UNIVERSITY OF AGDER

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

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Master Thesis in Development Management.

This master's thesis is carried out as a part of the education at the University of Agder and is therefore approved as a part of this education. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.

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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. 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 compliment government and community efforts towards development, rather than the overall answer to community development.

Dedication

To my big brother, Wopara James (Uncle Bèlibeè), who saw me wasting at home, picked me up like an eagle would her chick, put me on his wings and taught me to fly. And to my family, (mum, siblings, nieces and nephews). My world isn't complete without you. I love you all. Thank you!

Appreciation:

I want to give praise and glory to my best friend, confident, comforter and king, God, Almighty, Jesus Christ and The Holy Spirit. Indeed God is awesome!! I also want to thank my wonderful supervisor, Ragnhild Madland, you are like fuel in my car. When I thought I could not make it, you strengthened me. You did more than supervise me, you watched my back. Thank you. My special thanks to Jannik Stølen Timenes, you have such a beautiful spirit. To my lecturers and professors, instructors and course mates in the DM program thank you. To the management and staff of the Nigeria Liquefied Natural Gas Limited (NLNG), thanks you. Special thanks to Professor Ekekwe, Pst. Andrew, Mr Brown for your invaluable support and assistance in the accomplishment of this research. God bless you.

Torbjørn and Berritt, my Norwegian parents, life in Norway would have been difficult without you. My pastors and daddies, Pst. Chima, Pst. Ugbaha, Rev. Hillary, Rev. Elijah, Pst. Ogbechie, Pst. John, Apostle, Amijab, Rev. Ama, and Pst. Chris. Whenever school work was difficult, I could call any time of the day and you were there to pray, build my faith and encourage me. God bless you.

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To my lovely, amiable, caring friends, Schola, Edwin, Thea, and Signe Elise and Gbenga, Heyvon, Temple, Kingson, Asiri, Trond, Peter, Nkem, Ik, Kingson, Geoffrey. Thanks for your love and support.

Declaration by candidate:

I hereby declare that the thesis: **Corporate Social Responsibility as a means of Community Development. A Case Study of Nigeria Liquefied Natural Gas Limited's CSR for Bonny Kingdom: Implications for the Niger Delta Discourse** has not been submitted to any other Universities than the University of Agder for any type of academic degree.

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Wopara Goodness, Ruhuoma

Date:

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List of Abbreviations:

BKDC: Bonny Kingdom Development Committee

BUC: Bonny Utilities Company

BVC: Bonny Vocational Centre

CCP: Corporate – Community Partnership

CDC: Community Development Committee

CSR: Corporate Social Responsibility

EC: European Commission

GMOU: Global Memorandum of Understanding

GTS: Gas Transmission Systems

ITC: Integrated Top-Up Scheme

NDDB: Niger Delta Development Board

NLNG: Nigeria Liquefied Natural Gas Limited

NNPC: Nigerian National Petroleum Corporation

OMPADEC: Oil Mineral Producing Areas Commission

PTF: Petroleum Trust Fund.

Chapter 1

Introduction:

1.1   Background:

Today, there is a persistent call for companies operating in the Niger Delta to act socially and environmentally responsible from a range of stakeholders like host communities, government, and shareholders (Eweje, 2011). This, means that there is an acknowledgement that business can play a crucial role in reducing poverty and social inequality prevalent in the Niger Delta. The concept of Corporate Social Responsibility (CSR) has therefore been debated for a long time on how large companies like the Nigeria Liquefied Natural Gas Limited (NLNG) can assist in sustainable community development (Moon, 2004).

Previous researches on how CSR can be a means to community development has shown that poorly designed and implemented CSR strategies and projects can lead to waste of resources, hamper company objectives of the triple-bottom line of profit, social licence to operate and competitive advantage. It can also have negative impacts on the recipient community, worsen corporate-community relationships and hamper corporate- community partnership (Newell, 2005). Partnership is said to have the potential to create an enabling environment in which the company and its host community can thrive (Idemudia, 2007). For CSR to have the intended and expected impact on the host community and also benefit the company, corporate-community relationships and partnerships have to be based on balanced power relations, trust and social cohesion and adequate engagement of all interested stakeholders (Garvey & Newell, 2005).

Most companies believe that CSR is a voluntary management decision to give back to the society by doing philanthropic gestures to their host communities (Eweje, 2006, p.93). The findings of this research reflects the opposite as host communities believe that CSR is the company's payment for the negative externalities resulting from their operations This research seeks to understand how CSR can be a means of achieving community development by comparing the perceptions of Bonny Kingdom as the host communities to that of NLNG's perception on its CSR policies and practices. This is necessary in order to find a common ground. Qualitative research method of interviews, focus groups and document analysis were

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utilized and analyzed using the thematic tools. These were used to sample the opinions and perception of the community people and the company on the NLNG-Bonny Kingdom relationship and partnership, the internal community processes and its implications for the development of the Bonny Kingdom.

The Bonny Kingdom is an ancient community located in Rivers State, Nigeria. Being a characteristic of other Niger Delta communities, Bonny Kingdom hosts major oil and gas companies that explores and produces crude oil and gas for export and national consumption. Despite the contribution of Bonny Kingdom to the national economy, it faces socio-economic development and environmental challenges. The Nigeria Liquefied Natural Gas Limited (NLNG) is one of the companies operating in Bonny Kingdom. The company has embraced CSR as a means of securing its triple-bottom line objectives of profitability, social licence to operate and competitive advantage. There is a possibility of CSR becoming a means of achieving community development of NLNG's host communities. However, the Bonny Kingdom has a unique characteristic that distinguishes it from the rest of the communities in the Niger Delta. The kingdom has an already established monarchy and a social hierarchical structure that is respected by both the NLNG and the people. This has impacted the discourse of CSR as a corporate strategy and a vehicle of community development. The unique power relations and social processes in Bonny Kingdom plays a significant role in the attainment of both NLNG's CSR strategies, relationship and partnership, business goals and community objectives of development.

This research realized that the adoption of corporate social responsibility (CSR) policies and corporate–community partnership (CCP) strategies by the NLNG has not fulfilled the intentions of the company nor the expectations of the people of Bonny Kingdom. The absence of an enabling environment for CSR to thrive has been blamed on government failure. Faulty internal community relations, ineffective conflict management mechanism, corruption, self-seeking, lack of community cohesion and trust factors have also been identified by this research as the reason for the problem. There is an over-emphasis on the responsibilities of oil and gas companies on the negative consequences of their business operations on the environment and livelihood of the Niger Delta people in the CSR and community development literature. This debate borders on the question of who has the responsibility of community development in the Niger Delta. Is it oil and gas companies through their CSR policies or is it solely the responsibility of the Nigerian government? This has created the blame game syndrome for development tragedies in the Niger Delta. The host communities

increasingly agitate for oil wealth benefits and are in constant opposition to both the government and the companies but the companies tend to receive more criticisms and demands for oil wealth benefits than the Nigerian government.

The research argues that corporate social responsibility is not the sole answer to the challenge of community development of the Niger Delta in general and Bonny Kingdom in particular. 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 to ensure that national wealth is distributed equally in the country by championing development. While the government and the local communities are to ensure that they 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 between government, NLNG and Bonny Kingdom. There should also be adequate multi-stakeholder partnership and engagement. Trust, social cohesion within and between the communities are also important and thus, should be encouraged.

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 compliment government and community effort in the pursuit of community development.

1.2   Research Objectives:

The main objective of this study to investigate corporate social responsibility (CSR) as a vehicle for community development. The study also investigates how CSR generates mutual benefits to both business and society. For NLNG, CSR would be an achievement of business goals and community development for Bonny Kingdom. The empirical evidence used in this study is based on a case study of NLNG's CSR strategy, projects and initiatives and for the development of its primary host community. CSR was used throughout the thesis in contextualizing the social and environmental responsibilities of oil and gas companies operating in Bonny Kingdom like the NLNG. The meaning of CSR was discussed in details in chapter 3 of this research.

1.3   Research Questions:

Based on this, the research objectives, the general research question is;

•   To what extent can Corporate Social Responsibility lead to community development?

Sub-Questions:

•   How does NLNG (the company) perceive their CSR strategy to lead to community development?

•   How do host communities perceive NLNG's CSR strategy to lead to community development?

•   What ways do the perceptions of the company and the communities differ?

1.4   Justification for Study:

The research was initiated from my desire to find answers to a shared challenge I experience as a Nigerian on how host communities like mine can attain development. As a citizen of the Niger Delta, I have experienced first-hand the depravity of underdevelopment in the region. I have joined in protests march to oil firms operating in my community demanding CSR projects be done to ease our struggles and enjoy a share of the oil wealth. I have also witnessed military government suppression of my community and have paid the price for seeking community development in that a relative died in the course of our many struggles with the governments and oil and gas companies for oil wealth benefits. I have always been personally intrigued by the 'Niger Delta question' hence my interest on the subject of Corporate social responsibility as a possible solution to the challenges in my region.

1.5   Research Methodology

The methodology employed for this research is qualitative research. The data used to undertake this research included; focus group interviews and individual in-depth interviews. Due to difficulties in obtaining research access with the company, the data used to understand the perceptions of the company was gathered from official NLNG documents and an emailed questionnaire for NLNG. The research also undertook document reviews of past researches, journal articles and books to aid the researchers understanding on the topic under

investigation. The focus group and individual in-depth interviews made use of a semi-structured interview guide. The sampling method used in the research was purposive in nature using snowball method. Lastly, the data generated was thematised using the data analysis software called Nvivo 10.

1.6. Thesis Outline:

Chapter 1 introduces the topic of the research, clarifies terms and gives the reasons for the study, the objectives and the questions the research addresses.

Chapter 2 gives a background knowledge to the study, it gives insight on the general Nigerian socio-economic situation, the Niger Delta challenge and the efforts of the Nigerian government towards its development. It also features the contemporary and historical Bonny Kingdom as the research area. The traditional authority in the Niger Delta and in Bonny Kingdom was highlighted so as to build a foundation to guide the understanding of the uniqueness of the research area and its implications on CSR as a means of community development.

Chapter 3 contains the literature review. It discusses critically the theoretical foundations for this research. It outlined the concept of CSR, theoretical discourses on corporate-community partnerships and community development, power relations and a conceptual framework to better explore and explain the findings of the research.

Chapter 4 contains the methodology and the research process undertaken in this research. It defends why the research strategy, design, sampling, data collection and analysis method was employed for this study. It also gives the criteria for trustworthy, the challenges, biases, and limitations of the study.

Chapter 5 presents the empirical findings from the perspective of Nigeria Liquefied Natural Gas Limited.

Chapter 6 presents the empirical findings from the perspective of the community people of Bonny Kingdom

Chapter 7 contains the findings of the research. The discussions of these findings in the light of the theoretical backgrounds and conceptual framework identified in the research. Finally, it contains the conclusion, and recommendations and also offers suggestions for future research.

Chapter 2

Background to Study:

2.1   Introduction:

Nigeria, is the most populous nation in Africa with an estimated population of 177,155,754 (CIA, 2014). Nigeria is a country blessed with substantial petroleum deposits. Oil production started in 1958 with the discovery of crude oil in commercial quantity at Oloibiri, Bayelsa State in the Niger Delta (Oviasuyi & Uwadiae, 2010, p. 111). Nigeria is the world's 13th largest oil producer, and the 6th largest in Organisation of Petroleum Exporting Countries (OPEC). Petroleum production accounts for 80% of government revenue, 95% or export earnings and 90% of foreign exchange earnings (Watts, 2004 p. 50). After an April 2014 statistical "rebasing" exercise, Nigeria has emerged as Africa's largest economy. The GDP for 2014 is estimated at US$ 479 billion. Oil has remained a dominant source of government revenues since the 1970s (CIA, 2015).

However, the recent economic diversification, strong growth and increasing oil wealth have not resulted in a significant decline in the poverty levels of Nigerians. Statistics from the World Bank demonstrates that Nigeria remains a middle income country. Indicators also show that 46 % of population are within the national poverty line. Also that 62% of the Nigerian population live on less than 1.25 per day[1] (World Bank, 2015). Nigeria is a country marked by lack of infrastructure, unreliable conflict resolution mechanisms, insecurity, and pervasive corruption, etc. (CIA, 2015). Scholars like Sachs (2005) and Collier (2007) believe that this situation is caused by 'resource curse'. This is because of the combination of, or a strong association between over- dependence on natural resources, corruption and poor economic performance (Watts, 2004).

Thoughts about the important role of oil and gas companies in the development of a country has spurred the Corporate Social Responsibility (CSR) debate among businesses and scholars like Henderson (2001). Nigeria Liquefied Natural Gas Limited is among those companies that believe in Corporate Social Responsibility (CSR). CSR becomes a way the company can contribute to the development of local communities in the Bonny Kingdom.

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[1] 2010 estimates

This chapter will describe the Niger Delta challenge, government efforts towards the development the region. This will be followed by the traditional authority as an element of government and before it describes the specific research area and its history and current situation.

2.2   The Niger Delta and Efforts towards Its Development:

The Niger Delta region is made up of nine states. They are; Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, .Imo, Ondo, Rivers states. The region has an estimated population of about 28 million people. The region has a rich cultural heritage with about 40 different ethnic groups speaking 250 languages (NDDC, 2004 p.49, 53). The region is recognized as the world's third largest wetland and is characterized by significant biodiversity. The region hosts 11 major oil producing companies with a total of 159 oil fields and 1481 oil wells. The region also hosts a petroleum refinery, a petro-chemical plant and the Liquefied Natural Gas (LNG) Plant located at Bonny Island in Rivers State (NDDC 2004. P. 75).

The vast oil wealth of Nigeria is generated from the Niger Delta Region. Despite this, there is a major disparity between the wealth the region generates and the level of the region's human and infrastructural development (Oviasuyi & Uwadiae, 2010, p. 111). The socio-economic reality of the Niger Delta region is a paradox of poverty amidst plenty. Per capita income is low and there is a high rate of poverty. More so, 70% of the population are living at subsistence level mostly from agricultural activities (Ite 2007, p.219). This is as a result of the insensitive oil exploration and production processes of the oil companies. This has under-determined the traditional occupation of the people: fishing and farming. Another reason being the neglect of the people's welfare by the Federal Government of Nigeria (Oviasuyi & Uwadiae, 2010, p. 111).

Under the section 16 of the 1999 constitution, all government revenues of the Federation are paid into the Federation Account. The revenue allocation formula consists of; Federal Government 48.5%, States 24%, local governments 20% and special funds 7.5 % and the 15% derivation funds allocated to meet the development challenges of the Niger Delta states. The revenue is shared vertically among the three tiers of government and horizontally between the state and the local governments (NDDC 2004, p.52). Based on this, efforts have been made by different government administrations to solve the development challenges of the Niger Delta. As early as the colonial administration, the Niger Delta Development Board (NDDB) was

established in 1960. This was based on the recommendation of Sir Henry Willink's Commission in 1958. The recommendation stated that the region be given special development attention. However, the establishment did not survive nor accomplish much because of the Nigerian civil war in 1967 (Okolo, 2014 p. 37-38). The President Shehu Shagari administration (1979-1983) also made an attempt at tackle the developmental problems of the region. He did this by setting up and allocating 1.5% of the federation account to a Presidential Task Force (PTF) or the '1.5% Committee' in 1980. The committee executed few projects. But the projects did not reflect the funding allocated nor did it reflect on the wellbeing of the people in the region (Osaghae, 2015, p.5; NDDC, 2004, p. 102, Okolo, 2014 p. 38).

Furthermore, in 1992, the General Ibrahim Babangida administration set up the Oil Mineral Producing Areas Commission (OMPADEC). This establishment was allocated 3% of the federation account for the same purpose. This establishment made the Niger Delta people hopeful about a possible solution to their development challenges. But the establishment was marred with high level of corruption, mismanagement of funds and excessive political interference, lack of transparency and accountability. As a result, it brought disappointments especially due to the numerous abandoned projects and huge debts it incurred. (Osaghae, 2015 p.4; Omotola, 2007, p.79)

After these numerous failed attempts by the government, the region became volatile as frustration and discontent mounted. The people lashed out on the oil and gas firms and the government. In the local communities of the Niger Delta, there were massive crisis where the youths pitched against the oil companies and government. The youths shut down oil installations, damaged oil facilities, and kidnapped company employees. It was tedious to the extent that the youths from the oil-producing states threatened the Federal Republic of Nigeria to break away and become an independent Republic. The youths blamed the government for being incapable of resolving the environmental degradation, and ensure payment of adequate compensation to the people. The land use decree of 1978 gave the federal government ownership of all land. Thus, the people felt deprived of their rights to their ancestral land. The people also protested the destruction of their traditional sources of livelihood. (Orubu, Odusola & Ehwarieme 2004, p.203-204)

The Niger Delta Development Commission (NDDC) was therefore introduced in 2000 as the current solution to the Niger Delta challenge. Funding for the NDDC includes; 15% of the

Federation account, 3% contributions of oil and gas companies' total budget, 50% ecological funds to oil producing states, and other sources like grants, loans etc. The NDDC has the vision;

> "...to offer a lasting solution to the socio-economic difficulties of the Niger Delta Region". The mission is "to facilitate the rapid, even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful" (NDDC, 2004, p.103).

From the findings of his research, Okolo (2014) believes that NDDC as an intervention is based on a *'fire-brigade approach'*. This is has resulted in the various ad-hoc remedial measures the commission uses (p. 47). Some issues tend to limit the commissions' effectiveness one of which is corruption. Another is the frequent leadership change in the NDDC. Finally, the inadequate evaluation of the NDDC also presents a performance measurement dilemma (Omotola, 2007 p. 82-83).

