The purpose of this paper is to critically examine oil multinational corporations (MNCs) and their corporate social responsibility (CSR) initiatives in Nigeria. Its special focus is to examine the fate of oil producing communities in the Niger Delta region and the long-term negative effect of oil extraction as well as the benefits of the oil companies’ CSR/community development initiatives. This paper employs a qualitative methodology, drawing on semi-structured interviews conducted in three oil producing communities in this region and the oil MNC operating there. The study found that despite the high expectations of the MNCs by the host communities for development initiatives, the communities also want projects that provide hope of a stable and prosperous future. However, findings suggest that the MNCs have embraced development initiatives primarily to demonstrate that they are socially responsible and have not given adequate consideration to issues of sustainability. The implication of this study is that the agitations from the host communities indicate that they do not feel the CSR projects will lead to a social, economic and environmentally sustainable development. This research therefore adds to the literature on MNCs’ CSR initiatives in developing countries and the rationale for sustainable practice of CSR for critical environment.

Key words: Corporate social responsibility, sustainability, Niger Delta region, Nigeria, multinational corporations.

INTRODUCTION

Incorporating sustainability in business developmental objectives is gradually becoming the trend in modern business practices (Tullberg, 2012). CSR can hardly be discussed without mention of sustainability. However, incorporating such practices is still found wanting in most developing countries. An insight into the continuous outcry of the oil producing communities in Nigeria, with regards to constant degradation of their environment reveals that the communities are under intense suffering and poverty, as most of the communities have lost their traditional sources of livelihood (Ejumudo et al. 2012). This requires both the government and multinational corporate (MNCs) to give serious attention to injecting good initiatives for economic growth and environmental sustainability in these communities. The vital role of CSR is founded on the principles and practice that covers all stakeholders in business. As opined by Kakabadse and Kakabadse, (2007), cited in Smith and Sharicz (2011)
and Adeyanji (2012), corporate organisations should no longer concentrate on the satisfaction of shareholders but also its stakeholders. In other words, corporations should be involved in deliberate activities to pay back to society and communities in order to harness maximum benefits from their environment (Adeyanji, 2012). In defining the function of CSR, Frederick et al. (1992) cited in Rolland and Bazzoni (2009) submitted that CSR means that corporations should be held responsible for any of its actions and behaviours that affect people, communities and environment. Due to this fact, social responsibilities of business has to double its characteristics so that it could be seen in the modern organisation as performing an essential function for society as well as having great influence on the lives of the people. On the other hand, sustainability considers the ability of an action/initiative to meet the present need as well as the future needs of its beneficiaries. This therefore presupposes that effective CSR is only that which is sustainable. Based on this background, the aim of this paper is to examine how CSR activities in the Niger Delta region can be effectively carried out and how such activities could inculcate the issue of sustainability for the benefit of the future generation of the oil producing communities. With reference to available research on this area and empirical evidence, this paper is also aimed at making useful recommendations to aid the government and the MNCs achieve their desired goal of the continuous operation.

Multinational Corporations (MNCs) and CSR

Multinational corporations (MNCs) are companies that have subsidiaries in many countries. They are organisations that conduct business not only in the country it is registered to do business but also in several other countries (Soni, 2012). They can also be called International corporations, global giants and transnational corporations. Based on their status of temporarily operating in any foreign country, MNCs are known to be involved in the extraction of natural resources in their host communities and engaging the people in casual jobs. The presence of multinational companies in some developing countries have in time past triggered poverty, violence, wars, conflict and corporate-stakeholder stalemate as their corporate ideology and institutional viewpoints are usually inconsistent with stakeholders' requirements and objectives (Frynas, 2005). However, the MNCs have contributed greatly to the development of the areas where they operate as most of the facilities in such areas had either been lacking or not functional (Idemudia, 2009). Hence, most modern organisations seek to develop CSR initiatives that would provide a competitive advantage, improve the firm’s reputation and enhance their performance (Cantrell et al., 2015, Simionescu, 2015). The MNCs are therefore seen to carry out several CSR initiatives to improve their reputation. Such obligations are closely related to the concept of sustainability.

