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THE VARIETY OF PERSPECTIVES  
IN CORPORATE SOCIAL RESPONSIBILITY

**Corporate Social  
Responsibility as a Mechanism  
of Community Development:  
A Study of the Nigeria Liquefied Natural  
Gas Limited's CSR for the Bonny  
Kingdom, Niger Delta, Nigeria**

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**Abstract:** The study focuses on how the Corporate Social Responsibility (CSR) of a gas company can be a factor in the development of the local community in the Niger Delta. It makes an attempt to understand the perceptions of the company and the community about how CSR can be a vehicle for community development. This research employs various qualitative research methods such as interviews, focus group interviews, semi-structured questionnaires and document analysis. The research argues that CSR as a mechanism of community development is like the 'icing on a cake': It is supposed to be an added advantage to complement government and community efforts towards development, rather than the overall answer to community development.

**Keywords:** corporate social responsibility, community development, corporate community partnership.

## 1. Introduction

The need for large oil and gas corporations to act socially and environmentally responsibly as well as to assist in community development has been a source of debate among scholars and stakeholders like host communities, governments, etc. (Eweje, 2011). According to Newell (2005), badly planned and executed corporate social responsibility (CSR) projects often lead to waste of resources, impede objectives of triple-bottom line of profit, social licence to operate and competitive advantage and worsen corporate-community relationships.

The Bonny Kingdom is an ancient community located in Rivers State, Nigeria. The Bonny Kingdom plays the role of a host to major oil and gas companies that explore and produce crude oil and gas. Despite the contribution of the Bonny Kingdom to the national economy, it faces socio-economic development and environmental challenges. The Bonny Kingdom is unique in that it has an established monarchy and a social hierarchical structure that is respected by both the NLNG and the people. This has an impact on the discourse of CSR as a corporate strategy and a vehicle of community development within this context. The unique power relations and social processes in the Bonny Kingdom proved their strategic role to the attainment of both NLNG's CSR objectives, business goals and the community's demands for development.

The Nigeria Liquefied Natural Gas Limited (NLNG) like other oil and gas firms operating in the Bonny Kingdom believe that CSR should be voluntary and ethical. CSR for them is a way to give back to the society and act responsibly as good corporate citizens (Eweje, 2006, p. 93). The research findings reflect the opposite as host communities believe that CSR is the company's payment for the negative externalities resulting from their operations. This research seek to understand how CSR can be a means of achieving community development by comparing the perceptions of the Bonny Kingdom as the host community to that of NLNG on its CSR policies and practices.

This study investigates how CSR can be a vehicle for community development by asking the following questions:

- To what extent can CSR lead to community development?
- How does the NLNG perceive its CSR?
- How do the host communities perceive NLNG's CSR?
- To what extent do these perceptions differ or converge?

This research shows that NLNG's CSR strategies has neither fully realized the intentions of the company nor the expectations of the people of the Bonny Kingdom. This is due to challenges like faulty internal community and corporate- community relations, self-seeking, and lack of trust. The research argues that CSR is not the sole answer to the challenge of community development of the Bonny Kingdom. The main concerns for companies like NLNG is profit making, wealth creation and contributing to the Nigerian economy. The Nigerian government on its part is expected to distribute the nation's wealth by championing development. The government and the local communities should work together to provide the enabling environment for CSR to be effective. Community development should not be left at the mercy of CSR, the government or the community alone. There should be cooperation and concerted effort between the government, NLNG and the Bonny Kingdom (i.e. a multi-stakeholder partnership and engagement) for CSR to have the intended result.

Therefore, CSR is supposed to be the 'icing on the cake', an added advantage that host communities should enjoy because of the presence of NLNG in their community. CSR is meant to complement government and community efforts in the pursuit of community development.

## **2. Literature review**

### **2.1. The concept of Corporate Social Responsibility (CSR)**

Over the time, there has been a lack of consensus among critics and advocates of corporate social responsibility in terms of the nature and scope of what constitutes the social responsibility of corporations. This has in turn led to a plethora of definitions of CSR (Idemudia and Ite, 2006). The study by Carroll and Shabana (2010, p. 89) identifies 37 definitions of CSR. This is because the extent of social responsibilities and expectations on businesses are constantly changing and expanding (Carroll and Shabana, 2010, p. 194). This paper however adopts Carroll (1979)'s definition of CSR which reads "Encompassing the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time" (p. 500).