2.3 Traditional Authority:

Before the colonial period, the traditional rulers were responsible for the development of their communities. The traditional rulers exercised executive, legislative and judiciary powers over their domains. During the colonial period, the British colonial government did not discard the traditional power structures. Instead the British government backed up their powers with constitutional provisions. Constitutions like; the Clifford Constitution of 1922, the Richard constitution of 1946, etc recognized the traditional authority (Peter 2014, p. 138). The traditional institution was used to organize the people for community development. It proved to be a useful link between the people and the colonial government. This style of administration adopted by the British government was commonly referred to as indirect rule (Antwi-Boasiako & Bonna, 2009 p.89, 105).

The post-colonial administrations including military regimes also recognized that the traditional authority was powerful and respected among the peoples. However, the military regimes absolved the traditional authority from formal governmental affairs. The administrative powers of the traditional authority was limited to advisory roles. This was captured in the Local Government Reforms of the 1976, 1979, 1989 & 1999 constitutions (Emordi & Osiki, 2010 in Amusa & Ofuafor, 2012 p.410). However, this does not mean that

traditional institutions lost their influence and authority over their domains, instead they have continued to play a conspicuous role in socio-political system of Nigeria (ibid p.411).

The people living in the rural areas where these traditional rulers wield their authority hardly experience the impact on government. This is due to the rurality of their locations. Rural people seem not to understand and follow government activities and policies. As a result, these people depend on their traditional rulers for information and guidance rather than the government (Antwi-Boasiako & Bonna, 2009 p. 113). There is also a perceived distance between the government and the people arising from continued government's inattention to the peoples' needs. These traditional rulers practically become the only institutions of governance the people get to experience. Generally, Nigerians still have strong affiliation and respect for the traditional authority. (Akume 2013, p. 30)

Following from above, traditional rulers can be said to play a significant role in the development of the communities under their domain. Traditional institutions are usually involved in community development. One of the ways is to help speed up the execution of policies and programmes of the federal, state or local government. For example, government programs like immunization, census, waste management, primary health care, etc at the grassroots level (Nigeria Institute of Advanced Legal Studies, 2013 p. 55). More so, traditional rulers play an active role in the socio-economic development of their communities by facilitating labour and revenue mobilization. They are also involved in the management of community projects like, the construction of roads and bridges, management of markets, building of schools and health facilities, etc. Furthermore, traditional rulers can also initiate and facilitate partnership with the federal, state or local government. This can be done by planning and executing development projects. They can create informal links with state agencies or parastatals to solve community challenges. For example; cooperating with the police to fight crime, channel resources from the government or private institutions to fund local development projects, etc (Olowu & Erero, 1995 p.6, 7).

2.4   Bonny Kingdom as the Research Area:

Bonny Kingdom is an Island located within the tidal mangrove swamps of the eastern part of the Niger Delta. Bonny Kingdom lies about 50km southeast to the industrial and commercial centre of Port Harcourt. The kingdom is also surrounded by other Ijaw communities, like the

Elem Kalabari to the west, Okrika to the north, and the Andoni, Opobo, and Ogoniland to the east all in Rivers State, Nigeria (Fentiman, 1996 p. 87). Bonny has a population of about 254,820[2] people.
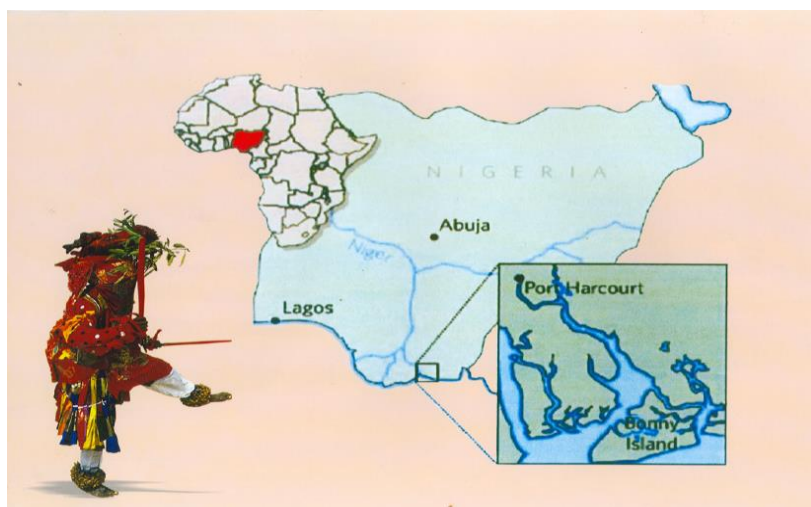
Figure 1 Map showing Bonny Kingdom. (NLNG, 2007).

Bonny Kingdom is made up of communities or houses. Example are; Iwoama, Orosikiri, Aganya, Ayambo, Akiama, Finima, etc. There are also several fishing settlements along the Bonny river coastlines. In the Bonny Kingdom, there are three major houses which are the original founders of Bonny. They are, the Duawari Houses which are, Opuwari Houses and the Kalawari Houses. These 3 founding houses established the minor houses i.e. the Dublin Green, Tolofari, Brown, Bristol, Halliday, Jumbo, Hart and Allison Houses. In all there are 34 Houses or communities. 14 of these are major houses (i.e. Opuwari and Duawari) while the remaining 20 minor houses are under the Kalawari major house. The king is the head while the chiefs from the major houses forms the Bonny Council of Chiefs. However, there are also some chiefs from the minor houses in the council (NLNG, 2010 p. 13).

In the Bonny Kingdom, the traditional rulers exercise strong governance, authority or influence over the communities in their domain. Traditional political system is communist and the authority 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) which forms the Bonny Council of Chiefs. These are followed by the Council of Elders who are also the King's cabinet members and advisers. As part of the established procedures based on custom

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[2] Projected population growth for Local Governments in Rivers State. Based on 2006 census figures. Annual Abstract of Statistics (2012)

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 (Olusola & Aisha, 2013 p. 120). The people 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 & Ofuafor, 2012 p.408)

2.5   Brief History of Bonny Kingdom

There are several variations in the account of how Bonny Kingdom originated. One account said that the Ibani people located in the present Bonny Island migrated out of their original homeland in the Ijo ethnic – group of the central Delta (Alagoa & Fombo 1972 in Orji 2011, p. 37). Some other accounts has given the impression that the Bonny are of Igbo origin. This is because, the Ibanis were said to have left their original homeland in Central Niger Delta as a result of social upheavals and lived among the Ndokki people in the Azumini area otherwise known as the Imo River Valley. Later they moved down to their present settlement at Okoloama near the Niger Delta coast (Jones 1963 in Orji 2011, p. 38).

Bonny was regarded as 'the most powerful kingdom in nineteenth century Eastern Niger Delta and its hinterland' (Wariboko 1998, p.3). Occupationally, the Ibanis were fishermen as Fish are in abundance in the surrounding creeks, waterways, and swamps. Bonny had a central role as a trading centre with the Ibo hinterland and the European traders. Trade consisted of food stuffs like yams, fish, salt, livestock, and slaves. The Bonny traders became the middlemen in the Trans-Atlantic slave trade as a result of the growing demand for slaves in Europe and Americas. Bonny's coastal location also, informed her participation in the flourishing slave trade that lasted until the 19th century (Fentiman, 1996 p. 88).

Bonny Kingdom was engaged in a civil war with Andoni its neighbour in 1869 in which it was defeated. The slave trade and the war were central because, it expanded trade opportunities by unlocked new trade routes for the slave trade. More importantly, it was influential in reshaping the political and institutional landscape of the Bonny Kingdom. This is because of the defeat suffered to the Andonis. There was an urgent need to make the war leaders their kings and thus have an 'all-powerful' centralized authority (Jones 1963 in Lovejoy & Richardson, 2004, p.384).

Alagoa and Fombo, (1972) suggested that it also led to the palace revolution that made the ruling King Awusa (or Halliday) lineage to concede royal authority to the Perekules (or Pepples) due to belief that King Perekule had acquired great wealth through the slave trade and was also considered 'a great war leader'. Bearing the title of Amayanabo (or military leader), his enthronement was considered the foundation of the current Bonny dynastic heritage. The title of Amayanabo is still used strictly for his descendants and his dynasty was later consolidated by the endorsement of the oracles and shrines (Lovejoy & Richardson, 2004, p.384).

The Ibanis have long a long genealogy of Kings or Amayanabos. The current Amayanabo and natural ruler of the ancient Grand Bonny Kingdom is King Edward Asimini William Dappa Pepple (iii) Perekule XI, (CON), JP. Historically, King Perekule the first, transformed the previous lineage houses by changing the condition for leadership from descent to military prowess and wealth. He is said to have decreed the right of slaves to establish and head houses, some of which became highly successful trading units in their own right (ibid).

2.6   Traditional Leadership in the Bonny Kingdom:

As mentioned above, there is a well-established system of traditional flow of authority and information in the Bonny Kingdom. This includes; traditional rulers, council of chiefs, councils of elders and the community development committee (CDC) in charge of development issues. The CDC is a body that relates with oil companies, INGOs, NGOs, the government or specific governmental agencies and international organisations on community development matters (Akpan, 2006 p.232). In Bonny Kingdom this body is known as the Bonny Kingdom Development Committee (BKDC). The BKDC was set up by the king and his cabinet comprising of appointed chiefs and community group heads (youth and women groups) and other trusted community members.
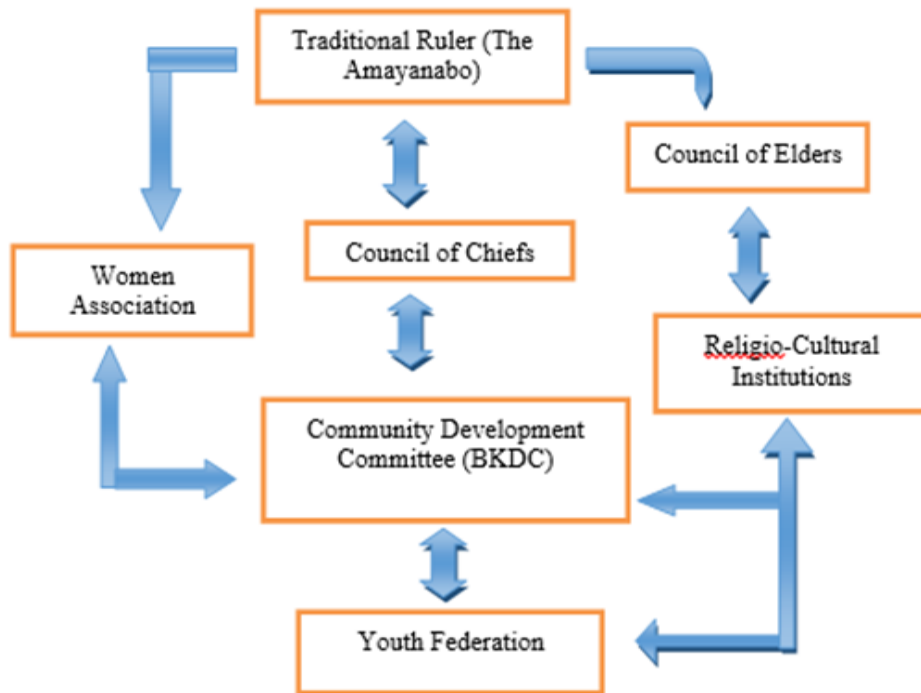
Figure 2: Structure of traditional authority and information flow in oil-producing communities. (Orubu, et.al., 2004, p. 210).

The Youth Association and Women's Council are also important in the community hierarchy. The former, an association of men and women with age ranging between 18 and 40 years function as a vehicle for mobilising youth dynamisms directed towards community projects requiring voluntary (or paid) local manual labour. Much of the oil-related grassroots mobilisation in the Niger Delta takes place under the auspices of youth associations (Akpan, 2006 p. 233). The traditional organisational structure is one in which consultation, decision making, conflict resolution and distribution of CSR benefits rests solely on the king and his cabinet, BKDC plays and advisory role but the entire process enjoys explicit support from all subsystems, including the religio-cultural institution (Orubu, 2004 p. 209).

2.7   Traditional Authority in other Niger Delta Communities:

Some other communities in the Niger Delta like the Igbo tribes do not have this kind of institutional makeup. Some of these communities have a kind of 'stateless', and 'acephalous' traditional system both historically and contemporarily. This means that these communities were governed by 'diffused' authority without formal, permanent, or hereditary kingship positions (Olowu & Erero 1995 p. 9; Hameit-Sievers 1998, p.59). The political and administrative system has at the base of the hierarchy, the family which constitutes the

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kindred or Clan. These clans or kindreds make up the village structure. Male heads of each clan constitute a 'representative assembly' of the village. Decisions are based on consensus and are respected and accepted as binding on all members of the community. (Hameit-Sievers 1998, p.59) There are also other traditional ruling bodies like Council of Elders (Ndichie) that resolve conflict in the community. (Olowu & Erero 1995 p. 9)
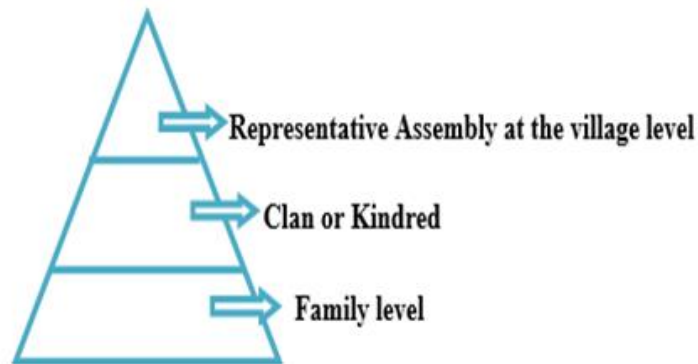
Figure 3: Authority process in other Niger Delta communities (Author)

However, democracy has down played the traditional system of government with elected authority at the state, local government and ward level while traditional leaders play advisory roles within specific areas. However, every community is still headed by a chief or king with their respective council of chiefs and are legitimately recognized by the Nigerian Government. In the communities both men and women are divided into the youths or elders. The elders are advanced in age and are given high regard because of their experience and often join in the decision making. Youth associations in other Niger Delta communities are challenging the status quo because they believe the chiefs are 'slow' in obtaining the expected benefits from both the government and the oil and gas companies (NDDC, 2004 p. 52). In Bonny Kingdom, the youths do not challenge the traditional authority and also do not make independent decisions and act on them without the permission of the traditional authority mostly because of the cultural implications. But in other Niger Delta communities, youth council and women associations can make independent decisions and act on them. However, these actions and decisions are often expected to have received the 'blessings' of the traditional authority and the support of the whole community. The acknowledgment of this intricate system of authority and information flow is central to conflict resolution from petroleum related conflicts in the Niger Delta (Orubu et. al., 2004 p. 209). These differences are important in order to distinguish the uniqueness of the Bonny Kingdom and will drive the understanding of power relations and community relationship in the kingdom

2.8   Summary:

This chapter sets the background for the understanding of the Nigerian development dilemma in line with the Niger Delta development challenge and government's effort to solve the challenge. It gives insight into the history and contemporary Bonny Kingdom. It sheds light into the traditional; hierarchical structure of the Bonny Kingdom and the contrast of the same from the rest of the Niger Delta communities. This is necessary to help guide the understanding of how the system, processes and culture of a region can enable or hinder the impact of CSR towards community development.

Chapter 3

Conceptual Framework

3.0   Introduction:

During the last decade, we have witnessed an important debate about the social responsibilities of corporations in assisting in the social and economic development of their host communities (Eweje 2006 p. 95). Corporate Social Responsibility (CSR) is seen not only as a means by which business can mitigate the impact of the negative externalities that arise from its operations but also as means to contribute to sustainable development as part of their obligation to their host communities, their stakeholders and to the host nation at large.

This chapter will present a conceptual framework on Corporate Social Responsibility (CSR), community development, Sustainable development, Stakeholder theory, power relations theory and Corporate-Community Partnership (CCP) as a lens through which the research questions will be analysed.

3.1   The Evolution of Corporate Social Responsibility:

The desire for businesses to impact positively on the society is not necessarily a new concept (May, Cheney, & Roper, 2007). For centuries, there are evidences of business concern for communities and wider society. In the last five decades, there has been formal writings on the social responsibility of businesses (Carrol 1999, p.268). The book *'Social Responsibilities of the Businessman'* that was written and published by Howard R. Bowen in 1953 is arguably the pioneer of modern literature on CSR. Bowen saw large corporations as vital centres of power whose decision making had visible impacts on the citizens of the society. He is considered the *"Father of Corporate Social Responsibility."* (Carrol 1999, p. 269).

The 1960s saw the advancement of the debate on social responsibility of business by attempting to link society and business. Keith David wrote extensively about CSR with perceptions similar to that of Bowen. Davis (1960), proposed the relationship between social responsibility and business power in his famous argument of the "Iron Law of Responsibility," which posits that "social responsibilities of businessmen need to be commensurate with their social power". He believed that social responsibilities of

businessmen arise from the extent a social power they have and that "the avoidance of social responsibility leads to gradual erosion of social power". This means that businesses have the tendency to lose their social power if they do not engage in CSR (Carrol 1999, p. 269). Socially responsible business decisions have the possibility of ensuring economic gain to the corporations in the long run thereby regaining whatever was spent on CSR (p. 70). This was recognized by scholars and managers and dominated the debate in the late 1970s and 1980s and it is still widely adopted by modern-day companies in defence of the "business-case" for CSR.