According to the World Business Council of sustainable development, CSR is defined as the obligation of a business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life (WBCSD, 2004). This definition is all encompassing as it includes the family, employees and the society which includes the community. The emphasis here is on sustainable economic development. This therefore points to the fact that any economic development activity that does not consider future generation is not an effective CSR. Corporate social responsibility is also described as the commitment of businessmen to pursue those policies and make those decisions and line of action which are desirable with regards to purposes and values of the society (Inyang et al., 2011). Hence, CSR is enclosed in three broad sentences; firstly, CSR creates a connection between corporations and societies with whom they interact, secondly, it involves responsibilities that exist on the two sides of these relationships and by society. Thirdly, all the stakeholders who make up the groups sustain continuous interest in the corporations (Werther and chandler, 2006). It is implied in these three broad descriptions of CSR that business does not operate in isolation hence, there is a connection between business and the society which is made possible through CSR. It also suggests that there is a reciprocal responsibility for both business and society which relates to their expectations from each other. Similarly, this description presupposes that the stakeholder interest has to be accommodated in the delivery of a firm’s CSR.

In the Nigerian context, the concept of CSR is not new to the MNCs. The oil multinationals have operated in Nigeria for several decades. Table 1, indicates that companies like ExxonMobil have been operating in this region for more than six decades. In as much as the MNCs have in one way or the other been engaged in CSR initiatives, a lot of devastation has occurred in the Niger Delta both on people and environment (Ejumudo et al., 2012). There are several negative environmental impacts associated with the exploitation of crude oil. The people/communities have been suffering from pollution (Aghalino, 2009). Pollution affects the natural environment, health and economic rights of the communities whose needs and sources of living depend on the natural environment (Emeseh and Songi 2004). Over the years, the communities have protested against the effect of the MNC’s unhealthy activities on their environment like gas flaring and oil spillages (Afinotan and Ojkorokotu, 2009).

These have usually been marched with violence from the state security agents, accusing them of illegal activities. Severally, the communities (victims) could not seek legal redress, due to unsupportive national regulation and enforcement framework. These inadequacies
Issues of sustainability

Sustainability means meeting the needs of the present without compromising the ability to meet the needs of future generations (Brundtland, 1987 in Li et al., 2014). In other words, issues of sustainability focus on the future and its demands. Li et al. (2014) assert that people have various understanding towards sustainability; some school of thought describe it to mean ideas to keep steady the output so as to align it with the continuous increase in demand. Some others lay hold on the importance of putting a steady appreciable way of living in the future, and others emphasise on how the ecological aspect could lead to equity. However, Biddle, (2011) cited in Li et al. (2014), opined that a wider outlook of sustainability, embraces all ideas and put forward that sustainability relates to the environment in a method that ensures accommodation of future generations. Sustainability is sometimes linked to the triple bottom line (TBL) (Elkington 1998). Elkington (1998) opines that an approach to business that considers economic, environmental and social issues in a holistic and long-term ways that benefit current and future generations of concerned stakeholders could be seen as a sustainable one.

The (TBL) which takes the form of economic, ecological and social effects therefore has an impact on sustainability (Pisariki 2010; Schneider et al., 2014, Smith and Sharicz, 2011). TBL ideology that embraces the performance from these three dimensions, aid to operationalize sustainability into practical terms (Seuring and Muller, 2008). Hence, sustainability refers to overtaking the present needs of the people (communities) in relation to that of their future generation with the continuous increase in demand while interacting with the environment in the specification of the triple bottom line (that is, economic, social and ecological aspects). Bonini (2010) cited in Millar (2012) maintain that sustainability has been described as one of the major forces that have redesigned the world now and in the future. It then means that in business, sustainability has an impact on the economic success of firms and a key driver for risks and opportunities (Tegger 2011). The findings from the data obtained from the host communities indicate that the issues of sustainability are not taken seriously by the MNCs operating in the Niger delta region. The MNC are accused by the host communities of considering the economic aspect of their activities which pertains to profit maximisation without consideration of the other two bottom lines (social and environmental aspects). Their activities are perceived as not having the ability to meet the future needs of their host communities due to the environment and social havoc oil exploitation has caused the people of this region.