Carroll (1979) classifies CSR into four levels of responsibilities i.e. economic, legal, ethical, and voluntary. The economic responsibility

entails business policies that incorporate CSR with objectives of profit maximization. The legal aspect, on the other hand, stipulates that businesses should comply with legally ascribed frameworks of their host countries. Laws and regulations do not define ethics (i.e. the right or wrong of business character) hence, the expectation that businesses should act ethically i.e. ‘do the right thing’, for instance; preventing social and environmental harm like pollution, etc. (Jamali and Mirshak, 2006, p. 247). Thus, economic and legal responsibilities are socially mandatory, ethical responsibility is socially expected, while philanthropy is socially desired and each of these responsibilities embraces a piece of the total social responsibility of a business organisation (Jamali and Mirshak, 2006, p. 248).

## **2.2. Stakeholder theory and Corporate Social Responsibility**

According to Freeman (1984), stakeholders are groups (e.g. workers, customers, suppliers, local community, etc.) that both affect and are affected by the company’s policies and activities. Golder and Gawler (2005) defined “stakeholder” as “any individual, group, or institution who has a vested interest in the natural resources of the project area and/or who potentially will be affected by project activities and have something to gain or lose if conditions change or stay the same” (p. 1).

Ralston (2010) identifies two types of stakeholders i.e. primary stakeholders who are directly affected by the company’s policies and activities e.g. shareholders. The secondary stakeholders e.g. host community who are not direct participants in the business operations but who are impacted by the company’s activities (p. 401). Stakeholders are crucial to both the successful attainment of corporate objectives and the acceptance of a company as a legitimate entity. This means that businesses need their stakeholders in order to acquire and maintain trustworthiness and legitimacy i.e. a social license to operate (Moura-Leite, Padgett, and Galán, 2014, p. 47).

## **2.3. Community development**

The concept of community development lacks a straight forward definition. Scholars have defined the concept in relation to specific groups and to specific problems. According to Theodori (2008) community development is “the process ... that depends largely on the intentional

actions of people in a locality coming together and interacting with the intent of solving their local problems, improving their quality of life, and shaping their future wellbeing” (p. 64).

In the above definition, local people work together to solve their shared challenges with the aim of improving their quality of life. Community development can be either geared towards improving negative economic situations like poverty reduction, and income generation. Another aspect is the human development where community members strive for healthy and educated individuals, stronger social bonds and the ability to come together to pursue a purposeful collective action. Lastly, community development can be achieved through infrastructure development (Richards and Dalbey, 2006, p. 20).

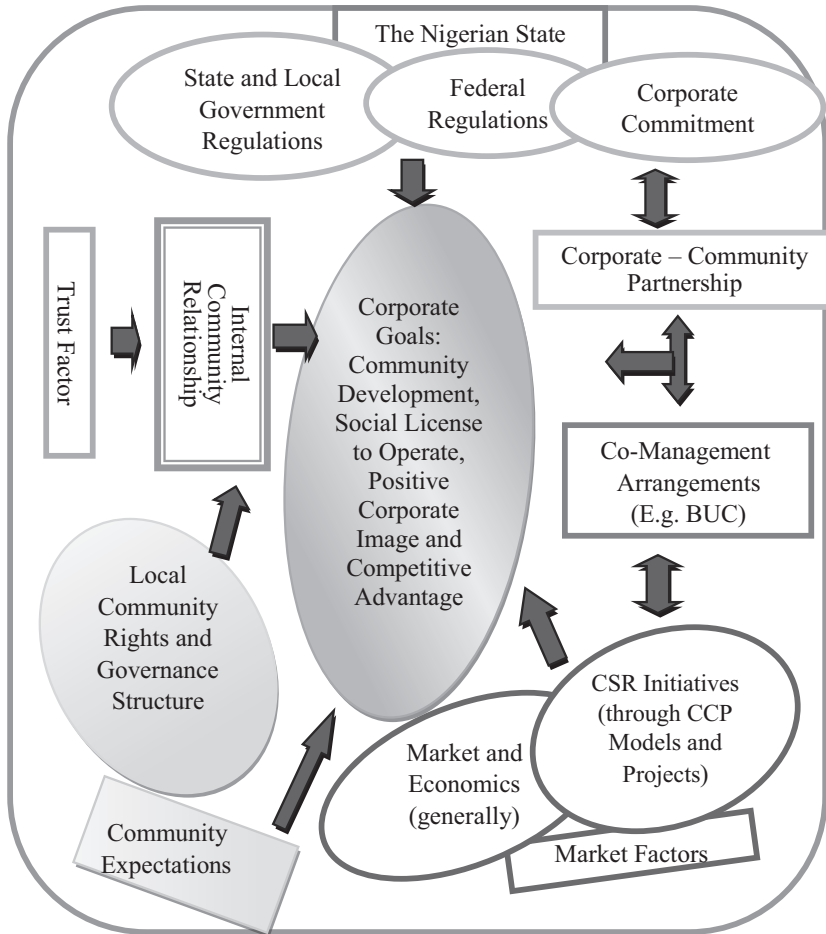
#### **2.4. Corporate – Community Partnership (CCP)**