McGuire (1963) introduced the concept of corporate citizenship into CSR by stating that businesses have economic and legal responsibilities as well as "certain responsibilities to society that extend beyond these obligations" (Carroll 1999, p. 272). Walton (1967) supported McGuire's position stating that these responsibilities are voluntary. This means that CSR is a voluntary and self-regulated work of a business organization. The 1970s and 1980s saw an expansion in the CSR discourse with authors like Morrell Heald (1970) and Harold Johnson (1971). Heald (1970), suggest that business people during that period were more preoccupied with corporate philanthropy and community relations. Johnson (1971), leaned towards stakeholder approach. He argued that CSR is expected to consider multiple interests of other stakeholders (like employees, suppliers, and local communities). Apart from making profit for its shareholders, businesses can achieve their multiple corporate goals and long-run profit maximization. (Übius, 2009, p. 15). Currently, CSR is being practiced by companies as part of their business operations and policies (Makower, 2007).

3.2   The Business Case of CSR:

There is a debate on what the tangible benefits the business community would gain from engaging in CSR policies and strategies. The business case refers to the triple bottom-line as reasons for businesses that engage in CSR. The concept of a triple bottom line is gaining ground in CSR literature. (Henderson 2001, p. 52). Traditionally, the meaning of 'bottom line' for businesses was the overall net profitability in terms of money. Nowadays, the triple bottom line means that a company should clearly recognize and spell out its obligations to meet its defined goals. These goals could be 'economic', 'environmental' or 'social' concerns and then working towards its actualization.

There are two main arguments in the business case for CSR. The argument in support and against the business case for CSR. In support of the business case for CSR, Friedman (1962) argued that corporations have one responsibility and that is to maximize the profits of its owners or shareholders. Friedman also believed that business people should not concern themselves with social issues because, societal problems ought to be solved by the free market system (Carroll & Shabana 2010, p.88). He also believed that, it is only when the free market cannot solve the social problems that business can step in. The government through their policies should solve the problems of the people (ibid). Another view for 'business case' of CSR is that CSR minimizes the primary profit making objectives of businesses and might also make businesses lose competitiveness globally. Likewise, while managers of corporations lack the know-how to make socially oriented decisions, adding social decision making powers to already powerful businesses might be intoxicating (ibid).

Opposing views tend to cover areas like stakeholder, social, economic, voluntary and environmental views of CSR. Businesses ought to undertake voluntary, economic, and philanthropic CSR projects to cover important societal issues. The belief that if business is to have a conducive environment in which to function effectively in the future, it must take actions now that will ensure its long-term sustainability (Ibid p. 89). This covers the need for companies to achieve sustainability and legitimacy. The belief is that its adoption will not conflict with business objective of sustainable development, rather, it will be good for profits and will also meet the need of the shareholders. This means that the sustainable pursuit of profits will increasingly depend on ecologically sound resource management and a reputation for integrity with all concerned stakeholders (Henderson 2001, p. 63). The problem with this is that the need for the company to gain legitimacy may hamper the sustainability of its economic efficiency in that they may refuse to take a socially responsible course of action unless it meets their profitability criteria (Banerjee 2007, p.12).

CSR assigns to businesses new roles and purposes. This is based on the idea that businesses have the required resources, the management skills, functional expertise and capital. The idea is that government has been unable to totally solve social problems. Thus, business should be given the opportunity to solve social challenges (McWilliams & Siegel, 2001; Carroll & Shabana 2010, p.89). For Example, Moon (2004) discussed how governments are creating incentives for CSR. Because, the degree of government's social and economic commitments in proportion to increasing societal demands, has inspired views that government was

encumbered and losing legitimacy. This is due to its incapacity to effectively resolve such concerns as industrial relations, inflation, unemployment, economic growth, etc (p. 6).

The last argument is that drivers, such as market forces, and government regulation, etc tend to compel businesses into adopting CSR. The key assertion is that state-fixed frameworks characterized by the liberal market economy will generally, create clear-cut incentives and opportunities for a company to take on CSR. By formulating corporate policies, businesses can take over or resolve social issues (Blindheim 2015, p. 54). However, if a company can police itself with self-imposed ethics and standards, it will reduce the need to be driven by government regulations or legal boundaries.

3.3   Definitions of CSR:

In the last 50years, there has been different definitions of CSR. One recent study identified 37 definitions of CSR (Carroll & Shabana 2010, p.89). This is because, the definition of what the social responsibility of businesses are, is constantly changing. There are core disagreement between critics and advocates of CSR as relates to the nature and scope of what constitutes the social responsibilities of businesses. It also relates to the differences in perceptions and understanding of the function and objectives of the company in any given society (Idemudia & Ite 2006, p.194). Some popular definitions of corporate social responsibility are:

> *"The firm's consideration of, and response to, issues beyond the narrow economic, technical and legal requirements of the firm to accomplish social benefits along with the traditional economic gains which the firm seeks"* (Davis 1973, p. 312).

> *"Encompassing the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time"* (Carroll 1979, p. 500).

> *"Actions that appear to further some social good beyond the interests of the firm and that which is required by law"* (McWilliams & Siegel 2001, p. 117).

> *"the social involvement, responsiveness, and accountability of businesses apart from their core profit activities and beyond the requirements of the law and what is otherwise required by government"* (Chapple & Moon, 2005 p. 416).

Some common themes can be recognised from these definitions of CSR. The most prominent theme is that a company's CSR activities should exceed what the law requires in its obligations towards the society. For example if an oil and gas company abides by the

environmental laws, it does not necessarily mean that it is socially responsible. It means that it is a law- abiding corporate citizen. However, if the company uses its resources to promote community welfare like providing free health service, it can be termed a socially responsible company (Banerjee 2007, p.18). Another recurring theme in these definition is the discretionary and voluntary views on CSR. It means that CSR cannot be imposed on the company by the law. Companies that choose to engage in CSR activities are however expected to do so following local, regional, national and international codes of conduct that are not legally binding (Carroll & Shabana 2010, p.88). Finally, the conceptualizations of 'society' and the 'social' tend to have been narrowed over the years to mean 'stakeholders'. This is based on the assumption that stakeholders are representatives of societal interests and pressurize these companies to respond to these interests (Banerjee 2007, p.18).

Carroll (1979), classified CSR into economic, legal, ethical, and voluntary responsibilities. According to him, the economic responsibility entails businesses can achieve their multiple corporate goals and long-run profit maximization by incorporating CSR into its business objectives. The legal aspect entails expectations that businesses should 'play by the book' by carrying out its business within the legally ascribed frameworks. Laws defines the limits of tolerable behaviours of businesses, but do not define ethics (i.e. the right or wrong of business character. This means the expectation of society is that businesses should be ethical and 'do the right thing'. For instance; preventing social and environmental harm like pollution, etc (Jamali & Mirshak, 2006 p. 247). Most businesses have subscribed to the voluntary CSR. The ideology is that business and society are intertwined in an organic way (Ibid). Carroll & Shabana (2010) posits that, businesses ought to undertake voluntary and philanthropic CSR projects to cover important societal issues (p.88).

The four responsibilities as a whole form the crust of social expectations and CSR of businesses. For example, businesses that want to be ethical (do the right thing) must be economical (not just seek profitability alone but to allow the economy to inform clear-cut incentives and opportunities to do CSR). Also, businesses can be legally responsible (Follow the established laws of the state as a good corporate citizen. They can engage in philanthropic and voluntary activities as a way to prove their responsibility. Carroll's pyramid of the social responsibility of businesses as represented in figure 4 below explains the concept.
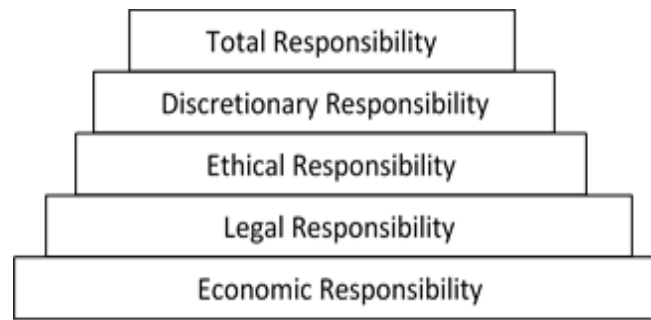
Figure 4: Hierarchy of Corporate Social Responsibilities (Carroll, 1991).

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 & Mirshak, 2006 p. 248).

3.4 Reasons for Engaging in CSR:

There are four broad reasons why companies embrace CSR as part of their business policies and strategies. They are; moral aspects, sustainability, social license to operate, and reputation (Porter & Kramer 2006, p. 3). The moral aspect has to deal with 'doing the right thing'. Some of the ways businesses apply morality as CSR is for instance, honestly reporting its financial statements, obeying environmental laws, etc (ibid, p.4). Sustainability on its own appeals to the triple bottom line of environment, social and economic performances. It is by avoiding detrimental social and environmental activities that companies reflect sustainability in their CSR (Eweje 2011, p.127). In addition, the aspect of social license to operate concerns the concrete ways in which a company can identify social challenges which the stakeholders consider important and act proactively to resolve them. Gaining social license to operate encourages constructive dialogues with identified stakeholders. This reason is popular among extractive companies since they rely on government consents and the tolerance of their immediate neighbours like host communities (Prno, & Slocombe, 2012 p. 351; Hah & Freeman, 2014, p. 128).

Finally, concerns about reputation is based on acquiring a positive social license to operate and the ability to satisfy the expectations of the society. However, most oil and gas companies have reputation issues especially due to environment related concerns. Hence, they pursue CSR in hopes that their consciousness for the environment may cushion public criticisms of

their business operations. Sometimes, they pursue these through massive marketing campaigns and public relations (Porter & Kramer 2006, p. 4; Banerjee 2008, p. 62). Competitiveness is an added advantage which companies achieve from engaging in CSR. Every company operates in a competitive environment. However, when a company is noticed by its stakeholders as having quality corporate agendas towards CSR that incorporates social and economic benefits, they have justifiable pride to be associated with that company as against similar companies (Porter & Kramer, 2006, p. 4). All these reasons entails that CSR is a worthy cause that presents opportunities to create shared values that is mutually beneficial to both business and society.

3.5   CSR and Sustainable Development:

The debate of integrating sustainable development into CSR was introduced by the 1987 Brundtland Report. The main ideology is that, the development of a community must be balanced with the necessity to satisfy human needs. The corporations are to focus on negative consequences of their business operations which could threaten the existence of the future generations (Eweje, 2011, p. 127). Integrating sustainable development into corporate strategy can be challenging and complex and these companies have to deal with these challenges and complexities. This can be achieved by identifying opportunities, and their responsibility towards the environmental, social, and economic aspects of their operations (Baumgartner 2014, p. 259).

The concept of sustainable development in CSR connotes a company's capacity to resolve the expectations of their present direct and indirect stakeholders without jeopardizing their capacity to meet the expectations of future stakeholders (Dyllick et al., 2002, p.131). In the same vein, Székely and Knirsch (2005. p.628), argued that it entails companies being able to maintain its corporate reputation, profitability, embrace ethical business practices, build and maintaining positive relationship with their stakeholders. There is a growing national and international interests on the role of CSR in the society as regards to the perceived and real effects of globalisation and development vis-à-vis in meeting the growing demands and expectations of the society. These interests hinges on the ideology that globalisation must grow in consideration or support of sustainable development not at the expense of it (Eweje 2014, p.4).

3.6   Stakeholder Theory and Corporate Social Responsibility:

Freeman (1984), one of the most influential scholars on Stakeholder theory, identified the stakeholders as a series of groups (e.g. workers, customers, suppliers, local community, etc) that both affects and are affected by the company's actions. Stakeholders are those people who have certain interest in a venture; they may be either the beneficiaries of that venture or sponsors or those undertaking such venture (Russo & Perrini 2009, p. 209). So a "stakeholder" can be defined 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".*
> (Golder, 2005 p. 1)

Stakeholders are important as they must be considered if a CSR initiative will achieve its goals because their participation and support is vital to its success. A CSR development initiative must first identify all primary and secondary stakeholders and then develop a strategic view of the relationships between the different stakeholders and the issues they deem as important (Moura-Leite, Padgett, & Galán, 2014, p. 47).

Donaldson and Preston (1995) divided the stakeholder theory into three types of attributes: descriptive, instrumental, and normative. The descriptive is used to describe how a company operates and shows the merits and quality of the company's activities. The instrumental aids them to examine how stakeholder management can contribute to the achievement of organisation goals. And lastly, the normative attribute helps a company to carry their stakeholders along i.e. they provide an ethical justification for managing stakeholder relationship (Moura-Leite, et.al., 201, p. 47). There are two types of stakeholders identified by Ralston (2010); the primary stakeholders who are directly affected by a business' activity e.g. customers and investors. While the secondary stakeholders are those who influence or are affected by the company's activities, but do not directly participate in the company's business activities and are also not crucial for the company's survival examples e.g. local community, media and NGOs (p.401). In CSR, stakeholders' theory stresses the importance of companies being able to recognize and embrace their responsibilities towards their local host communities when pursuing legitimacy vis-à-vis focusing on justifying the ethical considerations and meeting up with legal requirements. This means that implementing CSR initiatives has the ability to reinforce the relationship between the company and its host

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communities. (Hah & Freeman 2014, p. 128). The incentive for CSR lies in the company's need to attain and maintain trustworthiness and legitimacy i.e. for their host community to trust them and recognize them as a legitimate entity (i.e. grant them the social licence to operate). This ranges from passive conformity to active concessions, the company may need to prove itself by responding ethically to the demands, pressures and increasing expectations of local communities (ibid).

3.7   Community Development:

The interest in the concept and functionality of community development stems from the multidimensional ways in which communities take part in development efforts. This includes other external actor's inputs or capacity towards finding effective solutions to community challenges (Matarrita-Cascantea & Brennan, 2012, p.293). Debates about the conceptualisation of community development have taken place overtime. Previous conceptualizations of community development were accused of being narrow and centred on specific areas of specialization. For instance, definitions of community development were confined to economic growth or urban and infrastructural development. Recently, holistic and inclusive conceptualization of community development is being sought for. But without a straight forward definition of community development, scholars have defined the concept in relation to specific groups and to specific problems. Nowadays, community development is being discussed in the context of 'community' as a social phenomenon that involves interaction, among a group of people with shared situations and geographical boundary (Theodori 2008 p.63). Based on this perception Theodori came up with a definition that sees community development as;

> *"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"* (Theodori
> 2008, p.64).

According to Azzopardi (2011), community development was intended to *"focus on the challenges facing families, neighbourhoods and communities, and the opportunity to reflect on how to regenerate positive and upbeat dynamics"* (p.183). He stated that past definitions had the tendency to be utopian and blind to the challenges that results from working with real people rather than with abstract beings (Ibid).

Taylor (2007), identified three broad aspects integrated into the definition of community development. They are; human resources which includes the different stakeholders in the community, community consisting of the government, businesses and the non-profit sector like NGOs. The physical resource are made up of constructed and natural assets found in the community that can make life comfortable for the people. For example; people desire to live in communities that provides and enhances a means for survival, communication, provision of goods and services, recreational facilities, transportation, etc (Taylor 2007 as cited in Matarrita-Cascantea & Brennan, 2012, p.295). Another aspect fundamental to the survival and development of any community is the idea of 'community' i.e. the value of social groups within the community. Values transforms human and physical resources into economic resources (ibid). According to Matarrita-Cascantea and Brennan (2012), economic resources are the market values of goods and services that is an upshot of the interaction between human and physical resources. Thus, economic resources are the productive and financial assets that answer to the dispersal of these resources in order to meet the needs of the people (p.296).

Following the notion of Matarrita-Cascantea and Brennan, community development can be aimed at economic development (i.e. improving the community's economic and financial resources). This can be through integrated efforts among community members aimed at negative conditions like poverty reduction, jobs creation, and income generation. More so, as a human development aspect, it strives 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. (Richard & Dalbey, 2006, p.20). Therefore, communities want to enjoy the benefits of economic growth, minimal impacts to environment, protection of natural areas, etc. Communities are looking for development approaches that achieve multiple benefits to help improve local economies and quality of life, etc (Richard & Dalbey, 2006 p.20). Though this sounds rather utopian, it reflects the desires of the community people. Local organisations, governments and community groups can work individually or in partnership aimed at bringing about or pursuing this utopia. This essentially buoys down to human needs. Human needs are not just physical but also non-physical. Physical needs are the basic needs of people like quality food, water, and shelter. While the non-physical needs are broader "quality of life" concerns like access to quality health; political and spiritual freedom; human rights; clean, healthy and

natural environments, etc (Roseland, 2000 p 87). Most interventions to resolve development challenges in the developing countries tend to border on the aspects of needs (Ibid).

3.8   Corporate – Community Partnership (CCP):

Partnerships between the oil company and local community is gaining recognition as a channel for building local community support, strengthening the company reputation, and gaining legitimacy or the social license to operate (Loza, 2004, p.298). Partnerships can enable oil companies to be agents of building the capacity of their host communities. This can be accomplished by enabling local communities to make informed choices and take charge of their development needs. This is necessary to reduce dependency on the company or other development agents (Esteves & Barclay, 2011, p. 189). Corporate-community partnership (CCP) involves contributing capital and human resources such as assets like land, time, skills and leadership in order to meet the socioeconomic needs of the community where the company carries out its business operations. It involves strategic and innovative ways in which business interests can align with community interests so that there is a win–win solution to community problems and issues (Loza, 2004, p.299).

Since the Second World War, progress in globalisation has given rise to greater social and economic complexity and interdependence between governments, civil society and businesses. Resources have also become scarce for any one sector to effectively respond to today's business or wider challenges and opportunities. (Ibid). The purpose of partnership is to build collective idea and put together approaches that will enable them to tackle issues that might exceed the scope of the individual parties involved (Bowen 2005, p.74). The idea is to find a centre point (agreement) on how to solve a problem in an interactive manner that is guided by shared rules when making decisions pertaining to their objectives (ibid).

