CORPORATE SOCIAL RESPONSIBILITY, OIL EXPLORATION AND THE NIGER DELTA QUESTION

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Abstract
The intricate relationship between corporate organizations and their environment is one that is supposed to be based on mutual interdependence. This is because the organization depends on the environment for its inputs, while the environment also needs the organization for its sustenance. This therefore calls for a symbiotic relationship between them. It is this realization that gave birth to the concept of Corporate Social Responsibility (CSR). This paper tries to look at the application of the concept as it concerns the oil companies operating in the Niger Delta region of Nigeria within the ambit of the Niger Delta question. The study employs the systems theory as an analytical framework. It tries to situate the concept of CSR within the general neglect by successive governments of this region that sustains the entire Nigerian state. The implication of the above is that a better understanding of the problem of CSR in the Niger Delta region becomes easier when juxtaposed with the attitude of the Nigerian state towards the region over the years. It is the summation of the paper that the oil companies have not been very proactive in this regard and as such have been perceived by their host communities as enemies and exploiters instead of partners. The study concludes by insisting that while the oil companies should be more proactive, the government on her part should step up the tempo in ameliorating the deplorable condition of the golden goose.

Introduction
The fragile nature of the Nigerian state especially at it affects its main source of sustenance- oil, has brought about a new re-awakening on the nature of the union. The multi-ethnic composition of Nigeria often results in feelings of oppression and marginalization of the smaller ethnic groups by the larger ones. The fact that Nigeria is more or less a mono-cultural economy makes discussions about oil very contentious. The restive nature of the oil producing areas leads to serious considerations about how to resolve the restiveness in such a way as to engender feelings of justice and fairness. This study is a step in that direction. It therefore intends to look as this issue from the standpoint of corporate social responsibility.
Theoretical Framework

Open Systems Theory: Though management scholars have in the past recognized the role of the environment on the life and performance of organizations, the 1960's gave a pronounced impetus to this relationship. Thus, the work by Daniel Katz and Robert Kahn titled the Social Psychology Of Organizations and that of J.D Thompson titled Organizations In Action drove home the point that organizations are open systems.

The open-systems theory, developed from the General Systems Theory (GST). Ludwig Von Bertalanffy who is generally credited with haven developed the outline of the General System Theory was a biologist hence, the theory is seen as one developed in natural and physical sciences. Scholars like Miller & Rice (1967) and K. Boulding (1956) tried to adapt the biological usage of the theory to the study of organizations.

Systems Theory according, to Katz & .Kahn, (1996) is basically concerned with problems of relationships of structure and of interdependence rather than with the constant attributes of objects. In general approach it resembles fields theory except that its dynamics deal with temporal as well as spatial patterns

Elucidating on the systems theory, Mullins (1996) states that:

The systems approach views the organization as a whole and involves the, study of the organization in terms of the relationship between technical and social variables within the system. Changes in one part technical or social, will affect other parts and thus the whole system. The concept of the organization as a socio-technical system directs attention to the transformation, or-conversion process itself, to the series, of activities through which the organization attempts to achieve its objectives. The socio-technical system is concerned with (the interactions between the psychological and social factors and the needs and demands of the human part of the organization and its structural and technological requirements(p.55)

At the earliest stages, social scientists according to Katz & Kahn (1966) were not used to seeing organizations as open systems, rather they tended to either (I) regard them as closed systems to which the laws of physics applied on (2) endow them with some vitalistic concept like entelechy. In seeing them as closed systems, they ignored the influence of the environment on the organization, while in the latter case they fell back on some magical purposiveness to account for organizational functioning. Going further they assert that Biologists have rescued us from this trap by pointing out that the concept of the open system means that we neither have to follow the laws of traditional physics nor in deserting them, do we have to abandon science. The laws of Newtonian physics are correct generalizations but they are limited to closed systems. They do not apply in the same fashion to open systems which maintain themselves through constant interaction with their environment, that is a continuous inflow and outflow of energy through permeable boundaries. They see the essential difference between closed and open systems as one that can be seen through the concept of entropy and the second law of thermodynamics.

