivation are the two major factors behind the agitation of the people of the Niger Delta region. Corroborating this view, Oviasuyi and Uwadea (2010, p. 115) argue that prior to when oil was discovered in the Niger Delta area, agriculture was the mainstay of the people and the major source of revenue for both state and federal government. The Government of the Western region used the revenue from cocoa to develop the region, providing the people with basic social amenities from Cocoa House in Ibadan. The government constructed a good road network and schools providing free education at all levels. The Northern region as well has a good network and infrastructural facilities in Mina, Kano, Kaduna, Abuja and Sokoto. Paradoxically, the failure of the federal government to re-invest the proceeds accruable from petroleum into other sectors of the economy may have accounted for the ongoing conflicts in many parts of the country today.

On the other hand, the Federal Government ignores public calls to compensate the people of the Niger-Delta region for the negative impacts of oil production on the environment which include oil spillages, reduction of arable land, and the destruction of wild life and fish reserves. However, the government has been making several unfulfilled promises which probably accounted for the hostage-taking and kidnapping by some suspected youths in the region. The youths break the pipe lines in order to siphon crude oil (Afinotan and Ojatorotu 2009, p. 195). The government's retaliation to these activities has rendered many communities homeless, women assaulted and others killed this was the case in Odi, Choba, Umuechem and Ogoni communities. Ironically, the oil companies operating in the region tend to have abandoned the idea of corporate social responsibility (CSR) and the

concept of stakeholder's theory, both theories would be critically analysed in the next section. However, the focus here is fundamentally on corporate citizenship which is the theoretical perspective of this study.

Notably, the issue of environmental degradation and corporate social responsibility failures of the multinational oil companies is another major cause of the conflict. It is believed that the multinational oil companies' (MNOCs') inability to carry out concrete CSR projects marked the beginning of hostilities and self-determination in the region. For example, the Ogonis in 1990 summed up its oil revenue contribution to Nigerian Government to \$30 billion at the time but got nothing in return and therefore opted for independence. On the other hand, Idemudia and Ite (2006a) observed that the MNOCs failure in CSR involvement was the major triggering factor for Ken Sarowiwa to lead a protest that was met with massive human rights violations in Nigeria.

The activities of the oil companies in the Niger Delta that include gas flaring from various flow stations are distinct features of the Niger Delta landscape for about 40 years. Most of the oil companies have been burning this natural gas off in which a single flame is as large as a house (Maier, 2000). The first decree to discourage gas flaring in Nigeria was attempted in 1979 in the form of Decree 99. The decree was aimed at eliminating gas flaring by 1985. The idea was defeated when the Nigerian State modified the decree with a proviso that the oil corporations could flare gas but pay a fine, and most of the oil companies rather preferred paying the fine instead of stopping gas flaring (Ogunrin, et al., 2005, p. 106). This activity of the oil multinationals is said to constitute a loss of potential economic resources to the Nigerian State. On the part of the host communities' gas flaring constitutes environmental pollution thereby depriving the people of the comfort of night's natural darkness by producing intense heat in the region alongside the damages gas flaring causes to roofs of the host communities' buildings (Niger Delta, 2002, p. 1).

The oil spill rate in Niger Delta within the last 50 years of oil exploration is estimated to be 9-13 million barrels that has been dispatched into the Niger Delta ecosystem although most of the oil companies blame the spillages on sabotage. The rate of the oil spillages can only be compared to that of Alaska and Iraq (Hamilton 2011, p.3; Amaize (2007, p.21). The spillage is said to have polluted the Niger Delta environment. The environmental pollution resulted in the destruction of wetlands' thereby affecting fish and crustaceans, wide life migration, and the destruction of farmland which reduces agricultural productivity, the displacement of people of Niger Delta and of course the spread of water borne epidemics (Afinotan and Ojkarotu, 2009; Eyinla and Ukpo, 2006 and Vanguad, 2008). A compilation of the aforementioned challenges translate into hunger, grinding poverty and diseases where there are neither hospitals nor herbal remedies since existing herbal remedies have in the meantime been rendered impotent by oil production. A notable source of the conflict is the oil companies' perception that the people of Niger-Delta are part of the problem, holding the view that communities' behaviour towards oil corporations is generally retrogressive or antagonistic especially in Ogoni land where the relationship between Shell Petroleum Development

Company (SPDC) Nigeria, and the people has been violent leading to over 2000 deaths (Oviasuyi and Uwadiae, 2010, p.114).