The need for corporate community partnership in the discourse of CSR as a medium of achieving community development in the Niger Delta cannot be overstated. This partnership is important because it can enable NLNG to build the capacity of their host communities towards self-reliance by helping them make informed choices and take charge of their development process (Esteves and Barclay, 2011, p. 189). Corporate-community partnership (CCP) involves contributing capital and human resources and assets such as land, time, skills and leadership in order to meet the socio-economic needs of the community. It involves strategic and innovative ways in which business interests can align with community interests that can lead to a win-win situation (Loza, 2004, p. 299).

#### **2.5. Analytical Framework**

In the Niger Delta, oil companies recognise the importance of CSR. These companies have carried out several development projects like building schools, hospitals, etc. Muthuri, Chapple and Moon (2009) posit that the continuous transformation of business-society relations have resulted in three functions which businesses play in the society: as corporate citizens, as a type of government and as an agency where people can ‘govern’ others (p. 432). This means that when an oil company works towards finding solutions to the socio-economic challenges of their host communities, they become a type of government for the people not just good corporate citizens.

On the other hand, Nigeria uses a federal system where powers and resources are shared between the state and local governments and thus has regulations that govern corporate behaviours. Moreover, the Nigerian government is expected to provide an enabling environment for CSR to thrive (Fox, Ward and Howard, 2002).



**Figure 1.** Framework for achieving community development through CSR  
 Source: Adapted from Prno and Slocombe (2012, p. 350).

As major stakeholders, community leaders work with political elites and corporate leaders on behalf of the community with regards to community development. Corporate commitment in a corporate-community partnership (CCP) is necessary if companies can achieve their corporate goals (e.g. social licence to operate) and meet the development challenges as expected by their host communities. These are implemented through CCP and CSR projects which the companies engage in like road construction, financing education, etc.

Since no one sector (i.e. state, business or community) has the answer for community development, new forms of governance has emerged i.e. innovative hybrids between the traditionally accepted social roles that businesses, states, and, more recently, communities play individually (Lemos and Agrawal, 2006, p. 309). These include co-management arrangements. For instance, the Bonny Utility Company (BUC) is a company set up and co-managed by the Joint Industries Companies (JIC) led by the NLNG with the Rivers State and Bonny local governments as stakeholders to provide electricity for the people (NLNG, 2013).

However, this hinges on trust. As Liu, Eng and Ko (2012) posit, when the community people can perceive a corporation as 'accountable', it will improve the level of mutual understanding between a company and the local community and help project a positive image for the company (p. 478). Internal community relations as well must depend on trust to yield social capital that is necessary to foster development that is sustainable (Theodori, 2008 p. 63).

### **3. Research methodology**

#### **3.1. Context of the study**

The Bonny Kingdom is an island located in the eastern part of the Niger Delta, about 50 km southeast to the industrial and commercial centre of Port Harcourt (Fentiman, 1996, p. 87). Bonny has population of 254,820 people (National Bureau of Statistics, 2012, p. 59) and is made up of communities or houses, e.g. Iwoama, Ayambo, Finima, etc. There are also several fishing settlements along the Bonny river coastlines.

In the Bonny Kingdom, the traditional rulers exercise strong governance, authority or influence over the communities in their domain. Traditional political system is communal and the authority and social

structure is hierarchical in nature (Akume, 2013, p. 30). The office of the traditional rulers in the Bonny Kingdom are permanent and hereditary. At the apex is the King (Amayanabo). Next in authority are the district and regional chiefs (Amadabo) who form the Bonny Council of Chiefs. These are followed by the Council of Elders who are also the King's cabinet members and advisers. As a part of the established procedures based on custom and tradition, decisions are arrived at after a consensus on all matters. This is necessary to curtail autocracy and abuse of powers by the king. The king and his cabinet work together as the custodians of customary law, cultural values and religious practices. They preside in matters like conflicts resolution and are the custodians of communal land. The people (especially youths and women) on their part are absolutely submissive and loyal to the authority of their rulers while the rulers are expected to work for the good and welfare of the entire community (Amusa and Ofuafor, 2012, p. 408).