The characteristics of open systems are;

a) Importation of energy (b) The Throughput (c) The output
d) Systems as cycles of events  

(e) Negative entropy (F) Information input

g) The steady state and dynamic homeostasis  

(h) Differentiation

i) Integration and coordination  

(j) Equifinality

In summarizing this characteristics Katz and Kahn (1966) state that:

Organizations as a special class of open systems have properties of their own, but they share other properties in common with all open systems. These include the importation of energy from the environment, the throughput or transformation of the imported energy into some product form that is characteristic of the system, the exporting of that product into the environment, and the reenergizing of the system from sources in the environment. Open systems also share the characteristics of negative entropy feedback, homeostasis, differentiation, coordination and equifinality. The law of negative entropy states that systems survive and maintain their characteristic internal order only as long as they import from the environment more energy than they expend in the process of transformation and exportation. The feedback principle has to do with information input, which is a special kind of energetic importation, a kind of signal to the system in relation to its environment. The feedback of such information enables the system to correct for its own malfunctioning or for changes in the environment, and thus to maintain a steady state or homeostasis. This is a dynamic rather than a static balance, however, Open systems are not at rest but tend toward differentiation and elaboration, both because of sub-system dynamics and because of the relationship between growth and survival. Finally, open systems are characterized by the principle of equifinality, which asserts that systems can reach the same final state from different initial conditions and by different paths of development(p.33).

The basic underlying explanation of organizations as open systems is that they take in resources like people, finance, raw materials and information from the environment, transform or convert these; and return them to the environment in various forms of outputs such as profit, market standing, level of sales or consumers satisfaction. Based on this therefore organizational performance and effectiveness will be dependent upon the successful management of the opportunities, challenges and risks presented by changes in the external environment (Mullins 1996,p.82).

The Organization as an Open System
CONCEPT, ORIGIN, EVOLUTION AND AREAS OF SOCIAL RESPONSIBILITY

The responsibility of managers can no longer be based on the assumption that self-interest of the owner of property will lead to the public good or that self-interest and public good can be kept apart and considered to have nothing to do with each other. On the contrary, it requires the manager that he assumes responsibility for the public good. That he subordinates his actions to an ethical standard of conduct. and his authority wherever their exercise would infringe upon the common weal and upon the freedom of the individual (Peter Drucker 1987).

Social responsibility refers to a manager’s duty or obligation to make decisions that nurture, protect, enhance and promote the welfare and well-being of stakeholders and society as a whole (Jones, George & Hill 1998, P. 140). It is seen by Davies (1975) as a firm’s acceptance of social obligation beyond the requirement of the law. Yet Obi (2015) sees it as simply aligning corporate behaviour to the needs and aspirations of the organizations constituents and host communities. It expects business to protect and improve the welfare of society.

Organizations exist in society. It is from this society that they draw the resources that sustain them. They must therefore have an interest in the well-being of society, since their survival depends on a series of inevitable exchanges with the environment. The rise of large-scale organizations and the amount of influence they wield in society implies that they affect our lives.
in one way or the other. This also make us to have an interest in the activities of these organizations. According to Mullins (1996) organizational survival is dependent upon a series of exchange between the organization and its environment. These exchanges and the continual interaction with the environment give rise to a number of broader responsibilities to society in general. These broader responsibilities which are both internal and external to the organization are usually referred to as social responsibilities. These social responsibilities arise from the interdependence of organizations, society and the environment.

AREAS OF SOCIAL RESPONSIBILITY

By areas of social responsibility, we mean the areas where organizations channel their social programmes to. Griffin (1997) has identified organizational constituents, the natural environment and general social welfare as areas of social responsibility.

- **Organizational Constituents:** Every organization has people and other organizations that are directly affected by its activities and consequently have a stake in it. These people and organizations are referred to as organizational constituents. They include: clients, employees, investors, creditors, unions, the government and its agencies and the host communities.