3. Mechanisms of Conflict and Natural Resources

Natural resources, conflict and conflict resolution research frameworks appear to suffer from 'an embarrassment of mechanisms' (Humphreys 2005, p.510). However, two mechanisms that are linked to conflict over resources appear relevant to this research. These are the 'rebel greed mechanism' and the 'grievance mechanism'. The 'rebel' greed mechanism' is premised on domestic groups engaging in quasi-criminal activity in order to benefit from natural resources. The 'grievance mechanism' has a variant which is based on grievances over the negative impact of oil exploitation in the region. Basedau and Lay (2009, p. 757), formulated a 'resource curse' hypothesis that suggests that natural resources, particularly oil, create war. Another framework is the 'paradox of plenty' by Karl (1997 cited in Basedau and Lay 2009, p.757) which argues that the exploitation of natural resources has a link with 'corruption, authoritarianism, economic decline and civil war'. The 'paradox of plenty' agrees with the 'rentier state theory' which proposes that 'countries with rich natural resources are prone to economic stagnation, corruption and authoritarianism', (Basedau and Lay 2009, p.758).

Therefore, an abundance of natural resources could be a curse, as is the case of Iraq and Chad. The 2003 invasion of Iraq and its succeeding intentional oil spillages may have been a curse to the country. Additionally, In the 1970s, Chad became a geopolitical playground for US-French corporate jostling linked to oil, which culminated in the overthrow of the president, through a coup d' Etat, and the subsequent death of President Tombalbaye (Humphreys, 2005, p.508-537). Not only did the Chadians lose a president, but the geopolitical manoeuvres and intrigues came at a cost of continued and sustained external involvement in Chad's national, political and economic affairs. By contrast, a wealth of natural resources however, have been characterised as a 'blessing' in other resource-endowed countries. Botswana for example, had less than 100 kilometres of tarred roads in the 1960s. Yet, since the discovery of diamonds in the 1960s and their subsequent exploitation that country now has thousands of miles of modern tarred roads. The article aims to establish whether or not the oil natural resource in the Niger Delta has been a curse or a blessing.

3.1. Research Methodology

The methodology is a combination of the qualitative data, especially secondary and primary sources including an observation of the situation in some oil producing communities namely Nembe, Ogoni, Oloibiri, Etche, among others, and also the use of the Nigeria Watch database which identifies the sources and maps and the trends of violent deaths in the country. The author also combined the observation method with key informant interviews with some Niger Delta youths with the aim of investigating the context and nature of the CSR related

conflicts in the region especially as it concerns the politics of oil. The research questions on what were the causes of the conflict and what were the responses by different stakeholder namely the youths, elders, oil companies and the government were also aimed at elaborating the researchers understanding and also making the findings more objective. The study was designed to situate and explicate the arguments about the resource curse which affects stakeholders and the politics of oil with an emphasis on CSR delivery.

4. Theoretical Framework

Two theories relevant to this study are the resource curse theory and the stakeholders' theory. The abundance of oil does not mean that all is well with communities that possess it. This has been associated with a curse in communities due to conflicts between the host communities and oil companies that are always supported by the federal government with attendant fatalities (Okolie-Osemene and Okanume, 2012; Oviasuyi and Uwadiae, 2010, p.110; Okolie-Osemene, 2015; Adams, 2014). In addition, the attack of the oil companies by militant groups also explains the "resource curse" thesis which establishes an effective nexus between natural resource abundance, the paradox of plenty and intergroup or intra-community violent conflicts in developing nations especially those in Africa (Courson, 2009, p.7; Okolie-Osemene, 2015).