Nigeria Liquefied Natural Gas Limited (NLNG) is a limited liability company incorporated on May 17, 1989 to exploit Nigeria's vast natural gas resources. The plant was built on 2.27 sq.km of largely reclaimed land in Finima, Bonny Island and produces Liquefied Natural Gas (LNG) and Natural Gas Liquids (NGLs) for export purposes. NLNG is currently one of the major supplier of Liquefied Natural Gas in the Atlantic Basin, serving the European, North American and far Eastern markets (NLNG, 2014).

### **3.2. Method of the study**

The research sets out to investigate how CSR can effectively address the development challenges of host communities in the Niger Delta region. The Niger Delta people are in need of innovative, permanent solutions to the negative externalities of oil exploration, resolution of corporate-community and intra-community conflicts, loss of livelihood resulting from environmental degradation and pollution, etc. The study employs qualitative research method. The study was conducted in two parts. The first part consists of the collection of secondary data. The second part was the collection of primary data. Field work was carried out with two major groups of informants (i.e. Bonny Kingdom and the company).

A non-probability sampling method i.e. purposive sampling method (snowballing) was used for this research to gather the primary data.



In total, 30 interviews were conducted out of which 16 were community people (CP) and 9 were community leaders (CL). 2 focus group interviews were done with participants from the Finima community and another from participants in a fishing settlement in Bonny town. 2 professors at the University of Port Harcourt were interviewed to get a neutral perspective on the Niger Delta challenge and the role of CSR in community development. A semi-structured questionnaire was emailed to the company to get the company's view on the findings from the interviews conducted. Secondary data includes: peer-reviewed academic journals, books and official CSR documents published by the company, such as annual reports, etc.

Data was thematised as recurring themes (e.g. the unique monarchical and social hierarchy in the Bonny kingdom) evolved as the perceptions of the different participants which were compared and analyzed.

#### **4. Differences in perception of CSR and community development: Research findings and analysis**

##### **4.1. NLNG's perception of CSR**

The NLNG's view of CSR is that of a discretionary, voluntary and ethical stance. This can be observed in the company's statement below:

"NLNG takes on CSR activities voluntarily as a medium to reach and give back beneficially to our publics" (N Questionnaire)<sup>1</sup>.

It can thus be deduced that the company's primary objective is to make profit within the prescribed laws of Nigeria. This means that NLNG's social responsibility exceeds what is mandated by the Nigerian law. The company wants to give back to their host community as well as the wider Nigerian society.

##### **4.2. NLNG's Perception on Community Development:**

For the NLNG, engaging in CSR in the Bonny Kingdom for community development is aimed at fostering self-reliance and sustainability. Self-reliance and sustainability are important because members of the

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<sup>1</sup> Questionnaire to NLNG.

community are in-charge of their development process. Below is the company's definition of community development:

“Community development in our view, is a situation where the communities are able to design and implement their vision of their respective communities. This is only truly attained when the communities take ownership to direct and drive their development leveraging on resources and partners that are available within and outside the region. Host communities can achieve development by creating a peaceful and enabling environment...” (N, Questionnaire).

From the above, NLNG posits that the Bonny Kingdom should design, own and drive their own development process. Also, the company expects that the Bonny Kingdom should provide a peaceful and enabling environment for the company to meet its business objectives of profitability if it can effectively partner with it in the development process.

### **4.3. Community's perception of CSR**

The community people defined CSR differently due to the challenges they encounter as a result of oil and gas activities in their community. In the statement below, the respondent has the belief that the presence of a company like NLNG should be an answer to the sufferings of the people:

“These companies should try to touch the life of the people not just at the top, they should come down. You cannot be in the river and yet you wash your face with saliva. There are so many companies in Bonny yet people are suffering” (WCL 1 Interview<sup>2</sup>).