CCP is a broad concept and can refer to a wide range of activities like philanthropic activities done voluntarily or complex business and community partnerships that can also offer some financial benefits to the company (Idemudia 2014, p.3). Liu, et. al., (2013), discussed the CCP concept under the descriptive, instrumental, and normative views of stakeholder theory and was able to establish that CCP works best in a network environment that enhances complementarity and social capital (p.469). More so, corporation's goodwill towards its community stakeholders would help the corporation to gain information access, social influence (reputation) and community solidarity for better future collaborations (p.469).

However, the CCP model is criticized for seeing the company as a separate entity that is external to the community. It has also been criticized for being too 'western oriented' and narrow hence, it is not mostly appropriate for operation in developing countries (Idemudia 2014 p.156). According to Idemudia, (2014), oil and gas companies have adopted three major CCP strategies in dealings with their host communities across Niger Delta; they are traditional in-house corporate-community partnership model, the corporate-community foundation model and the global memorandum of understanding (GMOU) (p.157).

3.8.1   Traditional In-House Corporate-Community Partnership Model

This model is the initial partnership undertaken by oil and gas companies operating in the Niger Delta. Under this model, the companies through their community relations department govern and make decisions on matters of community relations and social investments like infrastructures. The primary interaction with the host communities is through the local elites, such as chiefs and elders, religious leaders, etc and so relies heavily on traditional authority for information flow (Idemudia 2014, p.157).

Some of the advantages oil and gas companies stand to enjoy from this model are; because, it is administered by the management of the company, it enables them to display objectivity, discretion and flexibility over CCP decisions and practices. The model relies on the positive relationship with the local elites, it enhances the company's capacity to devise suitable corporate-political strategies and adequately respond to situations that might affect its business. Finally, it serves as effective short-term public relations and risk management purposes. (Idemudia 2014, p. 158)

The disadvantages of this model are that it can lead to community dependency instead of community empowerment. This is said to be the reason for increased community demands on oil companies. There is also the tendency for incompatibility between CCP objectives and the priority needs of the community. This is because, local elites often tend to push their selfish interest as against the community interests. More so, CCP projects do not give the community people a sense of ownership so they are likely to be unsustainable. Another disadvantage is that this model is often regarded as a stimulant of intra and inter-community conflicts over CCP benefits. Furthermore, it hampers the possibility of a long-term positive relationship between oil companies and local communities (Ibid).

3.8.2   Corporate-Community Foundation Strategy

Due to the gravity of the disadvantages experienced from adopting the traditional model of CCP, there became a need to search for a more innovative strategy for CCP. Some companies decided to partner with NGOs or form charity foundations in partnership with the community. This was because the companies spent huge amounts of money on CCP projects but did not get commensurate appreciation from their host communities. Intra and inter community struggles over CCP benefits has hampered oil production activities and hurt company reputation (Idemudia, 2014, p. 159). The foundation model is a separate legal entity but funded and influenced by the company. However, projects decisions are made and managed by the foundation or through the NGOs. However, the local communities are also expected to contribute funds, human and natural resources or capital assets like land for achievement of development plans and objectives (Loza, 2004, p. 300).

Potential benefits which businesses stands to enjoy include increased access to critical resources and relevant local information, enhanced reputation, and organizational learning (Morris & Bartkus, 2015, p.2). There is the tendency for the cost of CCP projects to be effectively managed by dissuading high community expectations since most of such corporate investment are long-termed. Community participation is central in this model hence there is the likelihood it will reflect core community needs, promote community empowerment, project sustainability and a close cooperation among the communities. Thereby reducing intra and inter-community conflicts (p. 159; Getz & Oetzel, 2010, p. 380). Lastly, it reduces the opportunity or incidence of corruption, mishandling and misappropriation of funds. Conversely, the disadvantages might be, that since the model involves 'contracting out' CCP projects geared towards community development, to a foundation or an NGO. The company might not enjoy maximum benefit accruable from their corporate social investments. Conclusively, it might hinder opportunities for staff learning since there is limited room for them to be fully engaged in the process (Idemudia 2014, p. 159).

3.8.3   Global Memorandum of Understanding (GMOU)

The global memorandum is a model that is geared towards addressing the development needs of the host communities. The company and the community enter a 'stand-alone' arrangement

that is formalised by signing a Memorandum of Understanding or partnering agreement (Esteves & Barclay, 2011, p.196). In the Niger Delta, this model was initiated by Chevron following the aftermath of the 2003 Ijaw and the Itsekiri ethnic violent and destructive clashes in Delta State. This was as a result of the fact that previous models did not yield a stable operational environment for the company nor did it contribute to community development. Hence, the need for a new community engagement approach in the Delta. (Hoben, Kovick, Plumb & Wright 2012, p. 4). The model was a direct alteration from traditional method of negotiations with host and non-host communities by bringing together similar ethnic groups within close geographic proximity to form a GMOU cluster in most Niger Delta states (Idemudia 2014, p. 158). The model is usually operated under the sponsorship of a separate 'Community Fund' which is often used to address the social, environmental and economic needs of the host communities (Esteves & Barclay, 2011 p.196).

According to Idemudia (2014), the advantages of the GMOU models includes; oil companies are able to maintain control over memorandum's decision making, plans and the outcomes of the CCP projects. The model is effective for risk management and public relations especially since there are yearly awards organized by oil and gas companies in Nigeria. This has created an air of positive competition on whose model has brought positive developmental benefits to their host communities (p.159). The disadvantages of this model unlike the corporate-community foundation model, the GMOU model does not allow for effective community engagement. Hence, the model is still subject to the influence of the local elites and company staff. On the contrary, the model is accused of being inadequate to resolve intra-community and indifferent about gender issues. Also there is a tendency of unconsciously encourage poorly executed community development projects due to limited in-house capacities within the host communities and lastly, funds are often insufficient to tackle community challenges and which might result in corporate-community tension that might adversely affects the company's social license to operate (ibid).

3.9   Power Relations:

Power is a broad, complex and multi-faceted theory that lacks a universally accepted definition. Scholars like Dahl (1961), Lukes (1974), Foucault (1980), etc have different views about whether power is conflictual or consensual and about how power is shaped (Csaszar 2004, p. 137). Hence, the different views on the theory of power cannot be fully discussed in

this research. Nevertheless, this research will focus on relational power as it relates to corporate social responsibility. This is important to help guide the understanding of the power relations evident in Bonny Kingdom vis-a-vis NLNG's CSR and the bid to achieve community development.

The concept of power as it concerns governance mechanisms, state, society and businesses buoys down to the relationship between these actors. Relational power exists largely in the relationship between actors or between their positions in a social setting. This means that in order to understand the relationship between people in a social setting, we have to understand how a person, or group of persons, come to have power to control and power over others or each other (Reed 2013, p. 199, 200). Reed (2013), defined relational power as;

> *"the degree to which the structure of relations or ties between actors (where relations or ties can be variously constituted, and actors can be individual or collective) determines the ability of some actors to control or limit the actions of others, achieve their intentions over against the will of others, and generally possess the ability to direct social life, often to their advantage"* (p. 203).

Relational power is derived from positionality e.g. race, gender, class and other aspects of human identity that mark relational positions rather than important characteristics in the structure of social relations (Reed 2013, p. 203; Maher & Tetreault 1993, p.118). On the part of the communities, internal power relations is based on the shared values and objectives of a community. The people in trust and confidence, define certain positions of leadership, legitimize the occupants of such positions and also grant them the right to issue commands and make policies in line with these shared values and objectives. Hence, these leaders are empowered by the people to act in the name of and on behalf of the entire community (Scott 2006, p. 10). However, these leaders sometimes utilize these powers to produce their personal intensions or desired outcomes irrespective of the impact it might have on their subjects. This happens when the leader is able to limit the choices of the people. More so, the greater the restrictions on the choices of the people, the greater the powers of the leaders. Nonetheless, the possibility of conflicts and opposition abound as the people tend to react based on the limited choices and restrictions put on them by their leaders (Scott 2006, p. 2, 3).

According to Scott (1995), resistance strategies put up by the people are often caused by their loss of access to the means of production, marginalization, loss of work, income and status (p. 241). Resistance oftentimes conjure images of use of deadly weapons, strife and war in

opposition to unfavourable choices imposed by community leaders. Nonetheless, to Scott, the 'oppressed' have other weapons of liberation which may not necessarily be aggressive. Sometimes people combine active and passive means of resistance that are creative and potentially liberating e.g. murmurs, gossip, etc. However, the community people may lack any realistic possibility to change their situation, so they find ways to adjust to their unfavourable situation. Furthermore, Community people may resent their leaders, they however have to tread cautiously in order to grasp whatever benefit these elites can offer. This is why they often resort to these silent and indirect resistance (Scott 1995, p. 246).

The idea of a good corporate citizenship and neighbour can be realized through adequate engagement and dialogue with stakeholders in order to build a positive relationships with them (Waddock, 2001, p. 35). On one side, oil and gas companies often want to show that they are good corporate citizenship because if a company is a bad citizen, then its licence to operate will be withdrawn by the society. Yet, they are responsible for some of the worst environmental damages and negative social impacts in developing countries. Instead of losing their social licence to operate, these companies remain stronger and more powerful using such means as persistent public relations campaigns, restructuring, etc. (Banerjee 2008, p. 62) This has created some power imbalance in favour of business, based on wealth and access to other resources that makes the partnerships between host communities and such company faulty (Hamann & Acutt, 2003, p. 263). This is because 'consultations and engagement' take place under unequal power relations. Members of local communities instead of being duly consulted are informed of the decisions made concerning their social and economic environment. This has made the stakeholders who are supposedly 'empowered' by these companies to have opposing agendas and objectives to that of the company. This can be seen in the current conflict situations between oil and gas companies and their host communities across the Niger Delta. Hence, these companies use strategies like the promise of royalties, jobs creation, empowerment programs, and pitting one group in the community against another to retain their power to and power over their host communities as stakeholders (Banerjee 2008, p. 64).

Nevertheless, power relations in CSR can have positive influence over a range of stakeholder groups in that it might lead to an increase in bargaining and negotiating power (Hamann & Acutt, 2003, p. 260). This is especially useful for host communities as it can help them work together and better towards meeting their own development needs. This is because it creates opportunities for the community to work with the company to mitigate the impacts of

business operations and also attend to their development needs in partnership with the company (Bondy 2008, p. 308). Power relations continues to be important in the discourse of CSR and its possibility of providing a win-win situation for both company and community. According to Utting, CSR 'is not simply a technical issue of know-how, resource availability, "win-win" situations or even greater environmental awareness on the part of key decision makers', rather it is a political process 'involving power struggles between the different actors and stakeholders' (Utting 2002, p. 277). Though CSR can be a source of power struggle, focus has been placed on negotiation, joint agenda setting, and partnership that will be reflective of all stakeholders' interest. This has the potential of providing local community with the capacity and confidence to participate effectively while encouraging business success and achievement of corporate objectives (Garvey & Newell 2007, p. 392).

3.10   Analytical Framework:

Oil companies have recognized the importance of corporate social responsibility and have utilized voluntary philanthropic initiatives like contributing financially and otherwise to solve the socioeconomic challenges of their host communities. This has become tenable especially in developing countries like Nigeria where governments and civil society are comparatively weak. These companies through constituting CCP projects have integrated CSR into their business strategies. Because of the initial approach to CSR which oil and gas companies embraced, (i.e. voluntary corporate philanthropy), a type of donor-recipient relationship that did not encourage positive corporate-community relations. It was unresponsive to both contextual and local priorities and resulted in community dependency. This has been recognized as the reason for corporate community clashes in the Niger Delta. Consequently, the need to embrace sustainable development, corporate-community partnership paradigms advice a shift from 'short-term transaction-based commitment' to 'long-term values' based on building positive relationships with stakeholders (Goddard, 2005, p. 275). This means a multi-stakeholder partnership with pluralistic pattern of interactions aimed at building and maintaining purposeful stakeholder relationships and giving 'voice' to their host communities (Muthuri, Chapple & Moon, 2009 p. 431).

According to Muthuri, et. Al. (2009), 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 governments and as an agency where people can 'govern' others (p.

432). 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. As a form of government, Kooiman (1999), defined it as an;

> *"All interactive arrangements in which public as well as private actors participate aimed at solving societal problems, or creating societal opportunities, and attending to the institutions within which these governing activities take place"* (p. 70).

Thus, from the above definition, solving socio-economic problems and creating opportunities for social development in their CSR strategy through partnership conveys oil companies into governance relationships with their host communities. This explains why host communities have increasingly expected oil and gas companies to undertake their development needs.

Based on the various partnership models adopted by oil and gas companies in the Niger Delta, from field work findings as will be discussed later, the NLNG uses a mixture of all three partnership models. However, the traits of a mixture of the traditional in-house corporate-community partnership model and the global memorandum of understanding is more prominent. The purpose for which a company embarks on CSR strategies is reflected through their CCP initiatives. This is necessary for them to be perceived as good corporate citizens, obtain a social licence to operate, gain competitive advantage and gain positive reputation.

Nigeria being a federal system, powers and resources are shared with the state and local governments even though they all possess full jurisdictions over specific matters (Prno, & Slocombe, 2012, p. 351). In Nigeria, state and local government are dependent on the federation account as the major source of finance for development needs. Traditional authority in the Bonny Kingdom is recognized by the constitution of the country. Though land is under the jurisdiction of the federal government, traditionally, ownership and access to land and its mineral resources is under the control of the Amayanabo and his chiefs. They are also able to decide and allow exploration activities and so are participants in decision making process of the Nigerian oil industry. As major stakeholders, these leaders put themselves as the front-runner in working with political elites and the multinational and national corporate leaders on behalf of the community. Thus, they are also in the forefront of enjoying the benefits that result from their active participation in the oil industry. As posited by Mathie and Cunningham, (2003), local leaders tend to evaluate community success based on how much resources are attracted to the community, rather than how self-reliant the community has grown (p. 476). Because environmental concerns and loss of livelihood has set the stage for

corporate-community conflicts, resistance to development decisions and their un-impactful implementations being made by the traditional rulers and the government abound. Several resource development projects have been held up at this stage because of community conflict and disapproval. This has prompted oil companies to introduce measures for adequate community support for their projects by pledging their commitment to sustainable development through partnership (Lemos & Agrawal, 2006, p.205).

On the aspect of the realisation of community development, it has been accepted that stakeholder management is key especially since they have the attributes of power and legitimacy. However, the potency of stakeholder relationships is based on the degree to which the interests or demands of stakeholders (local communities) match up with corporate goals for them. For community people to effectively achieve their goals, they need good community networks and positive relationship by appropriating their social capital (i.e. forgo personal gains for collective gains). They also need social cohesion which is a result of mutual trust and the sense of belonging which they would enjoy from pursuing their shared goals.
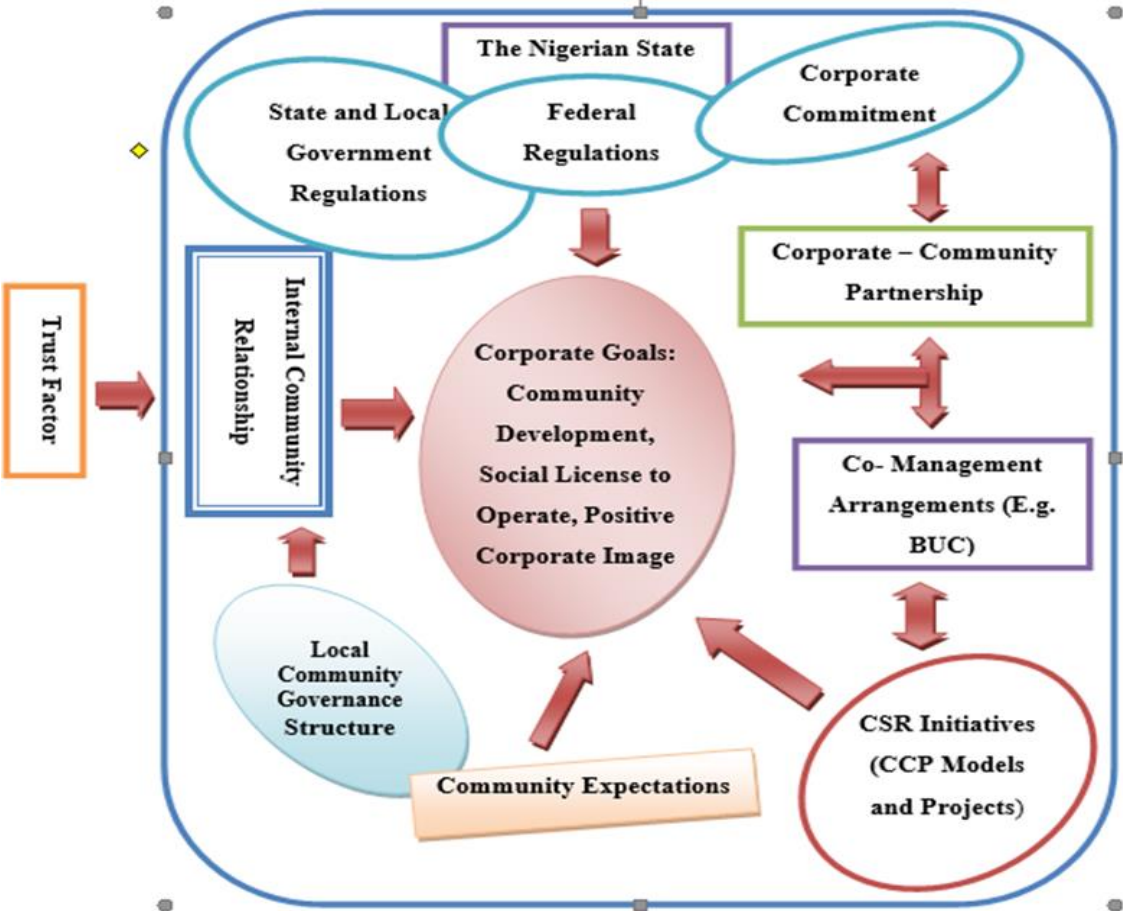

Figure 5: Framework for achieving community development through CSR. Adapted from: Prno, and Slocombe, 2012 p. 350

Since no one sector (i.e. state, business or community) has the answer for community development due to the complexity of the challenges they face, new forms of governance are springing up which are innovative hybrids between the traditionally accepted social roles that businesses, states, and, more recently, communities play (Lemos & Agrawal, 2006, p.309). These include co-management arrangement for instance; the Bonny Utility Company (BUC) 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 (NLNG, 2013). Co-management involves power and responsibility sharing among the stakeholders. This acknowledges and integrates local knowledge systems (community inputs) into corporate action. It encourages community-based development and reduction of conflict situations through consensus building and participatory values. (Prno, & Slocombe, 2012, p. 354).