According to the United Nations Department of Political Affairs and United Nations Environment Programme, "in some parts of the world, indigenous peoples as well as migratory pastoral communities are disproportionately affected by resource disputes given their historical and cultural connection to the land and its resources, and the associated customary rights they often claim or defend" (2015, p.14). This explains why the conflict between oil companies and the people has escalated due to seemingly incompatible goals which are usually at stake.

This has caused scholars to argue that 'oil has turned out to be a curse to the people in Niger-Delta since 1956' when exploration and exploitation began (Oviasuyi and Uwadiae, 2010, p.110; Okolie-Osemene, 2015; Watts, 2004; Adams, 2014). The situation was worsened by the inability of the stakeholders to consistently carry out their expected responsibilities.

Furthermore, this study espouses the stakeholder's theory which gives companies specific roles to play in justifying their existence and a sense of operational responsibility in host communities with the aim of enhancing development. It also recognises obligations that multinational corporations need to execute in the interest of the people. Freeman *et al* (2004) argues that the stakeholder's theory is pro-shareholder. This implies that advocates of the stakeholder's theory believe that organisation's managers not only manage its employees but also members of the community where they operate.

Although the advocates of the stakeholders' theory are resolute on corporate citizenship and philanthropy, the proponents of the shareholders theory advocate the remittance of profit to the shareholders. The shareholders theory advocates believes that businesses pay taxes to the

society and that it is the responsibility of respective governments to give back to the communities in the realm of CSR (Faleti, 2006). While some categories of stakeholders require special attention in mediating resource conflicts due to their vulnerabilities linked to natural resource exploitation or capacity to influence a wider group, observations show that certain stakeholders are not traditionally included in decision-making concerning their affairs (United Nations Department of Political Affairs and United Nations Environment Programme, 2015). This has been the source of agitation over perceived marginalization in some communities where oil companies and government generate oil wealth.

On the contrary many researchers such as Tuodulo (2009, p. 535) argue that, the oil companies, Shell in particular have largely contributed to the development of the Nigerian economy and that of the local Niger Delta host communities. This is evidenced in Shell's participation in community development activities such as educational programs. Shell has awarded a good number of Niger Deltans scholarships for primary and secondary schools to university education. Others have benefited from Shell's skills development programs such as craftsmanship, mechanics and tailoring. Shell has also been applauded for its provision of basic amenities within the local communities such as the construction of water pipelines, good roads, the presentation of farming equipment to farmers and training them in its usage, and the provision of electricity within oil producing communities (Tuodulo, 2009; p. 535). However, the conflict in the Niger Delta appears not to be limited to perceived failures of the oil companies in their CSR strategies but can also be linked to the fact that the 1999 Nigerian Constitution is yet to provide an avenue where the oil producing communities can gain direct access to the Federation Account, a practice that exists in other countries, with federal constitutions, this has left many Niger Deltans wondering what fiscal federalism means to the Nigerian state.

5. Government's Efforts in Curbing the Conflicts

The Nigerian government has over the years employed a three-pronged strategy to tackle the incessant oil-related conflicts in the Niger Delta. The strategies include; the derivation principle, the establishment of developmental bodies and the militarisation of the region. The derivation principle grew from 1.5 % to 3% and currently is at 13%. Whereas, when agriculture was the mainstay of the Nigerian economy, the derivation principle was 50% of a state's income but with the advent of oil-boom this was changed. The change was based on the government's argument that oil is an accident of geographical location.

The second strategy employed is the establishment of developmental commissions. From the Niger Delta Development Board (NNDB) in 1960, the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992, the Petroleum (Special) Trust Fund (PTF) in 1995, the Niger Delta Development Commission (NDDC) in 2000, to the establishment of the Ministry of Niger Delta Affairs in 2008 (Okolie-Osemene, 2015, p.12), the government tried to address the basic needs of the people.

Thirdly, the Federal Government introduced the military option, by establishing the Joint Task Force which violated human rights in the Ogoni, Odi and other dissatisfied communities that culminated in militancy (Ojekarotu, 2009 and Okolie-Osemene and Aghalino, 2011; Odoemene, 2012). Most of the military expeditions in the affected communities ended with sexual violence against women and young girls, raising the mind boggling question on 'why do soldiers rape?' (Odoemene, 2012, p. 229). The implication of the military option is that it further radicalised the already restive Niger Delta youths. The military approach seems to be the last resort which also remains a pointer to the fact that most of the committees set up to address the oil-related conflict have not achieved their goals.