The expectation of this respondent is that NLNG should seek ways to contribute to the livelihood of the ordinary Bonny man. The metaphorical statement “you cannot be in the river and yet you wash your face with saliva” is laden with the pain of the Niger Delta challenge of ‘suffering in the midst of plenty’. This perception hinges on the negative environmental, social and economic externalities resulting from oil and gas exploration in the Kingdom.

Another respondent believes that CSR should not be perceived as a voluntary and ethical activity the company engages in. It is supported

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<sup>2</sup> Women community leader.

by the lived experience where community members feel they made personal sacrifices for NLNG to construct its facilities and start its operation in the Bonny Kingdom. Thus, CSR for this respondent is a payment for such sacrifices. This can be seen in the statement below:

“It is compulsory that NLNG should do CSR for Finima because, we have negative effects of their operations, and they should be able to cushion some of these effects. Moreover, we are talking about people that vacated their ancestral land for your operations, and they have been exporting gas since 1999 on a daily basis. You can imagine the amount of revenue they have accrued over the years. How much will they spend on CSR for the community that will affect their income?” (CP10 Interview).

Consequently, CSR in the Bonny Kingdom is compulsory because according to the respondent, the company makes huge profits daily which can be employed towards the development of the communities in the Kingdom.

#### **4.4. Community’s perception of community development**

The community perception of community development is markedly different from that of the company. For the respondent below:

“Development is when you empower people. There is no development without empowering people. This can be done by training people in things like fishing, farming, and give money to trade in business and monitor you to ensure you succeed. When you empower people and then these people empower others, from there things will move forward” (CP4 Interview)<sup>3</sup>.

Here, empowerment and poverty reduction are the end point of any development process. For the respondent, it is either the government or the company empowers people by providing funds and training in small business ventures. Also, an adequate monitoring process is key to the success of the intervention that would lead to development. It can be deduced that the people feel disempowered to champion their own development and therefore they depend on external agents e.g. NLNG or the government.

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<sup>3</sup> Community people.

#### **4.5. Challenges in internal community relations and community-company relations**

The perception of the cordiality between the community and NLNG is conflicting. The NLNG believes it has a cordial relationship with the host community. As mentioned previously, the Bonny Kingdom has a respected traditional authority. Hence, the traditional institution acts as middlemen between NLNG and the rest of the Bonny community. This means that all CSR projects in the community must pass through the traditional institution who are the representatives of the people. In the statement below, a chief confirms this assertion;

“The development committees are responsible. They are an arm of the Chiefs in Council. They will go to Shell, NLNG, etc and negotiate with them. If Shell wants to lay a pipeline in Oloma community, they will go through them... The company cannot do whatever they like, the land does not belong to them. We know what we need. So, if a company wants to spend 10 Million Naira for any of their projects, they should pass through the committee” (CCL 1 Interview)<sup>4</sup>.

The NLNG also assents this by stating that the company recognizes and respects the traditional institution in this regard. See the statement by NLNG below:

“The traditional institution/hierarchy in Bonny is greatly respected, and the youths like all other groups within the community are aligned in this regard. This is part of the culture... Understanding your stakeholders and respecting their culture and the manner in which they operate is fundamental. Again, it should be remembered that Bonny operates a well-structured traditional hierarchy and to disregard this will be detrimental to the peaceful co-existence of community and company” (N Questionnaire).

From these statements, it can be observed that the company-community relation is represented by a relationship between the traditional authority and the company management. Hence, relations with other groups in the Bonny Kingdom are based on their position and role in the community. Hence, these groups (especially the youths) feel left out of the development process as can be observed in the statement below:

“It is better you ask the chiefs about the relationship between our community and NLNG because they are in a better position to answer

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<sup>4</sup> Chief community leader.

you. They liaise with the companies and demand contracts for themselves. The company dines with the rich and the high people. Those of us at the lower level don't benefit anything. Even my brothers at home are unemployed" (CP1 Interview).

It can thus be deduced that participation at lower levels of the hierarchical structure is limited. This situation in turn affects the distribution of CSR benefits to the Bonny people. The community members who participated in the research put the blame of poverty among the people and the underdevelopment of the community on local elites. The traditional authority is seen as self-seeking, selfish and corrupted and it prevents common people from enjoying any of the development benefits from CSR projects. This can be seen in the statements below:

"... For example, the company makes funds available to the Chiefs to provide water for the community. Not just that, so many things these companies in Bonny give to the chiefs to do for the community and they would not provide these things. The chiefs are selfish. They want to get rich and store for their children and generations afterwards. The rest of the youths should go and die..." (CP 1 Interview).