Considering the number of years multination oil companies have operated in this region, it is believed that their activities are more of a curse to the host communities than a blessing because of the negative impacts (Orogun, 2010). Participants of the research argue that matters of sustainability in this region are more of theory than in practice as the MNC claim to include sustainability in their CSR agenda when in actual practice such tenets are not upheld. Schneider et al. (2014) conducted a study on implementing sustainability on corporate activities. The study revealed that the implementation of corporate sustainability requires more internal coordination than implementing sustainability on the functional level (Schneider et al. 2014). Sustainability can therefore not be effectively implemented in any organisation without involving the different units and levels of the corporation’s operations. In other words, every employee of the organisation should be involved; it

### Table 1. Multinational oil companies operating in Akwa ibom state.

<table>
<thead>
<tr>
<th>Multinational Oil company</th>
<th>Commenced operation in Nigeria</th>
<th>Origin of MOC</th>
<th>Exploration site</th>
<th>Local government area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exxon Mobil</td>
<td>1955</td>
<td>American</td>
<td>Off-shore</td>
<td>Eket, Esit Eket, Ibeno and Onna</td>
</tr>
<tr>
<td>Total PLC</td>
<td>1992</td>
<td>French</td>
<td>Off-shore</td>
<td>Ikot Abasi, Eastern Obolo</td>
</tr>
<tr>
<td>Addax</td>
<td>1998</td>
<td>Chinese</td>
<td>Off-shore</td>
<td>Mbo, Oron, Udungu Uko</td>
</tr>
</tbody>
</table>

Source: Researcher’s field work.
starts from top to bottom. The critical nature of this region requires a sustainable practice in order to attract investors and carry out operations in a manner that is beneficial to all parties concerned.

MATERIALS AND METHODS

The study area

This research is focused on the Niger Delta region of Nigeria which is mainly inhabited by minority ethnic groups such as Ijaws, Urhobos, Ibibios and Edos. This region extends over an area of about 70,000 square kilometres, which amounts to about 7.5% of Nigeria’s total land mass (Idemudia, 2007). The population of this region is approximately 27 million people, of which 75% live in rural areas (NDDC, 2004). Dwelling in the rural area explains why the people are often having conflicts with the MNCs for a better life rather than affecting their livelihoods negatively. There are nine states that make up the Niger Delta region which includes; Abia, Akwa-Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers states (Figure 1). Due to the vast nature of this region, Akwa Ibom state was selected for the study. The selection criterion was based on the fact that the state is one of the highest oil producers in the country. In Akwa Ibom state, the communities selected include Edo in Esit Eket Local government area, Mkpanak in Ibeno local government area and Atabong in Eket Local government area. The communities were selected based on their proximity to oil multinationals operating within the state.

Research design

This study adopts an exploratory approach using the qualitative technique. In an exploratory study, the researcher tries to find out and clarify the nature of a phenomenon (Saunders et al., 2009). Saunders et al. (2009) also opine that the exploratory method has been criticised for being too flexible. However, Adams and Schvaneveldt (1991) argue that the flexibility characterised in exploratory design does not mean the absence of a direction to the enquiry, but that the focus of the research starts from an extensive sense to a narrow one. This therefore makes it rigorous and credible. Using a qualitative method of research enables the researcher to develop detail information about individual/s or place/s and to be highly involved in the participants' actual experiences (Creswell, 2003). Gray (2009) also asserts that qualitative research is one that comprises a deep, complete and intense study of the context. Qualitative research focuses on quality rather than quantity (Bazeley, 2013) and can be used from different methodologies depending on the researcher's philosophical point of view (Robson, 2011). The choice of an exploratory qualitative design was considered most appropriate for this kind of research.