6. The Link between CSR and Conflict

The nexus between corporate social responsibility and conflict in the Niger Delta is obvious. As noted by Osagiea *et al* (2010), when there is conflict between groups, there must be some valuable things such as the academic pursuit of knowledge, social welfare, facilities, freedom or self determination in contention or at stake. It therefore focuses on the protection of personal or group identity or interest. This study believes that there is a direct relationship between CSR and conflict. Hence, the environmental unfriendly activities of MNOCs are capable of triggering conflicts whereas; their genuine CSR involvement can prevent and quell conflicts. This is undoubtedly premised in the observation by Banfield *et. al.*, (2005), that conflict sensitive organisations and their managements symbolize a necessary part of a combined exertion to achieve a more peaceful world. In other words, CSR commitment to businesses has a positive influence on the dynamics of conflicts within the local communities and the society at large.

The study of the scientific community is diffident in establishing the scope of sincere corporate citizenship on state security and its contributions in either triggering or quelling intra-state conflict in particular (Worlf *et. al.*, 2007). Following Idemudia's (2010, p. 834) argument, the role of businesses in conflict mitigation is on a growing scale. Making it a necessity to examine conflict situations and the scope to which these roles can be fulfilled, hence businesses are perceived as being effectual vehicles for conflict mitigation.

However, MNOCs tend to apply double standards in carrying out their roles within society. Their standard in the western world is different from the standard they adopt in Africa, particularly Nigeria. For example, Shell's inability to plug a leak in the North Sea resulted to the resignation of its US chairman. However, the company's recorded oil spills in Niger Delta in 2009 is estimated at 14,000 barrels per day whereas that of the North Sea was estimated at 1,300 barrels per day. This level of pollution in the Niger Delta has neither resulted in a comprehensive clean-up nor has anyone within the corporate structure taken any responsibility. However, as businesses operate within a society its waste products are also discharged in that same society (Akanwa and Agu, 2005, p. 95). It becomes problematic when the waste is not correctly channelled and social impacts are neglected. Furthermore,

the Nigerian government may have contributed to the conduct of MNOCs by not effectively enforcing their regulation of oil spillages and making the MNOCs responsible for their activities.

A case in point is the conflict between the Ogoni people and the oil companies that led to the prevention of Shell Petroleum Development Company (SPDC) from carrying out oil exploitation in Ogoniland since the early 1990s which later motivated the government to militarise the area after the killing of the 'Ogoni nine' on November 10, 1995 as sanctioned by military ruling council (Courson, 2009, p.13; Odoemene, 2012). The impact is the continuous repression of the people in most communities by the military, occasional deaths and confrontation between the people and the oil companies on the one hand, and resistance of security operatives on the other hand.

Hamilton (2011, p.3) captures the nature of relationship between stakeholders in oil producing areas, thus:

In the recent past, records show between 1956 and 1966, the relationship between oil companies and their host communities was relatively cordial, individualized and isolated. Leaders of the oil producing communities were still optimistic this new found source of wealth will transform their communities into a heaven of prosperity. What they did not foresee was that much of the euphoria for a coming prosperity from the expanding oil and gas industry would not continue into the 1980s. During the 1970s contradictions in the industry/community relationship within Niger Delta manifested [themselves].... The material conditions of existence were indeed becoming worse because the financial compensation being paid to oil producing communities was not only grossly inadequate, but was also creating a new and dangerous phenomenon in these communities, the phenomenon of inter- and intra-community conflicts/crises unknown to these communities.

This explains the exploitative nature of the relationship between the oil companies and communities. The inadequate compensation paid by the companies also meant that peace eluded many communities and also that the companies as documented by Osagiea *et al* (2010, p.83) who identified some conflicts, involving Obobutu vs Elf (October 1989), Umuechem vs Shell (October 1990), Uzere vs Shell (July 1992), and Ogoni vs Shell (1990 till date) all worsening the contradictions in the relationship between stakeholders that would have closely worked together for mutually benefiting goals.