"It is only the community heads that do not effectively manage the CSR outreaches the NLNG does for its host community...the community representatives do not open up to the people to understand what the company is doing for their community" (CP 3 Interview).

The ineffective distribution of CSR benefits to the people at the grass-root has been linked to the cultural implications of the company going through the local elites. CSR interventions lack adequate management of internal community relations and feedback mechanism is faulty. From the above statements, it is clear that the community representatives do not pass information across to the rest of the community. Therefore, because there is lack of information, the people are left to speculate and make conclusions about the state of affairs in their community.

#### **4.6. Trust factors and social licence to operate**

The issues of trust have a bearing on the power relations in the Bonny Kingdom. CSR as a community development strategy should be geared towards reducing the negative externalities of oil and gas activities in the Niger Delta. Historically, frustration mounted and revolts broke out and hostilities still exist across the Niger Delta. This is because, local communities in the Niger Delta were weary of environmental

degradation, their loss of livelihood and the resultant poverty. This was coupled with the history of suppression by the government, lack of government attention and the company's seeming insensitivity to the plight of the people.

As mentioned earlier the role of the chiefs as go-between NLNG and the community has resulted in internal trust issues within the community. There is seeming lack of unity and trust between community members and their leaders. Personal interests, and greed endanger trust, mutual understanding, unity and social capital in the community. For instance, there was a riot where the entire community agitated against the NLNG on job related issues for the youths. The respondent below believes that such instances reinforce the powers of the traditional institutions in Bonny Kingdom and the company somehow skews these power relations to its advantage:

“The youths did not win, the king and chiefs suppressed the whole thing since they are the ones handling the contracts. So many people left Bonny because they felt helpless that after many days of struggle, they did not achieve the objectives of the struggle. Those of them that were working in the company signed an undertaken that we will not make any trouble. That was how they strangled everybody and the matter died there. If you make trouble now, the MOPOL would pick you straight to Abuja with accusations of being a militant. So nobody wants that kind of problem” (CP1 Interview).

In my perception, this kind of scenario gives NLNG a degree of conducive environment needed to attain business objectives of profitability, and social license to operate that was handed them by the community leaders on-behalf of the people. This is because of its respect and recognition and consequent use of the culture, hierarchical structures and power play in the Bonny Kingdom to its advantage. The statement below captures this assertion:

“The chiefs will trust NLNG because they are the ones benefitting, but those of us that are not benefitting, I don't trust them. Trust can only be built when the company does what they are supposed to do especially for the less privileged that do not have anybody to speak for them. Not for those already taking the lion's share. We hear about the money made from crude oil every day but we are not seeing the impact” (CP4 Interview).

In the assertion above, trust is based on the groups or individuals that benefit from CSR at any point in time. The respondent restricts the

trust between the chiefs (those who benefit) and the company as against the rest of the community (those who do not benefit). The respondents believe that NLNG should act directly with and for the rest of the community. This would guarantee that community people do not only hear about the oil wealth but also experience it.

## 5. Discussion

As mentioned previously, CSR lacks a generally accepted definition. The research found that NLNG's definition of CSR is different from that of the community. In relation to the corporate goals as represented in the analytical framework, engaging in CSR for NLNG should be voluntary and is a way the company gives back to the society. Whereas, the community sees CSR as compulsory in that it is a way the company pays for the negative externalities of their business activities. This is because, the community needs the trickle-down effect from the vast oil wealth being generated from their environment.

Theodori (2008) posits that community development must be driven by members of the community. The response of the company in this regards aligns to this as the company argues that the Bonny Kingdom has to own and champion their development process. The community response presents the opposite. The people expressed their feeling of inadequacy and dependence on external help for the development of their community in terms of economic empowerment and provision of infrastructure.

In the analytical framework, an ideal scenario for effective CSR is internal community relationship with accountable local governance. The research shows a different reality. There is a leadership challenge in terms of coordination and cooperation in the community, hence the dependency on external help. Also, the planning and implementation of NLNG's CSR and CCP projects pass through the traditional rulers and local elites. When such groups like the youths and women do not actively participate in CSR negotiations, discussions and development processes, feeling of alienation and frustration is unavoidable. Hence, the relationship between the monarchy and the oil companies is mutually beneficial to them (i.e. local elites and company management) but disadvantageous to the rest of the community (Banerjee, 2008, p. 62).