Sampling strategy

Those recruited to participate in the study were identified through the use of purposive and snowballing sampling strategy. Purposive sampling is the choice of a sample of participants based on the requirements of the research questions or theoretical considerations (Robson, 2011). This choice therefore suits the purpose of this paper. The main source of data for the study was the primary source which was obtained through in-depth semi-structured interviews. Interviews are purposeful discussions between interviewers and interviewees aimed at collecting views and relevant information on a particular research topic (Frey and Oishi, 2003). Interviews are useful tools for people who enjoy talking about the phenomenon surrounding them rather than writing (Gray, 2009). They are beneficial when participants cannot be observed directly (Creswell, 2008). The interview process enables the researcher to generate new knowledge and ideas through the enquiries from the interviewee (Bryman, 2006). Kvale (2007) supports the use of interviews as a means of knowing more about

Figure 1. Map of Nigeria showing the Niger Delta state; Source: Idemudia and Itie (2006).
RESULTS AND DISCUSSION

Data obtained from in-depth interviews with members of the host communities in this region suggest that participants acknowledged the contributions of the MNC to the development of the area. However, they attribute such gestures to efforts to boost their social image rather than an attempt to meet the dying need of the communities as some of the CSR initiatives and areas of interest of the MNCs differ from the expectations of the host communities. For example PE from Eket states that:

“Oil money should be properly managed for the interest of the communities. Social responsibilities should be taken seriously. It’s not something that is optional, it is an obligation. [...] The company should ensure that it should do what it supposed to do. The company should find out from the people what their problem is not just bringing somebody from America put him in the best hotel and then he comes with an apparatus and puts it under your armpit and chest and says your heart beat is so high and you feel you have done something. [...] (laughs) who now benefits from the social responsibilities?” (PE, Eket, 18th Sept, 2014).

This suggests that some investment in CSR by the MNCs do not adequately address the needs of the communities. However, the activities of the MNC have also impacted on the traditional livelihoods of the host communities. One of the participants from Mkpanak community asserts as follows:

“Before the discovery of oil Ibeno, being riverine people, their main occupation is fishing. And before the advent of the Europeans who brought in salt the, they were salt makers but definitely now they are fishermen, they are farmers. Though now they cannot do the fishing because of the oil operation. The incessant oil spills, killing the aquatic lives and so on”. (KA, Mkpanak 27th Oct 2014).

The findings from this study indicate that the activities of the MNCs have negatively impacted on the livelihoods and social activities of the host communities as opined by Ejumudo et al. (2012). Participants from the host communities attest to the fact that the MNCs have carried out several CSR initiatives but such initiatives do not mean so much to them as the cost outweighs the benefit they derive from the MNCs (Tuodolo, 2009). It is also noted that the provision of infrastructural facilities like water, road, electricity and other social amenities are not sustainable because of lack of maintenance of such facilities. Similarly, other participants express concerns over the activities of the MNC and the fate of the people of the Niger Delta region in a couple of decades as nothing is done to ensure that the negative impacts are completely eliminated. This is as noted by PA:

“We are as good as dead. If you go to my village, I am from Mkpanak village, where you have (company), I am almost one of the oldest persons in the village when my age is not and shouldn’t place me there, all the old men have died because of difficulties.[…] The people realise that the fishermen, farmers and others who depend on the forest and sea products as means of livelihood are seriously damaged both the land and the sea has been polluted and the forest destroyed. So when we saw all that we know that it was a curse.[…] They could not fish again because if there is oil spill (company) will try to bring chemical to spray on top and the chemical will make the oil in the form of a ball and they will sink into the bed of the sea. When fishes in the water do not see food to eat, they will eat the oil and they will die, that is why we don’t have fish. If you are fortunate enough to get fish, you cannot get the taste again because of the oil. There is no future for our people if nothing is done as fast as possible about this problem”. (PA, Mkpanak, 27th Oct 2014).