Similarly, corporate-community partnerships in the form of socio-economic agreements are aimed at addressing community development challenges, monitor, follow-up, and mitigate environmental and economic negatives that results from company operations. It is also a means by which oil companies can achieve their corporate goals (Social licence to operate, community development, etc). However, this hinges on trust. As Liu, Eng and Ko (2012), posit, when a company engages their partnership strategies by executing a CSR activity that the community people can perceive as 'accountable', it will improve the level of mutual understanding between the company and the local community. Thereby building a positive corporate image. This can be achieved by undertaking relevant partnership projects that promotes the collective commitments (p.478). Corporate-community partnership strategies should motivate the community people to trust and perceive the company as accountable. This can be accomplished by constantly exhibiting attributes that adds great value to the community because it is also a member of the community i.e. be good corporate citizens by doing well.

3.10   Summary:

This chapter analyzed and discussed the important concepts that is needed to fully understand the NLNGs' CSR for Bonny Kingdom in respect to how CSR can be an answer to community development. It began with highlighting the concept and definition of CSR. This was followed by discourse on community development, corporate-community partnerships and power relations as a means of contextualizing the NLNGs' CSR paradigms. This formed the

basis of constructing an analytical framework that will aid the analysis of the data from field work.

Chapter 4

Research Methodology

4.0   Introduction:

This chapter will discuss the way the research was carried out from problem formulation to analysis. It begins with describing the methodology adopted for the research, the use of case study design, the difficulty of being granted research access by a company and the purposive sampling strategy using snowball sampling. Next, the chapter presents the methods by which data was gathered, (i.e. collection of documents, focus group interviews, in-depth interviews, and an open-ended questionnaire administered to the company). Then, the data analysis strategy employed by the research will be discussed in details (i.e. thematic analysis). The criteria for trustworthiness of the research will also be discussed, explaining the potential biases of the researcher and the ways strategies by which they were minimized in order to ensure non-biased inferences, findings and conclusions. The challenges faced by the researcher in the course of the research will be pointed out while stating the limitations of the research. Lastly, the ethics observed by the researcher in the course of the research will be stated vividly.

4.1   Qualitative Methodology:

The research strategy adopted by this thesis is qualitative analysis. Qualitative research is useful because, it studies the meaning of peoples' lives under real world condition (Yin, 2011 p. 8). It is a scientific and empirical way of systematically discovering and understanding how social realities arise, operates and the impacts of these realities on individuals, communities, organisations, etc. Qualitative research helps the researcher to focus on the naturally emerging expressions of the meanings people assign to their experiences of these realities (Berg, 2004 p. 11). The discourse of CSR as a development tool for the Niger Delta is a real life issue. 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 has been conducted in two parts; the first part consists of the collection of secondary data. The literature review was done to create a foundation for the study. 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).

4.2   Case Study Design:

A single case study strategy was chosen based on the study setting, motivation and peculiarity of the Bonny Kingdom from the rest of the Niger Delta. This case is peculiar because, unlike the other communities in the Niger Delta, the Bonny Kingdom is a special case in that it has an already established and respected monarchy and a social hierarchical structure. This has impacted the discourse of CSR as a corporate strategy and a vehicle of community development. This makes the case study appropriate because it is based on accomplishing knowledge about the stated reality also known as epistemological position. Described from an interpretivist stance, it entails understanding the social world through scrutinising the interpretation of that world by the participants. (Bryman 2012, p. 380) Hence, in order to understand the ways in which NLNG can work towards the development of her host communities through their CSR strategies, there is the need to view the scenario through the lenses of the research participants (i.e. Bonny Kingdom and the NLNG). This method enabled me to gain important and detailed account of what goes on in Bonny Kingdom as far as CSR is concerned.

4.3   Granting of Access and Obtaining Information from the Company:

While planning and conducting research on CSR, I discovered that companies are hesitant in allowing critical scrutiny from researchers. I approached several companies in the Niger Delta for permission to conduct research on their CSR approaches, without success. After trying multiple access channels, I thought I had a green signal from the NLNG. Before I left for Nigeria, I searched the company's website for a contact through which to establish communication with the company but all to no avail. A member of my family connected me to her family friend who was a management staff in one of NLNG's CSR outfits. It was this man that enabled me to get in contact with the CSR department of the company. Official correspondence began around December 2014. On the instruction of the company, I sent my interest to the CSR department of the company known as 'External Relations Department'. I asked to undertake interviews with some staff and management of the department and also

with their engagement specialists or liaison officers and development officers. These persons would have been my key informants because of the crucial role they play in the NLNG-community relations. But somehow, they claimed they did not receive the package which I sent through a postal service. However, I also sent soft copies through email. They said they could not make an official decision until they had received the hard copies.

When I got to Nigeria, I was able to personally hand in the application though I had to wait for a long time before I was allowed into the office complex. The company rejected my application which I suspect was partly my fault because, I submitted a copy of my interview guide which may have informed their decision. I think so because my relative said the company do not give out information they perceive as sensitive and most information on CSR are sensitive. Also, I missed the general manager of that department that day who supposedly left for Bonny Island just some few minutes before I was able to enter the office complex. I believe I would not have been rejected if I was able to see him. I was disappointed and anxious as I was not granted interviews but I did not let that discourage me.

Being denied access to conduct interviews with the company, I had to rely on the official documents of NLNG known as annual facts and figures, fact sheet on community development, the 'Host' a magazine the company produced and published for their host communities. These were accessed through the company website and formed the bulk of information about NLNG's CSR strategies and projects and their relationship with their host communities and their perception of the same. I continued my efforts in making contacts with the company. I was however able to breakthrough to the company as a result of snowballing. On the recommendation of my supervisor I had interviews with two professors at the University of Portharcourt just to get a neutral perspective on the general Niger Delta challenge and how CSR can be the answer. I mentioned to one of the professor that the company refused me interviews. Luckily, the professor was a former colleague to the general manager of the external relations department of the NLNG. He was able to call the manager and established communication for me with the manager. I thought I would be granted the interviews but I was asked to email my questions instead. I sent a structured interview guide which company officials granted and returned to me.

4.4 A Purposive Sampling Method:

In a qualitative research like this, a non-probability sampling method like purposive sampling is required. This is because, sampling requires selecting those participants that are relevant to

the research question. Also, the researcher wishes to get different varieties in the sample population. This is important as each member of the resulting sample differ from each other in terms of characteristics relevant to the research question. Also, as the findings evolved, there became a need to widen the characteristics of the samples (Bryman. 2012, p.418). As a result, the method of sampling used for this research was snowball sampling method. I started out with about 5 people I met after a Sunday service and scheduled interviews with them. Interviews were held in their individual houses and from there I was introduced to a couple of their neighbours, and I was able to schedule so many interviews from then on. In fact one of the contacts from the church helped me to organize the first focus group interview. I also made use of my social network. My sister has a family friend that I interviewed. The family friend introduced me to some chiefs and my pastor in the church also connected me to other community leaders. The distribution of participants is reflected in the table below:

Method	Participants	Codes	Sample Size	No. of Interviews per Respondents	No. of Answered Interviews	No. of Unanswered Interviews
	Chiefs	CCL	5	1	4	1
	Women Leaders	WCL	3	1	3	-
	Elders	ECL	2	1	1	1
	Youth Leader	YCL	2	1	1	1
	Community People	CP	20	1	16	4
	Professors	P	2	1	2	-
Semi-Structured Questionnaire	NLNG	N	1	1	1	-
Focus Group Interviews	Finima FG	FFG	1	1	1	-
	Settlement FG	SFG	1	1	1	-
Total			37		30	7

Table 1: Representation of samples

Sample Overview:

A total of 37 interviews were scheduled to be conducted, 30 of which were successfully conducted while 7 of them were not successful due to lack of quality and useful information for the research. 20 community people (CP) were scheduled for interview, 16 were successful

while 4 were unsuccessful. Out of 12 community leaders (CL) scheduled for interview, only 9 of them was successfully conducted. 2 focus groups were done to complement the data from the in-depth interviews. One of the focus group was formed by participants from Finima community and the other focus group consists of participants from a fishing settlement in Bonny. 2 professors at the University of Portharcourt 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.

4.5   Secondary Data:

At first, I studied reports and articles to grasps details on the current focus of the scientific debates on CSR in order to understand the different interpretations and definitions of CSR. I got some of the literatures by visiting the library of the University of Portharcourt, Nigeria, and the university library in Kristiansand. I also used articles found in peer-reviewed academic journals on the web through the university's database search, J-store search engine and google scholar, online newspapers and some books. These were utilized in the literature review, theoretical background, etc. The second phase of the collection of secondary data happened through collecting documents while doing fieldwork. These documents included official CSR documents published by the company, such as annual reports and the Host magazine published by the company.

4.6   Primary Data:

Most of the primary data was gathered in January, 2015 as the festivities of December, 2014 made it difficult to gather any data. However, December 2014 was spent trying to establish contact with some people in the local communities and with the company. This made it less hectic when I started a proper field work in January, 2015. Primary data includes, semi-structured in-depth interviews, focus group interview and an e-mailed open-ended questionnaire.

4.6.1   Semi-Structured Interviews:

Qualitative research may be done using either semi-structured or un-structured Interviews. However, this research makes use of semi-structured interviews which is useful when there is an interest in the interviewee's perspective about the concept under study. Interviews were face to face and undertaken in English language for the educated ones and for the uneducated, interviews were in Pidgin English (a kind of diffused English that evolved from the slave trade era and spoken in different variations across West Africa). The interviews were in-depth as much 'rambling' was encouraged by the researcher because, it helped to gain better insights into what the participants considered important and relevant (Bryman, 2012 p. 470).

I wanted to show appreciation for being granted interviews, so I acted responsively and had to put in all interest by listening carefully to all the stories my participants had to tell. I nodded, and made grunting sounds in agreement or as a way of feeling sorry for the negative experiences they had to share. As a result I was able to get a glimpse of what the real situation reflected. For example, by letting one of my first participants ramble, I learnt that the Finima community gave up their ancestral land for the company to build their plants, housing estate and other facilities.

The semi-structured interviews made use of an interview guide that focused on a list of issues to be tackled and on what is crucial in gaining the ways the research participants view their social world. This method allowed for flexibility in that some questions led to other questions based on what more the researcher wanted to understand about what is being said by the interviewee (Bryman, 2012, p. 472). As a result, it led to reformulating the interview guide as more information emerged. This was done several times. The findings from interviews conducted with the local people was what informed the interview guide used for the chiefs and other community leaders. This in-turn informed the questionnaire administered to the company. The interviews were carried out with the community people, the chiefs, and the elders. The interview sessions lasted between 30 to 50 minutes each with the longest interviews taking about 1. 5 hours.

4.6.2   Focus group Interviews:

Focus group is an interview style that enables the researcher to acquire knowledge from the participants about the social and psychological characteristics of their social setting. It is a

discussion usually under the guidance of a facilitator just like in an interview situation. This method helps the researcher to extract more in-depth information from the participants regarding the subject matter being investigated. (Flick, 2004, p. 123) In this research, 2 focus group interviews were carried out. The first group consisted of 6 men, two of which held positions in the development committee of their community (i.e. Finima). This group meeting was held in the sitting room of one of the men. Disruptions were limited to occasional phone calls that made the recipient leave the meeting to pick their calls and re-enter the discussions. Also, the television was on but without sound and most of them were distracted by it even though they participated in the discussions. One person dominated the discussion with others consenting to what he said. In order to encourage others to participate, I sometimes had to remove my gaze from the speaker and fix it on another person while asking a question, hence directing questions to others in the group or asked if there was something they would like to add to what the dominant speaker said. This focus group interview was held in English because, all the participants were educated. It was guided by the use a semi-structured interview guide and lasted for 1.30 hours due to the disruption and distractions that occurred during the meeting.

The second focus group was carried out on the fishing community in Bonny Island. This group was made of 5 fishermen and 1 woman who was the wife to one of the fishermen. This group meeting was held outside the hut of one of the fishermen. The woman was preparing fish for roasting and sales but also participated in the discussions while undertaking her chores. In this meeting everybody wanted to talk at the same time or echoed an answer together. So the researcher acted as the facilitator by directing questions at one person per time thereby encouraging everybody to participate. Sometimes, passers-by would disrupt in a bid to find out what was going on, but were cleverly dismissed by a quick response from the owner of the hut. This focus group interview was conducted in Pidgin English as they were mostly uneducated and lasted for 40 minutes. The prepared interview guide was abandoned as it did not suit the people. This is because, as a settlement, they were not citizens of Bonny kingdom. It was consisted of fishermen from other tribes in the Niger Delta. They however, have their own elders and development committee that represented them in matters of CSR and other matters especially in their relationship with other communities in Bonny. So there case was special and required an unstructured interview. Thus, I asked questions based on the findings from all I had observed around the settlement community.

The focus group sessions were revealing and I was able to gather much more detailed and in-depth information about how the individuals and group felt, perceived and opinionated about the subject matter. For instance, I was able to feel the sense of helplessness which the fishermen group exuded when they described and showed me their infrastructural needs. This instrument also afforded me the opportunity to seek further explanations on information I did not understand, and to probe further.

4.6.3   Semi-Structured Questionnaire:

The semi- structured questionnaire made use of open- ended questions that was emailed to the company. This happened because, I was denied access to undertake interviews with company staff, management or CSR officers. The semi-structured questions were built on thematic areas which had come up during the interviews with the people and leaders in the Bonny Kingdom. I wanted to get the company's opinions on the matters raised by the community people and leaders in order to triangulate and get a balanced perception of both community and company. The response from the company was adequate and concise. Some of the responses were in defence of the company CSR strategies, policies and activities. Though the response was good, I believe I would have had better and broader perspectives if I had been granted the interviews.

4.7   Rapport building

For the duration of the field work, I lived with my sister in Finima, one of the communities in Bonny Kingdom. Hence, I was able relate with the community people as a member of the community. With that, I was able to build rapport and trust as I chatted with neighbours in an informal setting. I also attended church there hence my initial contact for interviews with community people began from the church and snowballed from there. I also shopped regularly at the local market where informal conversations about the culture of Bonny were held with market women and men. I also gained insight about the strong loyalty which the Bonny people feel towards their king which I found intriguing. This is because, my own community has a paramount ruler, though respected but it is not the final authority on community matters like it is found with Bonny Kingdom.

I observed that respect for elderly people was a huge part of the cultural setting of the Bonny people. I tried to blend in as much as possible, curving my knees as if to kneel while greeting an elderly person and waiting to be offered a chair to sit on, etc. It was such a setting I learnt that when you visit an elder, and you meet him or her busy, you must wait for him to finish what he was doing before you start up a conversation. For example, I was directed to a woman leader who runs a cooperative. When I arrived at her house, I met her peeling papaya for her family. And since I did not know of this tradition, I greeted her and she offered me a sit. I introduced my name and asked for the interview, which she granted. As a result, she was able to identify that I was a stranger and had no idea (instead she would have believed I had no respect for elders) and so she corrected me in-case of future occurrence. This I applied when I had to interview the chiefs and other community leaders.

 Another scenario was when an elder in a remote fishing settlement in Bonny rebuked me sharply for not bringing 'respect drink' for him. I was aware of this tradition and had previously bought a bottle of wine which I forgot to carry along with me to that interview. I had promised to send the drink to him by the hand of the guide who took me to the fishing settlement in Finima. However, I realized that this particular interview did not yield any useful information. Some important questions were dismissed with waves of hand and I had to cut the interview short as I realized he lost interest in the interview. With this I was able to understand the values of respecting traditions and cultures and the influence it has on data gathering outcomes.

4.8   Data Analysis:

The main analysis of secondary data is based on documents produced and published by the NLNG and particularly documents related to NLNG's CSR strategy and initiatives for the host communities. The documents were available online to the public such as annual reports called facts and figures, fact sheet on sustainable community development produced annually, and other public relations materials.   Initial analysis of these documents afforded me the opportunity to obtain background knowledge about the company's strategy and actions. This was done before conducting ethnographic activities and interviews. The information provided on such publications has the probability to be one-sided and distorted by the opinion of its writers for the company. Consequently, most of these documents are predisposed to showcase the company in a positive light in relation to what they are doing in specific areas.

Particularly, the document has helped in such areas that might raise criticism of the business operation like environmental concerns, sustainability issues and community relations matters. Weighed against one of the criteria set by Bryman (2012) for validity of information, (i.e. credibility), there is no denial that authors of such documents by and large articulate several opinions that do not essentially provide "an objective account of the state of affairs" (Bryman, 2004 p.388). Therefore, in order to triangulate, I did not rely solely on the documents I found online NLNG's website. I had to use more than one source of data and methods in this study in order to check the integrity of theoretical inferences made by the research findings. According to Ritchie and Lewis (2005), triangulation helps the research to investigate the linkages between 'cause' and 'effect' of social phenomenon, and to converge data, findings and conclusions (p.43).