  It is in the interest of the organizational constituents that the organization is socially responsible. This is because each of these groups has something to gain either in the short or long run. The clients are treated well and they get best of services, the employees are well motivated, under good working conditions. The investors benefit in form of high profits which is the reward firms get from being socially responsible. The creditors are paid on time and on good terms. For the unions a socially responsible organization understands and maintains good labour relations while the government benefits through good returns from taxes. The host communities count their own gains through functional social amenities provided by the organization and other community support programmes like scholarships and employment opportunities. It is therefore quite apparent why all organizational constituents are interested in their organizations being socially responsible.

b. Environmental pollution now evokes deep passions in people, and organizations that do not share the concern for a pollution-free environment are constantly objects of bad publicity and lawsuits. The days of atmospheric pollution seemed to be numbered. Global warning which is a product of atmospheric pollution seem to have opened people eyes to environmental issues. Most countries now have agencies in charge of regulating environmental issues. In Nigeria, the Federal Environmental Protection Agency (FEPA) is in charge of environmental issues. The past government has even created a ministry of Environment to show its concern for the environment. Due to the enormous cost of being environmentally irresponsible, many organizations consider it cheaper, to be socially responsible as it relates to the environment. In developed societies it is even a form of advertisement to say that your products are environmental friendly.

C. **General Social Welfare:** While treating constituents and the environment well is socially responsible behaviour, it is also believed that in addition to this, that organizations should show a concern for the overall improvement and welfare of society. This it can do by identifying with charitable ventures in society. Donating to charity and public centered project is a good way of contributing to the general social welfare of society.

LIMITS OF SOCIAL RESPONSIBILITY
Though the concept of social responsibility is seen as being very desirable, and should therefore be practiced by organizations there are certain limitation to its implementation. These limitations have come to place a barrier on organizations that may want to increase their socially responsible activities. Peter Drucker (1977) has identified three of these limitations as follows:

I. **Primary Role of Business:** The primary role of business is economic. It is there to provide society with the goods and services it needs at a profit. The first duty of a manager therefore is to make sure that his organization is performing its economic role and at a profit too. It is only when this first responsibility has been duly carried out that considerations for other responsibilities can be entertained. Social responsibility is therefore not on the first priority list of organizations. Its secondary position makes it a casualty any time the organization is having financial problems. This also helps managers who are not very keen on social responsibility to maintain that their organizations are not socially responsible because they are facing hard times and that all resources and efforts are being channeled towards making the organization remain afloat before other considerations.

2. **Competence:** Business organizations by their nature are known to possess skills most suitable for solving economic problems in society. However by urging them to be socially responsible means getting them involved in areas they lack the technical competence. Apparently their involvement will be limited by their deficient skills. It is in answer to this problem that Drucker posits that “management has better think through what, if any part of the task can be made to fit the competence of its institutions” It therefore follows that while corporations do not have the competence, but must be involved in solving social problems, their level of involvement is usually low and may in fact be limited to donating money to charities and other societal causes.

3. **Limits of Authority:** Organizations lack the authority to perform outside their premises and as such can only perform with the approval of the legitimate authorities. This is a big limitation on their activities. They therefore like assuming responsibility in areas where they have authority. Unfortunately this is very limited.

**OIL EXPLORATION IN NIGERIA**

Oil exploration which started in Nigeria in 1956 has made Nigeria the seventh largest oil exporter in the world and a member of the Organization of Oil Producing and Exporting Countries (OPEC) since 1973. It is estimated that Nigeria has earned over $600 billion from this source alone since the 1960’s when full oil exploration started. Most regrettably, much of this money has been stolen by successive Nigerian leaders, both military and civilian alike. The result is that today, Nigeria still remains a poor developing country still struggling with a forms of developmental challenges. Beyond this, the Niger Delta area where the oil is gotten is in a real sorry state. This situation according to Naanen (1995 in Agbes 2003):

- internal colonialism in Nigeria oil-producing communities can be located at the conjecture of three principal developments: first, ethnic-based political domination, which is used to expropriate the resources of the oil communities for the benefit of the dominant groups; second, the alliance between the dominant groups, the oil companies and state enterprises, which restricts the minorities’ access to the modern and more rewarding sectors of oil economy; and third, oil-based
environmental degradation, which undermines the traditional peasant or fishing economy of the oil-producing areas without producing a viable economic alteration (p.247).