The findings also suggest that the future of this region cannot be guaranteed if the environmental challenges of gas flaring and oil spillages are not arrested on time as opined by Afinotan and Ojakorotu (2009). The activities of the MNCs have caused environmental degradation and the loss of different species of plants, animals and fishes. This area is regarded as a critical area due to issues of pollution of soil, water and air through gas flaring and oil spillage (Ejumudo et al., 2012) which have a multiplier effect. This is so because it does not only affect the fishes in the water and the different species of plants and animals but invariably affect the livelihoods of the generations unborn as the negative impacts usually take a long time to be corrected. Considering the fate of the locals who bear the brunt of oil extractive processes in this region, there is a need for a proactive measure to ensure that future generations do not suffer from the mistakes of the present. Therefore there is an urgent need for the MNCs to initiate effective CSR initiative that inculcates sustainable practices in this region to guarantee continuous economic and environmental survival of the people. Similarly, the research by Sharma
and Khanna (2014) establish that there is a significant relationship (correlation) between CSR and sustainability. They therefore recommend that CSR and sustainability should be entrenched within the corporate governance principles and practices of the firms.

Initiatives for sustainability practice of CSR in oil communities of the Niger Delta

The core problem of the Niger Delta is caused by environmental degradation of communities where the multinational corporation carry-out their business operation (George et al., 2012). Most of these MNCs operations are being carried out offshore. However, some of them are onshore and these activities have affected the rural community – dwellers. In the rural communities, their source of livelihood comes from subsistence fishing and farming (Emeseh, 2009). There is no tangible development in these communities (Idemudia and Ite, 2006). To make matters worse, the environment is highly polluted by the waste products of these corporations. Regrettably, oil spills and gas flaring have been attributed to causing deaths and health implications of the lives and properties of the communities. The dependence of the Nigeria economy on crude oil, therefore, means that this area cannot be ignored as it is critical to the economic growth and development of the entire nation (Orogun, 2010). With all these in mind, it is expected that something should be done to sustain these communities if the MNCs would continue to operate and gain the support of the host communities. Due to the situation above, the following initiatives should be put in place for the government and the MNCs to improve environmental sustainability of this region: Firstly, Government has the responsibility to cater for the welfare of the citizen. According to Emeseh (2009) government owns the responsibility of enacting law and order, security, provision of general infrastructures that helps the society to function efficiently and effectively. It is also the responsibility of the government to provide essential services like water electricity, schools, hospitals etc. In other words, both the government and the MNCs have their various roles to play. If such facilities and services are provided by the government as they ought to, then there will be no need to be over exspectant from the MNCs. Secondly, the government should provide adequate regulatory and enforcement agencies to monitor and ensures that firms operating in this local communities comply with what is stated in the laws of the government. For example, there should be laws regarding incessant oil spillage. With the regulations in place and constant monitoring and evaluation, there will be less degradation of the environment. MNCs who default should be penalised or banned from operating. Thirdly, efforts should be made to develop human capital in terms of acquisition of skilled manpower. Intellectual capital development is a critical factor to sustainability (Pisarski, 2010). The training and development of workforce (especially youths), with knowledge, skills and abilities would lead to gainful employment in the multinational companies as well making a positive impact in their communities. Alternatively, the government should provide grants to the youths and women who are interest in establishing a business and should ensure that interest in establishing a business and should ensure that such grants are used for the purpose for which it was given.