The semi-structured interviews and the focus group interviews were recorded using a voice recorder application on my cell phone. The transcripts from both the interviews and focus groups were coded based on the recurring themes from what was said about NLNG, its CSR and the internal community systems. This was then organised under identified theme which was later summarized, analysed and compared. The resulting data and information were analysed using thematic analysis with the help of the computer assisted data analysis software called Nvivo. This is because, compared to manual methods, it offers a faster way for the researcher to handle and analyse large data that is characteristic of a qualitative research. Furthermore, it entails rigour, and consistency of approach especially in conceptualisation of data and theory building. (Ritchie & Lewis 2005, p. 207) This is because, with the software, I was able to manipulate my data by searching for large data involving recurring themes (i.e. I was able to thematise and retrieve information from my data easily). I was also able to create links between the different data sets so as to gain greater insights on the issues of CSR as a tool for community development. For instance, I compared the perception of the local people to that of their traditional rulers. On the other hand, I compared the perception of the company to the perceptions of the local communities on the other. Lastly, to balance the equation, I also compared the perceptions of the company to the perceptions of the traditional rulers in Bonny Kingdom. This gave me a clear pictures on the uniqueness of the Bonny Kingdom- NLNG CSR strategy and relations in comparison to the wider Niger Delta situation.

4.9   Criteria for Trustworthy Research:

Qualitative research is generally associated with sets of belief and places importance on the value of interpretative aspects of human knowledge about their social setting. The researcher's perspective, interpretation and understanding of the phenomenon being studied is also significant. This is because, it is impossible for the researcher to be completely objective in such a research as this. According to Ritchie and Lewis (2005), a researcher cannot capture the social world of the participants or give a final authoritative interpretation because there are no fixed meanings to human behaviour, cultural setting and environment to be captured (p. 9). There is need to reflect that the research is in line with the criteria set for quality research. These criteria are; authenticity, credibility, transferability, confirmability and dependability. By authenticity, the researcher tried as much as possible to represent the perceptions of the participants fairly. The researcher also wanted the research to be dependable hence the researcher took up the role of an auditor. This is done by keeping a complete record of all the research phases, ranging from problem formulation, selection of research participants to interview transcript and data analysis. This is necessary so as to justify any theoretical inferences made by this research (Bryman 2012, p. 390-393).

The researcher also tried to ensure confirmability by disallowing personal biases, values, and experiences to bear on the research process, theoretical inclinations and findings. However, some of my biases were; as a citizen of the Niger Delta and have experienced first-hand the depravity of underdevelopment in the region. I have participated in protests march to oil firms operating in my community demanding CSR projects be done to ease our struggles and enjoy a share of the oil wealth. I have also witnessed military government suppression of my community.

Secondly, pertaining to the Bonny Kingdom's situation, I had a predisposition about the CSR claims of the NLNG and the community's belief of the same. During individual interviews with the community members and their leaders, they often say their community has a cordial relationship with the company, I tend to raise my brow literally. The people are loyal to the throne and to the institutional structures in their community. They are not allowed to do anything outside the consent of the chiefs and the king. This means that they are not allowed to protest against the company's action or inaction. I presumed in my heart that there is a delusional peace and cordiality. Thus, I felt prejudiced because the scenario influenced my interpretation of their cultural settings as it relates to my research objectives.

Biases are the unconscious preconceived ideas and prejudices a researcher has about the social setting and the actors within that setting. This hampers the researcher's ability to effectively enter the participants' mind and understand their actions, inactions and thought patterns (Ritchie & Lewis 2005, p. 306). However, to eliminate these biases, the researcher employed the research tools discussed above (i.e. in-depth interviews, document review, etc). This was to ensure rigour in order to obtain detailed and accurate information about the social setting and the subject under study. In order to get different 'lenses' to view, make better sense of, and discover the discrepancies about what the participants said, what I believe should happen and what actually happens. (ibid)

4.10   Limitations and Challenges of the Research:

In the course of undertaking this research, I experienced some difficulties and challenges. The first challenge was to get emotionally strong to start the research because, I was in Norway when I lost my father and missed out on his funeral. Also, I had two new nephews and a niece born into the family while I was away. Adjusting to the mixed feelings of his absence and the joy of seeing the new 'treasures' put a strain on my ability to start my field work immediately I arrived Nigeria.

That aside, when my application to do research on NLNG was rejected by the company, it further complicated my plans. It felt like I was not going to accomplish my research ambition. This rejection forced me into the field as I began from the community people I had chatted with after church and scheduled interviews with them. The initial findings from my first contact enabled me to get a new direction, reformulate my research objectives, questions and strategy. At the end, I was also able to continuously reformulate my interview guide to accommodate the new themes that emerged as my sample size grew.

I did not have enough confidence to approach the King's palace to seek his perception. This is because, the king is regal and royal in every sense and is highly placed in such a way that it is not easily assessable to commoners much like in the United Kingdom. There are protocols that must be observed before a person is allowed into the presence of the king, and it is unlikely that I would ever get an appointment. However, I never made an attempt to do so because, I felt respect for the institution and perhaps unworthiness to ask to see the king. Because of this research, I built my confidence such that I can enter anywhere, talk to anybody and create new networks especially after I got the company's response.

Pertaining to the research itself, respondents sometimes did not want to talk in details by avoiding to state facts. Maybe for fear of being implicated because, even after they were assured of their anonymity by the researcher, they were unwilling to divulge certain information that sounded like corruption especially if it relates to what the company has done wrong. More so, most of the community people did not know the meaning of CSR even when they have struggled for it for decades. It was until I explained it to them that I was able to collect much information after they had understood what I meant. This is because, they could relate to it as a lived experience. All research is constrained by time and resources but I was supported by my family financially but time was however, a huge constraint. (Bryman, 2008 p. 68)

There is also the constraint of transferability. Theoretical constructions, inferences and findings of the research may not necessarily fit into the wider social context. The Bonny Kingdom is a unique case based on their history, the place and role of traditional authority, the presence of oil and gas firms and the role of government. On the other hand, the expectations, realities and delusions of the people has brought about a culmination of an intricate web that could make or hinder community development. There is a disparity in the relationship between similar companies and their host communities, their acceptability among these communities, their CSR strategies vis-à-vis community development efforts and that of the NLNG and their host communities. Hence, it is might be difficult to generalize or apply the findings to these other companies and their host communities in the rest of the Niger Delta, or in Nigeria as a whole. Bryman (2012) argued that it is the preoccupation of quantitative research to easily transfer the findings from a case bearing certain unique characteristics to other context. But in qualitative research, it is not so easy to ascertain if the findings of the research can hold in other contexts or even in the same context but at some other time (p.392). Similarly, the findings of qualitative research like this is usually restricted and hence it might be difficult to generalize the findings to other settings (Bryman, 2012 p.406).

4.11   Ethical Considerations:

According to Schnell and Heinritz (2006), *"research ethics addresses the question of which ethically relevant issues caused by the intervention of researchers can be expected to impact on the people with or about whom they research. It is concerned in addition with the steps*

taken to protect those who participate in the research, if this is necessary" (p. 17). In the course of carrying out this research, the researcher tried as much as possible to avoid harm to the personality and emotions of the participants and respondents in the research. The participants were carefully informed about the study, its importance, and benefits and also given the opportunity to participate willingly i.e. getting their consent to be studied (Flick 2011, p. 217).

The researcher tried not to deceive the participants. I contracted a guide to take me on a journey that required travelling on a boat to a remote fishing settlement in Bonny Island. On arrival, we received stares and questions about who we were and where we came from. A lady actually asked if I was the government or an international organisation. However, I dressed informally and spoke Pidgin English with them which reduced my 'authoritative status'. I was able to establish a closer rapport and carry on informal chat with the fishermen. I ensured that I explained to them that it was strictly an academic pursuit and there was no monetary benefit from their participation. However, they still believed I will help them. One of the fishermen said; *"No problem, finish your school first, then you will become a rich woman, then you will come back to help us"*. To which I smiled.

The fishermen eagerly took me round the settlement. I had to wade through muddy waters of the creeks that flows through the community as there was no foot bridge to get across. There was poor sanitary situations in that I saw children defecating by the creek beds as there were no toilets. They showed me their source of drinking water – a well that was not so far from the creeks. I was also showed a nursery and primary school and made out of corrugated iron sheets. Flooding happened everyday as the tides returned in the evening hence the houses made from raffia leaves was always wet. With that i experienced the level of deprivation and extreme poverty first hand. Though this was a difficult situation for me to comprehend, it reinforced my belief on the importance of my research.

Also, participants and respondents were assured of their privacy and that whatever information they share was confidential and was used strictly for research purposes (Tracy 2013, p. 243). For example, the chiefs were worried about their reputation after I asked them about the views which the community people had about their relationship with the company. I had told them that I was a student from Norway and that seemed to bother them in that they believed my research would paint a negative picture of their stools in the kingdom to the

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whole world. I however, assured them of their full anonymity and that the needed information was for an academic pursuit.

I did not report any untrue findings or use imagined data throughout the duration of the research. Lastly, in order to avoid plagiarism, the researcher acknowledges the authors of scholarly articles from journals, books, websites, and other materials used to gain understanding of the major concepts investigated in the research.

4.12   Summary:

This chapter presents the methodology employed for the research and the research design which included gathering official documents, focus group interviews and individual in-depth interviews, and a structured questionnaire. The sampling method was also presented which was purposive in nature using snowballing, as well as how I analysed the data using thematic tools and the data analysis software of Nvivo 10. The criteria for trustworthy research, challenges and limitations of the study and ethical considerations were also discussed in detail.

Perceptions of the company

5.0   Introduction:

This study explores how CSR can be a channel through which both businesses and society can benefit. The gas company, Nigeria Liquefied Natural Gas Limited (NLNG) wants to make profit, maintain a good reputation and a social licence to operate. The host community, the Bonny Kingdom, wants socio-economic development. This research examines the main motives why an oil and gas company like NLNG would invest and engage in CSR strategies and initiatives. This section will narrate the empirical findings for why NLNG has a CSR strategy and how they are implemented through their initiatives and projects. First, I will look at the environmental, economic and the social impacts that NLNG's operations has on Bonny Kingdom. This will be followed by a discussion on NLNG's definition of its CSR strategy. I will also discuss how the company perceives community development and its partnership with Bonny Kingdom. This will be followed by the situation of the community relations of NLNG. The implementation of NLNG's corporate social responsibility will also be discussed. An analysis of NLNG role as a catalyst for community development will be undertaken. Lastly, the achievements of NLNG as recorded in its CSR implementation, the strength, weakness and challenges of NLNG's CSR will also be discussed.

5.1   Nigeria Liquefied Natural Gas Limited (NLNG) Profile:

Nigeria LNG Limited (NLNG) is a limited liability company incorporated on May 17, 1989 to exploit Nigeria's vast natural gas resources. The company's role in Nigeria was seen as a solution to the problem of gas flaring in the Niger Delta region of the country (NLNG, 2014). 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. Ownership of the company constitutes four shareholders, namely, the Federal Government of Nigeria, represented by Nigerian National Petroleum Corporation (NNPC), Shell SPDC, Total LNG Nigeria Ltd and Eni AGIP. In 1995, a Final Investment Decision (FID) was signed by the shareholders to build a Liquefied Natural Gas (LNG) plant in Finima, Bonny Island. Other facilities are a materials off-loading jetty, a passenger jetty terminal and residential area

(NLNG, 2014 p.20, 21). 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 p. 21).

5.2   The Host Communities:

NLNG's host communities are those communities where the Nigeria Liquefied Natural Gas Plant and the Gas Transmission System (GTS) are situated. Bonny Kingdom is the main host community of the NLNG. This is because, the main Liquefied Natural Gas plant is located in Finima. Finima also hosts other major facilities like the water-wells and the residential area. Six communities in Bonny Kingdom are hosts of the company's Gas Transmission System (NLNG, 2014). NLNG Gas Transmission System (GTS) cut across 110 communities in nine Local Government Areas of Rivers State, Nigeria. The Port-Harcourt Supply Base, from where most logistics and pipeline activities are coordinated is located in two other major host communities i.e. Amadi-Ama and Ogbumnabali communities still in Rivers State (NLNG, 2014). This research however focuses on the Bonny Kingdom as the major host community of the NLNG.

5.3   Impacts of NLNG's Operations:

The business operations of the NLNG in Bonny Kingdom often have economic, environmental and social impacts on the people. These impacts will be discussed in details below:

(i)   Environmental and Economic impact:

The company produces gas for export and local consumption and as a result of this, there is continuous gas flaring. The major impact of this is the emission of pollutant gases into the atmosphere. Noise, air and water pollution are the direct consequences of the company's operation in Bonny Kingdom. It is difficult to separate environmental impacts from the economic impacts of NLNG on the people. This is because, the people in Bonny Kingdom depend on their environment for their livelihood and survival. The focus group interview conducted in Finima, yielded results that showed that the environment was degraded due to gas flaring. Based on this, fishing which is the primary trade of the people has been lost as the

creeks are void of fishes and other sea foods. For example, the result of the focus group interview conducted for this study as responded by participants, highlighted that the environmental challenges they face in their community causes degradation and unemployment. The respondents' responses are as follows;

> *"Part of the economic challenges is that our people are predominantly fishermen by occupation and over 37 creeks were sand-filled to create land for NLNG to come into this place. Now what alternative provision do you have in store in the environmental impact assessment because, i believe an EIA was done? These 37 creeks, our women and men did subsistent fishing in order to fend for themselves and take care of their families and now you have closed the source of livelihood of these people"* (FFG Interview).

According to this interview, a total number of 37 creeks were sand filled to create land for NLNG to start its operations. This is because, Bonny Island is a swampy and marshy area. The damage done to the water bodies (i.e. sand-filled or polluted), led to high rate of unemployment. Consequently, the created land is unsuitable for farming. Another respondent stated that;

> "*The soil cannot support agriculture because, the sand is derived from the sand-filling project NLNG did for us so that they can create land for the Finima people to relocate"* (CP3 Interview).

The direct consequence of sand filling the swamps and creeks has also resulted in ecological imbalance and biodiversity loss. Some of the respondents stated that animals had gone extinct in the region. The region was known to inhabit wide range of bio-diversity like monkeys, pythons, hippopotamus, etc. Furthermore, it is a recognized fact that gas flares pose a continuous threat to the health of the people. One of the respondent complained about this in the statement below;

> *"The challenge we face here is the gas flaring. In the olden days before NLNG came here, our parents used to collect rain water and store for use during the dry season. But these days, you can't do that. When you walk under the rain, you see black residue on your skin. This means that the rain is not even good on your skin. Even our vegetables, you cannot even eat them like that, you have to wash them thoroughly. Most people do not know that, so they cook their vegetables without washing them properly and then they fall ill"* (WCL 1 Interview).

From this statement, one can deduce that the challenges the people face as a result of the company's presence in the community is environmental degradation. The community's source of water (i.e. rain water) is no longer useful as a result of gas flares. The gas flares also make food sources unhealthy and thus, poses a health risk. Apart from the health hazard, local people also complained of being more exposed to the Atlantic Ocean and its turbulence. This exposure has resulted in environmental hazards like flooding from nearby creeks, rivers and streams.

(ii)   Social Impact:

The NLNG as a huge investment has positive and negative social and economic impacts. The presence of NLNG in the Bonny Kingdom introduced a rise in social vices like prostitution, piracy and militancy, etc. These vices have negative impact on the people and can be seen depicted in the focus group comment below;

> *"...The expertrates working in the company capitalized on the poverty level of our women and our young girls. Prostitution came into Finima and the trend invited more prostitutes from far and nearby cities like Port Harcourt. Finima now has a night life that never there before with bush bars springing everywhere. Armed robbery and sea piracy was also rampant because a lot of banks came to do business on the Island too. It opened the road to HIV/AIDS and other STDs among the people. ... A lot of illicit drugs were imported into the community because the NLNG and Mobil plant were huge construction projects that brought a lot of different people to Bonny. Until now some of our relations are still suffering from the impact of these social vices that were imported into the community. A lot of atrocities happened then and the scars are still there in Bonny at large but especially in Finima. Because, we are the primary host community of the NLNG and we felt the impact of the social degradation so much"*
> (FFG Interview).

According to the statement above, it is evident that the social order changed. Prostitution, drug trafficking, HIV/AIDS epidemics, armed robbery, sea piracy and militancy were reported because of the presence of the company in the region. However, the rise of militancy have been argued to be caused by frustration and revolt of the Niger Delta youths. The youths protested due to government neglect and environmental degradation of the environment and lack of adequate compensation payment. This people still feel the impact of the social degradation.

The presence of NLNG did not only bring negative impacts on the environment but positive impact on the economy and society have also been recorded. One can also notice from the above statement that other related and non-related industries sprang up as a result of NLNG's presence in Bonny Kingdom. Industries like tourism (hotels and bush bars), banking sector, engineering and spare part industries, etc which resulted in cluster of business sophistication. The presence of NLNG in Bonny Kingdom also brought development in the form of some certain infrastructures, urbanisation, etc. The region also gained exposure and recognition. This means that Bonny Kingdom has been able to recover its reputation as a centre of international trade. Also, as an important export and import port as was the case during the transatlantic trade era. Financially, some people gained employment both in the company and the supporting industries. The presence of NLNG also brought high influx of migrants to the area which boost the economic activities of the area. The CSR of NLNG became the means by which the company can cushion and mitigate the negative influence of its operations in the region. CSR also became a response to further boost and support the positive impacts of its presence and operations in the region.