The importance of oil in Nigeria politics according to Obi (2005) is such that “it is possible to discern a close intimacy between the fortunes of oil and the push and pull of forces within the Nigeria federation” (p.187). Going further he states that:

The nature of oil as a commodity of immense economic and strategic importance feeds unto a combustible type of politics, clearly linked to zero-sum straggles where the vast providential wealth it bestows on those who control it. This often leads to the monopolization of powers over oil by the few who seek to defend their control of oil by any means and attempts to destroy any opposition or challenge to their monopoly of oil power. In a country of ethnic heterogeneity and elite fractionalization as in the Nigerian case, the struggles over oil merge with the struggles for power to fuel intense intra-ethnic competition in the Nigeria federation.

As the Nigerian elite and their foreign allies (oil majors) enjoy the proceeds of oil, the oil producing communities endure the devastation of oil exploration. Thus:

With oil operations, the hydrology of the area has been disrupted, with equally devastating effect on land and water resources through the dredging of the creeks, usually to bring rigs and barges. Perhaps, the most controversial of all the impacts of oil production on land in the Niger Delta is oil spills, because they are potentially the more devastating on agricultural land and water resources (Obi 2005:187)

Oil spillages have remained permanent fallout of oil exploration. According to Tell magazine, between 1976 and 1996 an estimated total of 4647 incidents resulted in the spill of approximately 2,369,470 barrels of oil into the environment. Between 1997 and 2011, about 2097 oil spill incidents have been recorded, while between January 2001 and June 2009, about 2,122 incidents resulting in the spillage of 66,697,1 barrels of crude oil.

In a report in Tell magazine, a human rights and environmental activist, Anne Kio-Briggs lamented a situation where “we’re suffering under the greed of the people who’re looking for oil and gas. The point is that a people’s right to life, survive, eat, fend for their food, plant on their land and fish in their waters has been totally destroyed by oil companies like Shell, Agip, Mobil and the rest and this must stop” adding that “the local economy is highly impacted by these negative practices of oil multi-nationals because the oil companies don’t respond promptly to oil spills”

Thus the neglect, inequities and deprivations suffered by the Niger Delta resulted in a new reawakening and concerted struggle for a better deal in the context of Nigeria federal politics especially as regards oil revenue. This new struggle according to PEFS (2004) was influenced by three factors. They are; first the communities in the Niger Delta had no visible benefit from
the exploitation and exploration of oil wealth from their land and the adhoc intervention of the state through the establishment of special agencies did not seem to have addressed the issues of marginalization and neglect. Second, the communities were not adequately compensated by the oil companies for damages and environmental pollution. Third, the attempts to seek redress through legal action were prolonged and expensive and in most cases, court judgments were defiantly ignored. This brings us to the issue of the Niger Delta Question (pp.19-20).

THE NIGER DELTA QUESTION
The lack of infrastructural facilities, portable water, electricity, roads, hospitals etc in spite of huge revenue derived from its bowels has led to conflictual relations between the inhabitants and the Federal Government of Nigeria. Furthermore, the negative consequences of exploration and exploitation of crude oil from the Niger Delta environment has resulted in pain, misery and abject poverty. This has resulted in considerable disquiet in the Niger Delta to the extent of threatening the economic livelihood of the nation and by implication, its existence as a state.

In terms of definition, the Niger Delta is defined both politically and geographically. In political terms it is seen as encompassing the eight Oil Mineral Producing Areas Development Commission (OMPADEC) states of Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Rivers, Imo and Ondo (Arowosegbe 2005, pp.347). However the most appropriate definition of the area is geographical especially as it affects the issue under study. Relying on the Niger Delta Environmental Survey (NDES) Arowosegbe, sees the Niger Delta as the fan formation which arises from the spread of the distributaries at the base of the River Niger wherein it empties into Atlantic Ocean. Geologically, it is that quaternary coastal and deltaic plain sediment that is hydrologically boarded by water flow derived from the river Niger. Beginning above the bifurcation of the Niger River into the Nun and Furcados River of Aboh, the area which forms one of the sedimentary bases in Southern Nigeria. The area measures a total of 70,000 square kilometers and lies within the geographical coordinates of latitudes 4° and 6° North, and longitudes 3° and 9° East. It covers the six states of Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers States and Constitutes the South-South Geo-political zone of Nigeria.