In response to the perceived neglect of oil producing communities in empowering the people, some oil companies have mapped out plans to transform the oil producing areas in line with social responsibility. For example, in recognition of the oil-producing communities, Shell Petroleum Development Company (SPDC) has signed a Memorandum of Understanding (MoU) with General Electric (GE) to sponsor a comprehensive healthcare project in the Ogbia local council area, Oloibiri and its neighbouring communities, where crude oil was first discovered in the country with the aim of instituting a fully equipped general hospital and at least four primary healthcare centres in the historic Olobiri and the neighbouring communities (Ore, 2015). The aforementioned intervention is not unconnected with the agitation over the abandonment of the oil producing area over previous decades.

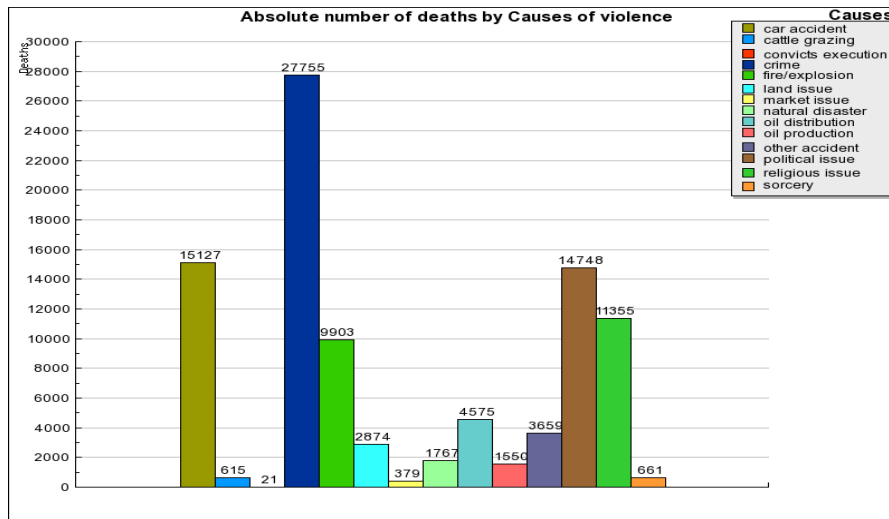
While conducting this study, majority of the key informants especially the youths argued in line with Ken Saro Wiwa’s argument before he was killed, that the oil companies committed genocide against the people, especially the issue of poor CSR implementation as it concerns environmental ethics, was correct. They described the companies as practicing divide and rule in communities where demands are made on the companies before embarking on certain developmental projects most of which are poorly executed. Their responses show that majority of people in the region are aware of the context and transformation of the conflict. Findings also reveal a close correlation between CSR and agitation for resource control.

The annual fatality rates point to the fact that Nigeria’s petroleum industry is synonymous with instability, to the extent that some oil companies especially Shell now considers divesting onshore due to CSR related conflicts (Okolie-Osemene, 2015, p.18). This does not mean that something is wrong with the natural resources that

determine the nature of services rendered, but just that the individuals and groups involved have not played the expected roles properly. It also explains the close link between CSR and conflict as the majority of companies are yet to find a lasting solution to the disputes that usually characterise their relationship with different groups where they operate.

While we observed that the genesis of threats to the processes that involve oil exploration, production and distribution, it is instructive to note that security threats occasioned by restive youths, pipeline vandalism, kidnappings, and attacks by armed gangs are the outcomes of CSR induced conflicts involving oil companies, communities and aggrieved youths who sometimes adopt well mapped out strategies to steal oil (Okolie-Osemene, 2015, p.; Adams, 2014).