Consequently, there is no positive co-management arrangement of CCP projects as modelled in Figure 1. This is because, neither the oil

companies nor the Nigerian government consider the local communities as adequate stakeholders of the oil industry. As noted above, local people feel inadequate and disempowered to own and drive development projects in their communities. Such company or government projects are often labelled as ‘government hospital’, or ‘NLNG sports facility’, etc. Thus, local communities see the government (including traditional governance structures) and oil companies as ‘partners in crime’ and enemies. This means that trust is missing and because trust is important, there must be an objective channel for CSR benefits to be equitably distributed to the rest of the people.

The Nigerian government has to establish an enabling environment for CSR to have the intended result. Fox et al. (2002) posit that governments have a “mandating role” i.e. set and ensure compliance to the prescribed legal and constitutional framework for business operations in the state (p. 3). Nigeria has weak institutional and technical capacity to effectively monitor and ensure that oil and gas companies comply with for instance, environmental regulatory policies (Idemudia, 2010, p. 140). Furthermore, there is a culture of blame in the Nigerian political fabric. Political elites tend to blame oil and gas companies for the development crisis in the Niger Delta. Idemudia (2007) believes that Nigerian government’s inability to pursue and fulfil its constitutional function of social and economic development in the Niger Delta is the reason for the dependence on the oil and gas companies for community development.

The government also has a ‘facilitating role’ (Fox et al., 2002, p. 3). The Niger Delta is a volatile region with constant agitation against oil activities and demands for CSR benefits. The government has however been blamed for its inability to provide adequate opportunities for local communities to seek redress in the courts against oil and gas companies who for instance pollute their environment. The Nigerian government has instead been observed to use military force on agitating communities who are perceived as separatists that cannot be tolerated. For example, the Odi Genocide of 1999 where the Odi village in Bayelsa State was levelled out and over 200 people were slaughtered under the instruction of the Obasanjo administration (Idemudia, 2010, p. 144). The government should encourage stakeholder engagement and reconciling opposing stakeholder interests in the Nigerian oil industry.

Based on these ideas, oil and gas companies maintain that community development is the primary function of the Nigerian state (Ite, 2005,



p. 923). Business objectives are guided by profitability and thus assume that all sectors of the nation should benefit from their oil exploration activities through the payments of rents and royalties to the Nigerian government. It has therefore become their expectation and dilemma that the government should fulfil their primary responsibility of distributing equally and maximally the nation's oil wealth for community development in the Niger Delta (Idemudia, 2007, p. 20).

## 6. Conclusion

Oil and gas corporations operating in the Niger Delta believe in and have embraced their role as development actors and partners in the development of their host communities. These companies engage in various CSR development projects like provision of infrastructure facilities and other services like healthcare and education, etc. They contribute to the overall economy of the nation through payments of compensation for environmental damage and remediation, payments of rents and royalties, direct or indirect employment as well as capacity building and economic empowerment initiatives aimed at community development (Kemp, 2010, p. 2).

However, the development crisis in the Bonny Kingdom and the Niger Delta is too desperate to be resolved entirely by CSR. CSR is a viable vehicle for community development, however, it should be put into the proper perspective. The intervention necessary in the Niger Delta can only be afforded by the Nigerian state in that it can mobilise the necessary resources and capacity required to meet the development challenge in the Niger Delta. The challenge is in the co-ordination and distribution of whatever public good comes into the community either from the state or the companies. Another challenge is the sense of alienation and inadequate engagement of different groups (i.e. youths and women) in the host communities. Moreover, lack of information about happenings in the community and what is available and provided for the people in the form of CSR benefits is another challenge.

Therefore, there is a need of addressing the challenge of even distribution of public goods either from CSR or from other development actors. Adequate channels for inclusion in the decision making process and proper communication channels and redress of conflict between local communities and the companies are the recommendations of this

research. Multi-sector partnership between the private sector, the community and the government have also been proposed by scholars of the Niger Delta discourse. Other factors are also necessary like ‘creating an enabling environment’ for CSR to thrive through quality government policies geared towards environmental protection and poverty-reduction (Ojo, 2012, p. 20).

Corporate social responsibility is therefore the ‘icing on the cake’ as the primary obligation for businesses remains productivity, profitability and wealth creation, while the government’s primary function is to equitably distribute the oil wealth among the various sectors of the society (Ite, 2004, p. 9).

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