Having identified what we mean by Niger Delta, the next step is to also identify and analyze the issues that constitute the Niger Delta question that is now labeled, Resource control.

There is often this mistake of analyzing the Niger Delta question from the 1990’s as if that was when it actually started. Taking a real historical perspective of the crises will show that it stated in the 1950’s with the agitation of the minorities for their own regions. The response of the Colonial authorities was the setting up of the Willinks Commission. The Commission’s recommendation were not favourable to the minorities as it then said that acceding to their request would ‘create more problems as great as it sought to cure’. (PEFS 2004, p.16).

After independence in 1960, the struggle took a different turn when on 23 February 1966 Isaac Adaka Boro and two others led a revolution that declared the Niger Delta Peoples Republic. Though it lasted for only 12 days before it was crushed and the leaders arrested, it showed the level of resentment in the area against the suppression of a peoples right to self-determination.

Thus for analytical purposes, we can identify two distinct phases in the struggle. These are 1950’s to 1990 and from 1990 to the present. In the first period the two major issues that dominated the agitations were mainly the domination of ethnic minority groups by the major groups and secondly the issue of marginalisation. That was what the leaders of the revolution, Boro revealed when he said they were “angered by the neglect and appropriation of the wealth of his Ijaw people” Douglas (2000, p.141).
The second phase of the struggle can be said to be far more organized than the first and as such have very well articulated and documented grievances. Jega (2007) believes that the frustrations in the Niger Delta was caused by the fact that the areas and communities in which oil extraction takes place are underdeveloped, pauperized and their survival is threatened by defoliation, environmental devastation and ecological degradation. In terms of oil spillage, he points out that between 1976 and 1996 there were about 4835 incidences. This resulted in anger and consequently restiveness and the rise of activist youth organizations and militia groups in the Niger Delta. Thus, between 1990 and 1999, at least 24 of such groups were formed. Jega concludes that

\textit{The neglect of the environmental and ecological problems of the oil-producing communities by the federal government, its tacit support of the reckless disposition of the oil companies and its suppression of groups that have arisen to oppose these, have nurtured and strengthened resentment of the federal government as well as given rise to deep-seated feelings of northern, especially Hausa/Fulani domination of the polity and the attendant marginalisation of minority groups, from whose areas the oil revenues are derived} (p.222).

Governments’ response to the crises has over the years taken different forms. These forms could be grouped into five. The first is the establishment of special agencies to handle the issue of underdevelopment in the Niger Delta region. The second is the creation of additional states and local governments in the region. The third is through the use of force and military aggression. The fourth is the constitutional restoration of partial derivation while the fifth and present stage is the issue of amnesty and economic empowerment of former militants through rehabilitation programmes.

In the first strategy five different bodies have been established over time by different regimes to tackle the Niger Delta Problem. The first was the Niger Delta Development Board (NDDB) established in 1962. The Board according to Alapiki (2006) achieved very little. According to Osaghae (1996) “the short-lived Board did not make any impact because the problem of minorities at that time was overshadowed by the grim power-struggle among the major ethnic groups” (p.13). Next was the Niger Basin Development Authority (NDBA) that was established in 1976. Like its predecessor, the NDBA did also not achieve much. In 1992, the Babangida administration created the Oil Minerals Producing Areas Development Council (OPADEC) to administer the 3 percent derivation. The OPADEC was trailed by accusations of corruption and ineptitude throughout its life span.

The Panel on Options for the Development of the Niger Delta came up in 1998 while finally the Niger Delta Development Commission (NDDC) was established in 2002. A review of the activities of these agencies according to PEFS (2004) showed that “at different stages, the agency approach would appear to have failed to prevent a further deterioration of the Niger Delta situation” (p.39). Jega (2007) believes that part of the reasons for the failure of most of these agencies could be attributed to the fact that most times “disbursed funds were by far short of what was budgeted”. This has made it possible “for those members of the elite in the Niger Delta who have managed such federal agencies to cover their inefficiency by always blaming the federal government even when ordinarily they could not be exonerated from culpability” (p.223).