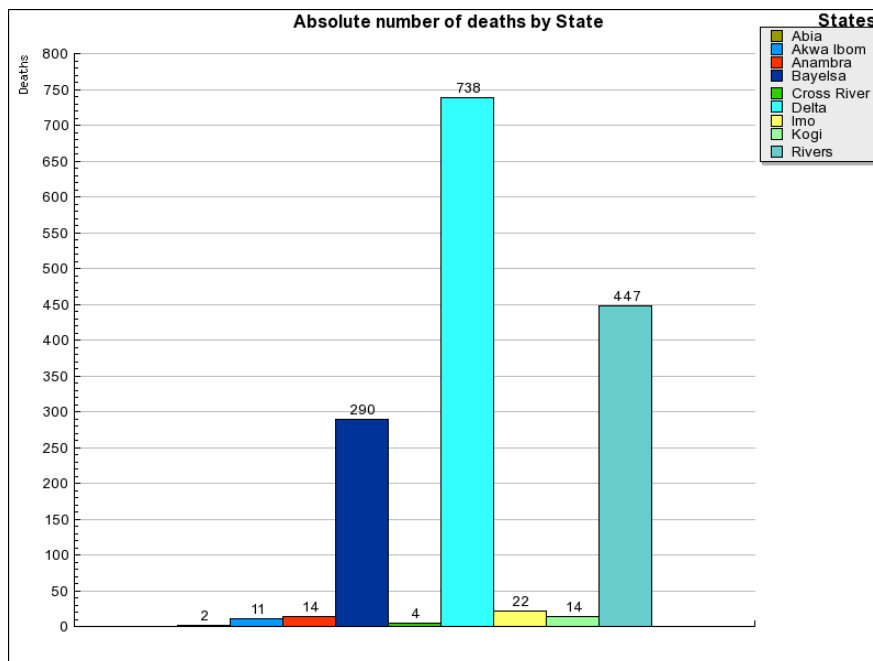
The following tables show that oil production and the politics of oil between oil companies, host communities and federal government remain the sources of violent deaths in the Niger Delta:



Source: Adams (2014, p.15).

The chart above shows that between 2006 and 2014, oil production activities led to violence, in the Niger Delta

with over 1,550 recorded deaths (Adams 2014; Nigeria Watch database).



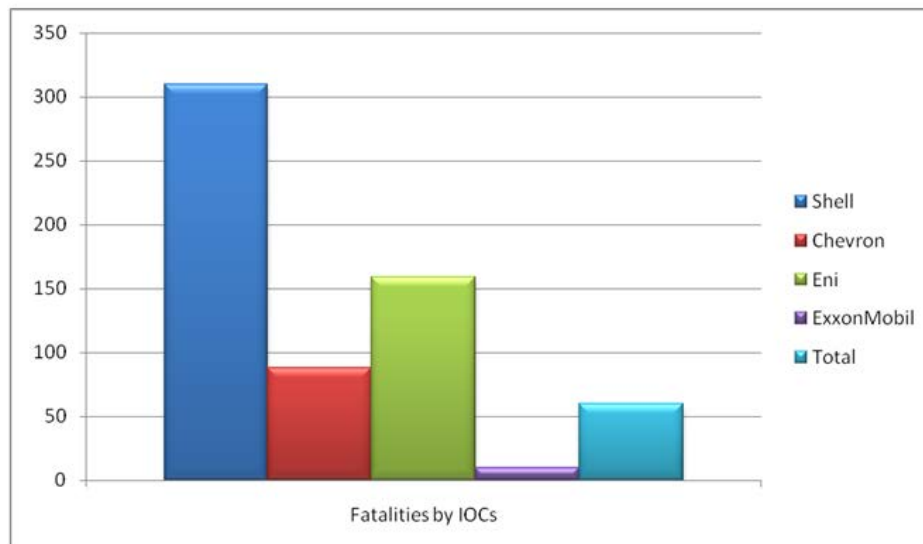
Source: Adams, 2014, p.21; Nigeria Watch Project, 2014.

The chart above also shows the deadly relationship between stakeholders in terms of oil production.

The table shows that the Delta state was the most volatile state where oil is produced due to the confrontation between militant groups driven by self-determination driven militant groups and the security forces. This has caused a lot of instability in the region. It also demonstrates that Rivers State is the second in the list

of crisis – ridden states as far as oil production is concerned with 447 deaths since 2006 due to CSR related conflict.