5.4   Corporate Social Responsibility:

"NLNG takes on CSR activities voluntarily as a medium to reach and give back beneficially to our publics" (N, Questionnaire).

The stance of NLNG about its CSR from their response to the question of why the company engages in CSR is that of a discretionary, voluntary and ethical considerations. The primary responsibility and objective of a company is usually to make profit within the prescribed laws of the land and within the rule of the game. This means that NLNG's social responsibility exceeds what is mandated by law. The company wants to give back to the society but especially their publics. And by publics, the company does not restrict its CSR to its host community alone but to other stakeholders and the wider society. The company gave another reason for their discretionary stance on CSR as presented in the statement below;

> *"...Because we choose to be good neighbours – employing our resources to improve the environment and livelihood of our community. So there's that willingness to do it without being forced to do it. So, you realize that we do what we are doing because we care for our communities and our environment, beyond legislative directives"*
> (NLNG, 2010)

The company believes in being 'good neighbours' or good corporate citizens. The company proves this by utilizing their resources to improve on the environment and the livelihood of their immediate community. The resources employed could be monetary or managerial, or other capital assets. NLNG in the statement shows it carries out its CSR willingly beyond the regulations of the Nigerian legislation. Also, the company engages in CSR as a way to show care and responsibility for their host community and the environment. This is reflected in the company's definition of corporate social responsibility in the comment below;

> *"To us at NLNG, Corporate Social Responsibility comprises all internally defined efforts to give back to our environment of operation which includes our host communities and extends to Nigeria as a whole as NLNG is a Nigerian company"* (N, Questionnaire).

CSR in the perception of NLNG is a voluntarily defined effort by the management of the company to give back to the society. The concept of 'giving back' means that out of the profitability the company enjoys, a portion is used for the good of the environment and the local community. But they also extend the good to the wider society (i.e. to the whole country).

5.5   Community Development and Partnership:

The objectives of NLNG's CSR strategy for community development in Bonny Kingdom is geared towards fostering self-reliance and sustainability. Self- reliance and sustainability are important features of community development. A community that is developed is self- reliant in that it takes charge of its own development process. However, there is a need to sustain the development effort. When asked to define community development, the company stated that;

> *"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, which guarantees the profitability of organizations operating in their domain"* (N, Questionnaire)

The company expects Bonny Kingdom to design, take direct ownership and drive their own development process. They also expect that Bonny Kingdom will maximize its partnership

with the company and also the resources provided in such partnership. The pre-condition given by the company is that Bonny Kingdom should provide a peaceful and enabling environment for the company's operations. This is important to the company because, it will guarantee their business objectives in term of profitability. This the company articulated in the statement below;

> *"It is necessary in maintaining our reputation as a responsible corporate entity. Also, it is to guarantee a conducive environment for our business to thrive and grow. In the long term, it is to build a cohesive and sustainable economic society where we have footprints"* (N, Questionnaire).

The company does not involve in a partnership for the sake of profitability alone, but also to maintain a positive corporate image as 'good corporate citizens' of Nigeria. Also, to gain legitimacy or a social license to operate by building a cohesive and sustainable economic society. CSR therefore, enables the company to gain acceptability and legitimacy from the Bonny Kingdom. This in turn translates into the desired social license to operate. This means that Bonny Kingdom grants NLNG the freedom to pursue their commercial objectives of profit making.

By sustainability of their host community, the company promotes sustainable development aspect of CSR. This is a mixture of the definition and importance of CSR, sustainable development and community development. This I have defined as a process in which members of a given area - 'community' (individually, collectively or in partnership) make and implement socially responsible decisions about the environment, and their economic, social life. The possible end result is an increase in the life prospects of one people without a decrease in the life prospects of the future community members. Sustainable development according to focus group report is presented in the statement below;

> *"Sustainability is very key. The NLNG policy on sustainable development is very clear. So for every project that we do must be sustainable. The whole process, from needs identification to programme initiation, to programme execution must be carried out in partnership with the interested stakeholders and must define a clear exit strategy in the project implementation plan. This ensures ownership of the process by the primary beneficiaries and promotes the activities of the champions within the stakeholders to ensure sustainability"* (NLNG, 2010).

This reflects the importance that the company places on sustainability. The company in this statement hands over the whole process to Bonny Kingdom. From need identification which

informs the initiation of a suitable programme or initiative to solve it and then project execution. The company plans on making such projects sustainable by stipulating a clear exit strategy in the implementation phase of such projects. Also, the process of giving Bonny people the ownership of their development process ensures its sustainability.

The importance of the NLNG-Bonny partnership in the sustainability of NLNG's CSR interventions cannot be over-emphasized. NLNG led a Joint Industries Company (JIC) that comprised of NLNG, Shell Petroleum Development Company Limited (SPDC) and Exxon Mobil to sign a Memorandum of Understanding with the community. This was a partnership aimed at the development of the Bonny Kingdom by developing a Master Plan. A conference was convened by the king, Bonny chiefs' council and the Joint Industries Companies to determine the future of Bonny Kingdom's development. The Master Plan was to guide the NLNG- Bonny Partnership. The Master Plan showed how the partnership would harness the shared vision and plans. It also defined a clear direction and measurement of Bonny's development progress. The partnership was also to create a synergy with government and other partners like NLNG for the benefit of the kingdom and its people. In the partnership, it was stipulated that the Bonny people would develop and maintain the local governance structures. This structures was to maintain a conducive environment for business to thrive. The partnership was funded by the JIC in order to finance the implementation of the Master Plan. The fund shall serve the purpose of constructing and servicing infrastructural facilities, enterprise and social development. Consequently there is a possibility to secure an economic future and heritage investment to cater for the need of next generation of the Bonny Kingdom.

Based on the provisions of the described partnership, the characteristics of the NLNG- Bonny partnership can be extracted. The first one is that it stipulates who the identity of the stakeholders (i.e. Bonny Kingdom, NLNG and the government) should be. These stakeholders have shared vision, and objective which is the master plan for the development of the Bonny communities. It also enforces the hierarchical monarchical and social authority structure of the Bonny Kingdom. This structure is thus expected to ensure a conducive environment for businesses like NLNG to thrive and achieve their corporate goals of profit making, legitimacy and a social license to operate. In return the company through the master plan would ensure the infrastructural, economic and social development for the present and future Bonny Kingdom.

5.6   Community Relations:

Following from the foregoing, it can be observed that the NLNG's approach to CSR asserts that it is based on sustainability, stake-holding and partnership. Based on information from the company's publications, the company carries out its CSR strategy through its Community Relations and Development Department. The aim of a NLNG-Bonny relationship is to provide support, build and maintain a positive relationships with the kingdom. As a result the company uses officials known as engagement specialists and development officers. The previous are assigned to specific settlements like the fishing settlements in Bonny and Finima communities while the later specializes in strategic areas like; health, education, economic empowerment and youth development, etc. Both officials meet regularly with representatives of the host communities, formally and informally, to maintain good relationships and enhance mutual advancement. The traditional hierarchical and information flow structure depicted in chapter 2 of this research stipulates that the representatives referred to here are; the king, council of chiefs and elders. The traditional institution acts as middlemen between NLNG and the rest of the Bonny community. It follows that whatever the company wants to do in the community must pass through the local elites or the traditional institution as the representatives of the people. In the statement below; a chief confirms this assertion;

> *"The development committee 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. These people are selected specialists and professionals. We are the rulers. They will get the best and get back to us. We will now sign what we call a Memorandum of Understanding with the company. The company cannot do whatever they like, the land does not belong to them. We know what we need. So if a company want to spend 10 Million Naira for any of their projects, they should pass through the committee"* (CCL 1 Interview).

The community development as defined by the NLNG is that the community takes the lead in the development process. This means the community has to identify its priority need and initiate the program to address the need and then champion the implementation. From the statement above, it becomes clear that the representatives of the people are the 'community'. The development committee which is an arm of the Bonny Chiefs' Council performs the need identification and project negotiations. The resulting decisions from such negotiations are accepted or rejected by the chiefs. If accepted then a Memorandum of Understanding between the company and the community is signed by the chiefs. Thus the company cannot undertake

any CSR intervention geared towards community development without the consent of the traditional institution.

The company also states that it operates an open door policy. This means that there are opportunities for different groups in the Bonny Kingdom to contact the company and the company would respond accordingly. The company recognizes and respects the hierarchy of the traditional institution in this regard. The statement from NLNG shows that the company knows each group in the society and their function as demonstrated 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. Furthermore, the Bonny community is highly structured with each group of the community having their own clear roles, responsibilities, and functions. For instance, the Bonny Kingdom Development Committee have the vested authority of the community to negotiate their development needs with companies operating in the kingdom, while the Bonny Chiefs' Council mediates if/when any conflicts arises with these companies. The Bonny Youth Congress is also ensures there is balance and stability. This is because the goal is clear and all these bodies are working towards the development of the Kingdom"* (N Questionnaire).

This means that the relationship with other groups in the Bonny Kingdom is based on their position and role in the community. The development committee is in charge of CSR negotiations but bound by the endorsement of the traditional authority. The chiefs also mediate any conflicts that arises between the company and other groups in the kingdom. The Bonny Youth Congress act as the 'police' or 'soldiers' by ensuring there is balance and stability in the communities. The other groups in the kingdom also adhere to this hierarchy. This means that no group goes beyond its stipulated role and position in the hierarchy. This puts to question, the idea of an open-door policy, adequate engagement, mutual respect and openness expressed in the statement below;

> *"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. That said, I must reiterate that NLNG has earned the trust of all its community stakeholders through Adequate Engagement, Effective Communication, Dialogue, Mutual Respect, Openness, and a firm commitment towards Growing the Capacities of our community stakeholders"* (N Questionnaire).

The development committee and the Bonny Chiefs' Council are the negotiators, project initiators and implementers. How does the company adequately engage the other groups in the development process of their community? It seems that the company's respect for and understanding of the culture of its stakeholders has played a decisive role in the outcome of the Bonny-NLNG relationship and partnership. The company's adherence to the traditional hierarchy is a determinant to building a trusting relationship with the community and securing a social license to operate. It is also a determinant to the peaceful co-existence of community and company. This conducive environment suitable for peaceful conduct of NLNG's business operations is an advantage to the company. This is an invaluable resource but is strengthened by a trusting relationship. Generally, the community has a lot to offer because though this contribution might be intangible, it is critical to the sustainable delivery of NLNG's CSR initiatives and interventions.

5.7   Implementation of NLNG's Corporate Social Responsibility:

CSR as mentioned earlier, is a way by which NLNG cushions the negative impacts of its operation in the community. On the other hand, CSR also enhances the positive impacts of the company's presence and operations in the community. The company's engagement in CSR activities and programs includes provision of infrastructure, health and educational facilities. It also encourages local enterprise, facilitation of expertise and building capacity in its host communities. Some of the major CSR projects and initiatives are,

The Bonny Utilities Company (BUC): Established due to the signing of the Memorandum of Understanding as part of the partnership between Bonny Kingdom and the company. The Bonny Utility Company (BUC) provides and manages social utilities like power and water supply on Bonny Island. The funding of BUC is provided by the Joint Industry Companies (JIC). The company since its inception has provided over 98 percent uninterrupted power supply. (NLNG, 2014)

The Integrated Top-Up Scheme (I.T.S) is a scheme where the company pays quarterly top-up allowance to teachers and non-academic staff of government post-primary schools on Bonny Island. (NLNG, 2014)

The Bonny Vocational Centre (BVC) is an NLNG-Bonny Kingdom partnership project. The BVC is aimed at the youths not only in Bonny Island but also for the youths Rivers State as

well. The purpose of the project is to promote vocational and entrepreneurial skills acquisition, development of technical competencies and self-reliance in youths. Some of the vocations youths have received training are, welding and pipe work, civil construction and support services, plumbing, catering and hospitality, project and procurement administration (for local contractors), general business and administration, etc. (NLNG, 2014)

Aside from some of the above named major initiatives and projects, the company also engages other CSR activities. Examples are; health awareness campaigns, renovation of schools and town halls, sinking of water boreholes, and provision of post primary, undergraduate and post graduate scholarships, school desks and writing materials in host communities.

5.7   NLNG as a Catalyst to Community Development:

The NLNG believes that the economic and social aspects of Bonny Kingdom has improved as a result of their presence in the community. This is because the company believes that engaging in CSR activities in Bonny Kingdom gives them the role of supporting government in the area of community development. In the statement below, the company expresses concerns that the Bonny Kingdom places much of the responsibility of development on it. The community directs its development concerns to it instead of the government. The company believes that reason for this is that the government has failed the people of Bonny Kingdom.

> *"...: why would a community, instead of going to the government, see you as the person to come to with their complaints? ...There was a period when every week we would receive about 5 letters from our communities making one request or the other. How many local government offices get such requests from their constituencies? The obvious answer is that there is a system failure, a sort of disconnect. It wasn't until a few years ago that we had real local governments, judging by performance. So for people at the grassroots level, it didn't look like there was a government.* (NLNG, 2010 p. 18)

In the company's perspective, Bonny Kingdom had no real effect of government presence until recently. However, the company maintains that it is not the company's position to play the role of government. The thrust of their CSR policy, strategy and projects is to be a catalyst to the development of Bonny Kingdom. The company plays a complimentary or supportive

role to the government. The company thus, helps with designing strategies for development along with the communities and government.

5.8   Achievements, Strength, Weakness and Challenges of NLNG's CSR:

The company has recorded some achievements in its CSR initiatives and projects. The company has constructed infrastructural projects like, Abalamabie Town Hall, Finima Women Association Bakery, Okposi Community Health Centre staff quarters, etc. The Bonny Vocational Centre has successfully trained, graduated over 157 graduates various technical and vocational fields of study. The graduates received an Advanced Diploma Certificates of the City and Guilds of London Institute. The graduates are also able to secure employment with about 107 graduates gainfully employment and 109 works as interns. The company has a post-graduate scholarships scheme that send Nigerians to Universities in United Kingdom. The scholarship is valued at between N9 million and N11 million per student depending on the course of study. Some of these courses are, Environmental Studies, Engineering, Management, Accountancy, Economics, etc. (NLNG, 2014)

The company believes that there has been high local development impact as a result of their presence and CSR projects in Bonny Kingdom. There has been full-time and part-time jobs created for the local community due to growth of new industries. The provision of constant electricity has improved public services in Bonny Kingdom. Small businesses working with electricity powered machinery and computers are also able to carry out business operations successfully. The constant electricity has helped to drastically reduce the polluting effects of noise and fumes associated with the use of electric generator sets. In the statement below, the company states that it has a positive relationship with the host community and has also earned the social license to operate.

> *"By having a significant presence on Bonny Island, putting in place needed*
> *infrastructure, providing about 50% contribution to all major developmental projects*
> *on the Island, NLNG has surely earned the Social license to operate. ...Very Cordial.*
> *We have earned mutual trust, respect and very readily too the 'Social License to*
> *Operate' in our Host communities"* (N Questionnaire)

The company believes that contributing and investing in community development projects has led to a positive relationship with Bonny Kingdom based on mutual trust and respect. The company also believes that its CSR investments has earned it the social license to operate.

However, the company expects the community to drive the process of community development as regards the implementation of NLNG's CSR. The belief is that when the community takes charge of its development process, there would be sustainability of CSR interventions. But the company in the statement below states that there is an absence of sustainability of its CSR interventions in Bonny Kingdom.

> *"The major challenge is the seeming absence of sustainability for CSR interventions, which sometimes erodes the desired long-lasting impact expected by the society and company. A recognized weakness is the visible absence of a shared responsibility and ownership of development initiatives on the part of the community. NLNG's major strength is in recognizing this weakness; and taking proactive steps at building and strengthening the capacity of our host communities to manage their affairs. Our belief is that the community should be empowered to own and drive its development and reduce its reliance on corporations"* (N Questionnaire)

The company believes that this lack of sustainability of its CSR intervention is a major challenge it faces in its CSR policy and strategy. The result of which the desired lasting impacts of such initiatives is lost. The weakness of NLNG's CSR strategy is blamed on the lack of shared responsibility and ownership for such initiatives on the path of Bonny Kingdom. The strength of NLNG's CSR is aimed at being proactive by building and maintaining the community's capacity to take ownership of their own development process. The idea behind this is that it will help reduce the community's dependence on the company for its development needs. Thus the company can assume and retain its role as a catalyst to and not the driver of community development.

5.9 Summary:

This section narrated the empirical findings on NLNG's CSR strategy and how they are implemented through their initiatives and projects. First, the environmental, economic and the social impacts of NLNG's operations on Bonny Kingdom was discovered. This was followed by a discussion on NLNG's definition of its CSR strategy. This chapter also discussed how the company perceived community development and its partnership with Bonny Kingdom. This was followed by the analysis of the community relations strategy of NLNG. The analysis demonstrates that the hierarchical structure of the Bonny Kingdom plays a huge role in both

the Bonny-NLNG relationship and partnership. The implementation of NLNG's corporate social responsibility was discussed. An analysis of NLNG's role as a catalyst to community development was undertaken in order to investigate the role of CSR in community development. Lastly, the achievements of NLNG as recorded in its CSR implementation, the strength, weakness and challenges of NLNG's CSR was also discussed.