Governments believe that the creation of more states and local governments in the Niger Delta just like in other parts of the country would douse the tension has proved to be an irony. The
reason for this is not far-fetched. The exercise did not result in greater political autonomy and control over resources nor did it attempt to restructure the system of revenue allocation on the principle of derivation. Rather the states functioned as administrative agencies of the federal government (PEFS 2004, p.40).

The third approach which is state repression was the governments’ response to the deafening demands of the people for equity. These demands were a times violent and the government responded with more violence.

The strategies adopted by the youths in the struggle according to Alapiki (2006) were;

- Periodic occupation of work sites and oil locations, blocking of access roads,
- shutting down of platforms and oil facilities and sabotage of equipments, oil bunkering and most recently, kidnapping of expatriate oil workers (p.15).

The Umuechem massacre of 1990, the 1995 judicial murder of Ken Saro Wiwa and his kinsmen, otherwise referred to as the “Ogoni Nine”, the Odi Massacre of 1999, the Kaiama Killings and hundreds of military invasion of villages in the Niger Delta have left in their trail tales of sorrow, tears and blood. Instead of these bloody repressions to quieten the people and cow them to submission, they became much more hardened, more daring, resolute and committed to the struggle. Armed with more sophisticated weapons, than the Nigerian Military, the Niger Delta Youths formed different militant groups and engaged the Nigerian State in a do or die battle. The region became a theater of war and blood. As the oil flowed, blood also flowed.

The fourth mechanism adopted by the state to handle the Niger Delta Problem, is the partial restoration of the derivation principle. This is contained in section 162 (2) of the 1999 constitution.

The government of Late Shehu Musa Yar’dua realized, quite unlike the Obasanjo administration that violence is simply not the answer and then introduced the amnesty programme through this programme, militants who voluntarily surrounded their arms, were granted amnesty and also rehabilitated. This has not totally stopped militancy in the region, nor the ascendancy of President Goodluck Jonathan an Ijaw from the Niger Delta reduced the resource control struggle.

As we have seen this arrangement has not really helped much as the real fight for resource control started with the introduction of the 1999 constitution. This goes a long way to show that this mechanism though an improvement from what it used to be is still not generally accepted by the Niger Delta.

**Conclusion- towards a synergy between corporate social responsibility and government.**

In this study we have tried to look at the concept of CRS on a general level, the impact of oil exploration activities in Nigeria and the Niger Delta question. Thus far, we have drawn the following conclusions. First, the concept of corporate social responsibility is indeed one that no serious business can ignore. This is borne out of the fact that businesses operate in the environment and can therefore not ignore the impact of their operations on the environment. Secondly, the exploration of oil has impacted negatively on the environment of the Niger Delta. Thirdly, serious efforts have not been made to ameliorate these negative consequences on the Niger Delta environment. Fourthly, the near total neglect of the Niger Delta by the government and the oil companies has resulted in armed straggle and other forms of militancy in the region.
Finally, the response by the government and the oil companies has not been enough to engender lasting peace and development in the region. In the light of the above, the study would now offer some suggestions on tackling the Niger Delta question. We would clearly avoid the issue of revenue allocation/derivation so as not to fall into the issue of “sharing the national cake” that the Nigerian elite are known for. Our suggestions fall under two categories. The first has to do with the oil companies while the second is on what the government has to do. There is no doubt that oil companies are presently doing something in the area of CSR, but considering the dept of felt-need, what they are doing is presently not enough. They therefore need to do more and also need to be more pro-active in their approach. There should be more consultations with the people to be able to ascertain their most pressing need. The environment is our collective heritage and therefore must be handled with care and caution. Oil companies should try to reduce the negative impact of their activities on the environment especially as it concerns oil spills. When there are spills, serious and timely efforts should be made to clean them up and adequate compensation paid to those affected by the spills. On the part of government, one needs not emphasize the fact that it is not possible to have enduring peace without justice. The inequities and injustice suffered by the oil producing communities over time should be addressed. This can be done based on the recommendations by PEFS (2004) which state that:

The answer to the Niger Delta question must be found primarily in constitutional reforms and a state reconstitution that addresses issues of identity, power and resources…redressing the situation call for very far reaching constitutional and political reforms for the long term vision of peace and stability in the area(p.42).

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