7. Involvement of MNOCs in Fatal Activities (JUNE 2006-MAY 2014)



Source: Okolie-Osemene (2015, pp. 14-16).

The above chart presents the casualties suffered by the oil companies in the violent conflict between them and the communities who are usually backed by militant groups who are always armed with lethal weapons. Findings reveal that Shell has recorded more fatalities than other companies operating in the Niger Delta with 307 deaths while ExxonMobil is the least affected oil company with only 10 deaths since 2006 (Okolie-Osemene, 2015, p.16), mainly due to the company's active involvement in offshore production. On the part of the militant groups, MEND has also recorded more deaths than the oil companies especially in 2009 when the conflict escalated in military confrontation with groups in Bayelsa, Rivers, and Delta states. It has been noted that the major impact of the CSR conflict is the atmosphere of instability and the negative peace which characterises the region with death of vulnerable groups.

7.1. The Theoretical and Practical Significance of the Study:

The direct relationship between corporate social responsibility (CSR) and conflict is a pointer to the need for a rethink of strategy. This article has identified the protagonists in the oil-related conflict. It is crucial to assert that the conflict involves many stakeholders whose goals are sometimes incompatible, hence the conflict escalation. The antidote is therefore a compromise by all the stakeholders concerned to identify the possibility of shifting grounds. The findings are relevant in transforming the activities of oil workers especially those that need to strengthen their public relations. In addition, it is also a valuable source of literature for scholars who have an interest in public relations, oil company affairs and intergroup relations.

8. Recommendations

- It is suggested that for them to enhance their corporate reputations, MNOCs need to work on any area of broken relationships with communities in the region. The best strategy in actualising this is that they begin to address all sources of grievance which would mitigate the unprecedented level of social inequality that seem to characterise the oil producing communities.
- The earlier the companies begin to prioritise the wellbeing and health of the communities, the better for the oil workers and more promising the industry would become. This makes it crucial for the companies to adopt effective mechanisms to mitigate environmental degradation and gas flaring.
- It is argued that the establishment of youth centres at strategic places within Niger Delta communities to offer counselling services to youths as earlier suggested by Osagiea et al (2010, p.89) is no antidote to youth restiveness but that more priority should be given to transforming the aggressive relationship between companies and the people through empowerment and the shaping of stakeholders' perceptions of intergroup relations.
- Rural community forums should be created within the communities. This would promote good communications between the communities, oil companies and the government. A day can be set aside in the host community's town centre to discourse issues that affect the region.
- Government should effectively enforce the regulations on oil spills and make MNOCs responsible for their actions.

9. Conclusion

From the events recorded in the region under study, it is obvious that in addition to CSR-related issues there are other drivers of perennial oil conflict in Niger Delta between the communities, the government and the companies. Rather than addressing the issues such as revenue allocation and the various protests of the affected communities, the federal government only gets directly involved when such confrontations threaten the output or flow of oil and the safety of foreign oil workers. By implication, the Nigerian government demonstrates its preference for the continuous flow of oil than the wellbeing of local people. However, the government has intervened by the creation of various commissions with the aim of bringing development onto the communities' door-step and the proclamation of an amnesty. It is worth mentioning that the underdevelopment of the oil producing communities has prompted some militant groups to reject embracing the amnesty offer; hence the amnesty offer does not emancipate the local people whom they are fighting for.

However, because of their social impact roles, MNOCs are expected to take cognisance of CSR in host communities for oil induced hostilities to abate. Niger Delta communities have become more aware of their rights and benefits they deserve from oil revenues, but restiveness scars the region due to disjuncture between MNOCs and the people in terms of facilitating development. The study finds that there is a strong relationship between CSR failure and conflict, as the people plan on ways of eradicating rural impoverishment, environmental pollution and inadequate human resource development through enhanced CSR. Having contextualised the problem by placing emphasis on the key causes of the conflict, it is suggested that both the government and the oil companies rethink their conflict management approaches. There is a need for them to differentiate between what the people want and their actual needs to end the conflict.

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