On the other hand, the firms (MNCs) should be socially responsible to the host communities where they are located for business (George et al., 2012). Firstly, the MNCs should establish training centres to train women in certain trade and skills. This would help alleviate poverty and help them make a livelihood. Secondly, companies should make it a mandate to offer employment to youths of their host communities, who are qualified to work in the companies. Casual labour employment should go to the youths who are unskilled. Thirdly, the MNCs should see the host communities as a partnership in business. They should extend friendliness to the communities by inviting those who are capable of investing in the corpsorations business. A friendly disposition will enhance a cordial relationship which will invariably reduce the intense conflicts arising between the youths of the communities and the MNCs (Idemudia and Ite 2006). The MNCs are also advised to create strategies for understanding the need for sustainability in the company. The business structure of the MNCs, which include leaders such as executives, consultant and management leaders need to build new strategies/structures to embrace sustainability in the business operations so that the communities could benefit from them. Hence, sustainability should not only be in theory but in practice. It is believed that if the government and the multinational corporations are able to embrace and implement these recommendations, CSR will create sustainable impact in the Niger Delta region of Nigeria.

Limitations of the research

This study is limited to data obtained from three host communities. It was difficult to obtain information from the MNC, some felt releasing information may affect their jobs though anonymity and confidentiality were guaranteed. This amounted to the recruitment of participants from only the host communities. Therefore, the analysis was loaded with excerpts from the host communities. The use of only qualitative research methods, although, considered appropriate, could limit the findings of the study despite the efforts to reduce the limitations. Another limitation is that this study employs a fairly small number of cases which are usually criticised for generating findings which are context-specific, and therefore lack generalisation to other situations and contexts. It can be argued that for this study, the findings
generated are not for purposes of generalisation but is aimed at developing an understanding of the issue of CSR in this region which could better be gained from a qualitative –interpretive and exploratory study, looking at the depth rather than the breadth. Accepting these findings may lack generalisability but they do certainly offer transferability.

Areas for future research

This study could be replicated using multiple case studies. If possible, such a study should involve more local communities. The study was carried out in Akwa Ibom, being one of the major oil-producing states in the Niger Delta region. Similar investigation could be carried out in other parts of this region. Similarly, research could also be undertaken to accommodate more multinational companies of varying sizes operating within the country. Such studies could likewise be carried out with indigenous oil companies to compare the outcomes. Most of the research in CSR in developing countries are focused on the oil industry, it is suggested that further studies should be carried out in other sectors of the Nigerian economy.

Conclusion

This paper has considered the manner in which multinational corporations (MNCs) engage in corporate social responsibility (CSR) initiatives in the Nigerian oil industry. The MNCs have operated in this region exploiting oil for several decades and have carried out CSR initiatives in their own way. Most of the CSR initiatives carried out by MNCs are primary to demonstrate that they are socially responsible and have not nibbled the culture of sustainability. However, it is perceived that such CSR initiatives are not appreciated by the host communities because of their constant agitations with the MNCs. This has dampened the hope for a better future for the oil producing communities in the Niger Delta region due to the long-term negative effect of oil extractive processes. The benefits of the oil companies' CSR/community development initiatives are perceived to be at a huge cost to the host communities. Their activities are therefore viewed as a curse rather than a blessing. The adoption of a qualitative approach using semi-structured interviews conducted in oil producing communities afforded one an opportunity to talk to the rural dwellers and appreciate things from their own perspective. This bridges the gap in the literature as most research in this region are theoretically based. The study found that despite the high expectations of the MNCs by the host communities for development initiatives, the communities also want projects that are sustainable hence, providing hope of a stable and prosperous future. The implication of this study is that the agitations from the host communities indicate that they do not feel that the CSR projects will lead to a social, economic and environmentally sustainable development. This is the trend in modern business practice which every good corporation cannot afford to ignore irrespective of its country of operation. As a nation that depends so much on oil, the issues of sustainability cannot be overlooked as this would determine the fate of the host communities and the success of oil exploitation. The recommendations and suggestions made are to enable both the government and the MNCs address issues of sustainability and responsibility in its agenda. The research, therefore, adds to the literature on MNCs’ CSR initiatives in developing countries and the rationale for sustainable practice of CSR for a critical environment like the Niger Delta region of Nigeria.

Conflict of interest

The authors have not declared any conflict of interest

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