Chapter 6

Perceptions of the Local Community:

6.0   Introduction:

This chapter narrates the empirical findings of the issues that surround the concept of CSR as a means for Bonny Kingdom to achieve development as a host community to the Nigeria Liquefied Natural Gas Limited. It starts with the definition of the concept of CSR by the community. It will also discuss the relationship between NLNG and Bonny Kingdom. This will be followed by the discussion on the internal relations within the Bonny Kingdom. It places emphasis on the role and impact of the hierarchical social and political structure of the Bonny Kingdom and the inherent power play and power relations. Furthermore, the implications of the internal community relations on NLNG's achievement of community trust, legitimacy and a social license to operate will be analysed. How community can achieve development from the perspective of the people will be discussed by looking at the core actors of community development- community, state or NLNG. Lastly, the perceived hindrances to community development will also be discussed.

6.1   Corporate Social Responsibility:

The concept of CSR is perceived differently by different people. The company defined CSR as a voluntary or discretionary process they engage in as part of their business strategy. The community see CSR differently. The perception of the community stems from 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 on a company like NLNG should be a means of alleviating sufferings of the people in the community:

> *"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).

The expectation of this respondent is that NLNG should seek ways to contribute to the livelihood of the ordinary Bonny man. The metaphoric 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 NLNG's business operations in Bonny Kingdom. In the definition below, the respondent supports this assertion when she said that;

> *"CSR means how responsive a company is to the communities around them. Let it be there will be something they do for the communities that will make life meaningful for them. They should take into consideration if their business operation has any negative effects on the community"*
> (WCL 1 Interview).

The respondent asserts that CSR shows the company's responsiveness to the plight of the community where the company carries out its business operations. The NLNG should consider that such business operations have negative effects on its host community. Thus, community people do not share the same perception with the NLNG on the definition of CSR. The community people believe that NLNG has had negative effects on their community and hence it is the duty of the company to cushion this effects. This is clearly expressed by a respondent in the assertion below:

> *"It is compulsory that NLNG should 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 a 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).

The respondent also expressed the idea that the community made sacrifices for NLNG to construct its facilities and start its operation in Bonny Kingdom. Thus, the company should pay for the sacrifice they have made for its operation. Consequently, CSR in Bonny Kingdom should not be a discretionary management decision and vision which the NLNG has for the community. The company should compulsorily pay for the sufferings, the sacrifice and the negative consequences of their business operations. In the community's perception, NLNG has made profit from the exploitation of the environment since its inception. Therefore, the amount of money that NLNG can employ to solve their development challenge might not affect the company's business goal for profitability.

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6.2 Community Relations with Company:

A positive relationship between Bonny Kingdom and NLNG is a pre-requisite for the effectiveness and sustainability of the company's CSR strategies and initiatives. The responses sampled from the community people and the community leaders were conflicting on the state of the relationship between Bonny Kingdom and NLNG. Some of the respondents stated that NLNG enjoys a conducive business environment which is a result of the positive relationship between the company and the community. This can be seen reflected in the statement below which a respondent said about the state of the Bonny-NLNG relationship.

> *"The relationship between NLNG and the host communities is cordial because, the company enjoys peace and are able to carry out their business activities without disruption from the community"* (CP10 Interview).

The belief that the community does not disrupt the company's business activities is a sign that there is a positive relationship between the community and the company. However, some of the respondents attribute this peaceful condition to the hierarchical community structure. In Bonny Kingdom, it is the traditional function of the king and the council of chiefs and elders to maintain the peace in the kingdom. It is also their traditional function to manage the relationship between the company and the community. The position of the company on its community relations strategy is that it meets regularly with the representatives of Bonny Kingdom on CSR matters and the maintenance of the Bonny- NLNG relationship. Thus, it can be implied that the relationship between the NLNG and Bonny Kingdom is based on the relationship between the community representatives and the company. In the statement below, the respondent asserts that the company relates mostly with the local elites in the community.

> *"It is better you asks the chiefs about the relationship between our community and NLNG because they are in a better position to answer 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). Another respondent also confirmed this statement by saying that, "*NLNG to the best of my knowledge have not called a general meeting of the community. They discuss mostly with the representatives of the community"* (CP 10 Interview).

Participation at the lower levels of the hierarchical structure is limited. This is because, the company asserts its recognition and respect for the culture, tradition and structures of the Bonny Kingdom. The chiefs and elders are the intermediates between the company and the

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rest of Bonny Kingdom. On the other hand, there are some respondents who believe that NLNG is more accessible to the people than other oil and gas company operating in Bonny Kingdom. This seems to affirm the company's assertion that it operates an open door policy and appropriate engagement of all the groups in the kingdom. The woman leader in her interview stated that the company is more open to the Finima Women's Association than any other company in Bonny Kingdom. This is reflected in her statement below:

> *"The relationship between the association and the women is cordial. Anytime, we want to visit the community relations department of NLNG, they are always available. It is just that they sometimes make promises to the association they end up not keeping. Our relationship is good"* (WCL1 Interview).

The community relations department of the NLNG allows the women's association to meet with them and discuss challenges besetting the women in Finima. The opportunity is there but there are limited benefits from such visits. Furthermore, a large number of community people that participated in the research, agreed that NLNG has performed better in its CSR initiatives than other companies operating in the community. This can be seen in this statement;

> *"To be fair, among the major multinationals working in this environment, NLNG has given a lot over the years to the Finima community. They started to revisit some of the things agreed upon like the water project is that is going on now. The company is building 50 units of houses for Finima people which is part of what remained from the relocation period. They are also empowering the women groups. Once in a while, they will just come up with one or two programs and training… I will be sincere with you, the company has done a lot"* (CP11 Interview).

The respondents believe they feel the presence and impact of NLNG more than any other oil and gas company operating in Bonny Kingdom. The company in their perception makes an effort to see that some of the negative externalities associated with their operations are cushioned or mitigated. For example, the community members in Finima who lost their ancestral land for NLNG to start operations were compensated in the Upgrade Compensation Initiative. This is because, the company revisited the relocation agreement. Thus it can be argued that the relationship between Bonny Kingdom and NLNG is based on how much CSR projects and initiatives a community enjoys and not only on the engagement of all the groups in the kingdom.

6.3   Internal Community Relationship:

The importance of the internal networks and relationship among community people and between community leaders and their people cannot be over-emphasized. These networks and relationships are fundamental to the success or failure of community development endeavours. It is also a decisive factor in the sustainability of any CSR intervention which NLNG carries out in Bonny Kingdom. The traditional system in Bonny Kingdom is that of communism. It was a mutually beneficial community where the common good of every member of the house was pursued collectively. The focus group interview pointed this out clearly in the comment below:

> *"Finima was a closely knitted and mutually beneficial society. What happens to me,*
> *happens to you. We were able to curb social menaces like stealing because it was a*
> *closed system. The kind of native setting is such that houses were linked to each other*
> *through track roads"* (FFG Interview)

Family units with the extended family system are closely knitted. The house system worked in such a way that members of the family or house shared responsibilities, public good and land. This is reflected in the statement below.

> *"Land in Finima is not owned by individuals but it is owned communally. So, the*
> *custodian of the land is the traditional institution. It is one of the major challenge we*
> *have. In other tribes where land is owned individually, when pipeline crosses*
> *somebody's land and not in another, compensation is given to person and not the*
> *other so everyone knows it is fair. But here if pipelines crosses the land wey na*
> *everybody get am. And if everybody get am, nobody get am. That means, justice is not*
> *properly served. There is sometimes, the divide and rule tactics that comes into play.*
> *Then you have a group as aggrieved and another group as beneficiaries. These are*
> *the underpinnings that causes rancour in the community"* (CP10 Interview)

According to the interview statement, the chiefs do not only hold the land in trust, but also negotiate, allocate, lease, or sell land to companies or individuals. The chiefs are in charge of distributing proceeds among the members of the house. The respondent feels that since the land is owned by everybody in the community, then it becomes nobody's land. The chiefs who sell or lease land for CSR purposes do not distribute proceeds equally. More so, if for example, there was land pollution from oil activity and compensation was paid to the house chiefs. The chiefs are expected to distribute the proceeds from compensation settlements

among family members. The people end up divided along the line of beneficiaries of CSR and those who feel short-changed.

Furthermore, the relationship in Bonny Kingdom is marked by the traditional power and information flow structure as discussed in chapter two. The culture sees the king at the apex with the traditional right to oversee all matters within his domain. The Bonny Chiefs' Council are next in line and have the function of conflict resolution among community members or between the community and NLNG. The youths in Bonny Kingdom are the soldiers and police of the community. They ensure compliance to the directives of the king and the chiefs on any matter as concerns the community. The traditional authority especially the king and the chiefs are highly respected and their decisions is binding on all members of the society. Every group in the Bonny society knows its function and position in the hierarchy and abides by the same. The youth leader in the comment below confirms this reality:

> *"The chiefs and the King are highly respected. The king has the greatest influence over the decision making on whatever CSR projects oil and gas companies want to carry out in the communities. Also on matters on company operations that will have direct impact on the environment or on the people. Each major and minor houses has a chief representing them in the king's cabinet. If there is a negotiation with any oil and gas firm, each chiefs convenes a meeting with all members of the community. Here the youths and women can make their demands, or air their grievances. The chief then reports to the council who deliberates and adjust the terms of negotiation to include the demands or grievances of the groups. Feedback and outcomes also follow the same pattern. If the youths or women are dissatisfied about the outcomes, they can only grumble but would respect and adhere to the decisions and instructions from the traditional institution"* (YCL Interview).

The people at the bottom of the hierarchy are expected to be loyal to the throne and the authority of the chiefs. The decisions and instructions from the traditional institution is binding on all members of the Bonny Kingdom. The local people are not allowed or expected to publicly protest unfavourable decisions or express their dissatisfaction regarding CSR issues they deem unfair. The chief in one of the communities in Bonny Kingdom asserts that traditional system is accountable to the government or international community. This means that they have to ensure that the community is peaceful at all times.

> *"In Bonny we run the house system. We are supposed to have control over our subjects and children. If anything happens here, the questions will be directed to us (chiefs) be it from the government or international body. For example, they can ask*

us; Mr Chief, where were you when the youths burnt that place?" (CCL 2 Interview)

The need to ensure accountability to the government is the reason for the controlled peace in the Bonny Kingdom. The chief in the comment below asserts that the traditional authority appreciates the fact that NLNG being a Nigerian company is sensitive to the national economy. Therefore, it is in the interest of the nation to preserve the peace in Bonny Kingdom.

> *"Youths cannot riot if they like, anybody that does that, does it to his own detriment. We rule with discipline and am not saying we are the best, but you hardly get conflict here. We try as much as possible to control the people we have in our houses. All the youths have their chiefs represented in the council so nobody that messes up, if you mess up, you will carry it yourself... If you want to talk about a community that has helped a company, it is Bonny. We give them an enabling environment to operate. We want the company to operate here because we know the sensitivity of NLNG to the national economy that is why we support them. The company cannot complain because there is peace here."* (CCL1 Interview)

This also means that it lies in their power to ensure that NLNG has a conducive environment to undertake its business operations and maximize profitability. This the traditional authority accomplishes by controlling the groups at the lower levels of the hierarchy especially the youths. Thus, the chiefs believes that the company has no reason to complain or worry about disruptive actions against them by the community members.

6.3.1   Issues of Trust and Conflicts Management:

The issues of trust and conflict in internal community relationship is crucial to the growth and development of any community. Trust and efficient conflict management are the glue that holds the community fabrics together. A community that is marked by trust and has effective conflict management mechanisms is able to work together to achieve community development goals. Trust and effective conflict management also determine the sustainability, effectiveness and efficiency of CSR interventions. This means that suspicions, blame game and rancour in the community endangers community development. This is usually caused by negative and untrustworthy attitudes and actions of community members and community leaders. Many of the respondents pointed accusing fingers at each other as the cause of

community development challenges in Bonny Kingdom. The major point of distrust between community people and their leaders is the use of the chiefs as middlemen between NLNG and the rest of the community. The community members who participated in the research put the blame of poverty among the people on the traditional authority. The traditional authority is seen as self-seeking, selfish and corrupt and prevents the common person from enjoying any of the development benefits from CSR projects. In the statement below, the respondent articulates her disappointment in the traditional authority;

> *"... For example, the company make 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 are not minding the youths. They want to get rich and store for their children and generations afterwards. The rest of the youths should go and die. If you are there, you are there for yourself and your immediate family"* (CP 1 Interview).

The traditional authority in the above comment is seen as selfish. The chiefs are accused of converting funds meant for CSR interventions for personal gains and not for the good of the entire community. The same can be observed in the comment below made by another respondent:

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

The respondent sees communication gap between the traditional authority and the people as the cause of the accusations of selfishness and corruption. The respondent believes that the CSR interventions NLNG carries out in Bonny Kingdom is not effectively managed by the community leadership. More so, even when the interventions are properly managed, the feedback mechanism is faulty. This is because, 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.

Similarly, the role the community leaders play as custodian of communal land and as the mediators in conflict issues creates another avenue for distrust. The chiefs are expected to give account of the land entrusted to them by tradition. The chiefs in the case reported below

by a respondent shows an example of a gap in communication and ineffective conflict mediation.

> *"NLNG wanted to acquire land for their airstrip. This resulted in a conflict because, of what they were supposed to give back as compensation. The company also extended into some land that was not given to them. Some of our people farm on this land. Since the land belongs to the community, those who are entrusted with the land on behalf of the community are the Chiefs. Because of their selfish interest, they ignore the fact that people are already using this land for their livelihood. So when they go to the company to discuss, they do not return to give the community feedback or bring back anything (like compensation). For them, they will tell you that they are not guilty, that is the company. So at the end of the day, when ordinary citizens and youth saw NLNG doing something on that land like fencing, it made us angry and we moved to resist the company. Matters in disputes are usually settled by the chiefs through dialogues with the company. But the same people that caused the trouble, are still the same people that resolves it. So at the end of the day, the ordinary person starts agitating on the street, the same chiefs will restrain the people. So, the intrigues is still between the company and the chiefs since, they know how to cause the trouble and how to resolve it at the same time"* (CP10 Interview).

The chiefs in this narration sold land to the NLNG for the construction of an airstrip to enhance the company's logistics. The proceeds were not returned to the rest of the community. The company had a need to expand the land, paid for the extra space and started construction. However, the community members were not informed of new arrangements. Community members who farms on the land lost access to it and never received compensation. The community members moved to protest but were restrained by the chiefs who act as mediators of conflict. Therefore, because the youths and other community members are not allowed to protest when they do not get CSR benefits, they tend to believe the chiefs are enjoying the benefits alone. The respondent claims that the chiefs create the conflict situations and also resolve them.

The community people complained about the high rate of poverty among the people especially the youths which is as a result of unemployment. The community people also blame the chiefs for this situation in that the chiefs also distribute available jobs to their relatives and well-wishers. In response to the accusations, one the chiefs responded in the statement below:

> *"There is nothing you can do to please everybody in a community. The Bonny Employment bureau is the place where anybody who wants a job goes to register. We*

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have a database on registered unemployed youths. If the company wants wielder, and somebody had been there to register that is a carpenter, and he sees a wielder gets the job, they start grumbling. So how can the chiefs take these jobs from them? If for instance a chief is lucky to have more wielders from his house, the others starts to complain. Will they give you a wielders job when you are a carpenter? People must complain because, you cannot satisfy everybody. While other youths are in school, others will be sleeping, partying both morning and night, stealing and making dubious money. We ask them to go learn a trade, they won't learn and become useful to themselves and their families. They are lazy, waiting for manner to fall from heaven"
(CCL 1, Interview)

The chief believes that it is impossible for every member of the community to be satisfied. In defence to the accusations of being selfish and inconsiderate of other community members. The chiefs blame the youths for being lazy and uninspired to pursue education or other vocational skills. The youths do not get the jobs because, they are not qualified for such jobs. The jobs are usually not enough for every house in Bonny Kingdom. The chiefs also blame NLNG for the perception of the community about their roles and positions.

"...The only thing is that these companies should come back to their senses and stop what i call divide and rule tactics. They go to the youths and tell them something that will make them start to accuse us or start to suspect us. Then they come to us and say your youths have mismanaged these provisions... So the source of the misunderstanding is the corporate body and they are using divide and rule. Because, they know that if we are together, we know what to ask at any given time" (CCL 2 Interview).

The term 'divide and rule tactics' was used to describe the role of the company in the blame game between the community people and the chiefs. The chiefs accuse NLNG of causing division among the community people so that communal resolve to pursue CSR demands are weakened or frustrated. A community member gave the reason why he believes the divide and rule tactics is able to break down communal resolve in the comment below:

"...So if there is a collective resolve chances of gaining something from the company is high. The Divide and rule tactics works because, me, i want, you, you want, and me, i no agree, you, you no agree. What is the company's problem with that, their own is to make their money. If they wait for you to agree, they would not meet their cooperate objectives. This is largely an issue of leadership, if only leadership in the community was democratic..." (CP10 Interview)

The respondent clarified the statement made by the chief. To articulate the idea that if the community is united in their collective resolve on CSR demands on NLNG, they stand a better chance at community development. Greed is a dominance in the explanation given by this respondent. Everybody wants to benefit, and nobody wants to concede to another in resolving internal issues. According to the respondent, the selfish ambitions of community people get in the way of general good and wellbeing. The company has the objective to make profit and to the respondent, resolving communal dispute is not part of the company's social responsibility. He therefore argues that the autocratic nature of the traditional authority is the problem because, he expressed the need for a democratic traditional institution.

6.3.2   Power Relations in the Bonny Kingdom:

The hierarchical nature of the traditional system of Bonny Kingdom and the inherent power relations structure has played a major role in the CSR solution to community development. The issues of trust, conflict situations and how such conflicts are managed has bearing on the power relations in the Bonny Kingdom. CSR interventions are needed to reduce the negative externalities of oil and gas companies in the community. Hostility towards the government and the oil and gas firms were common across the Niger Delta communities. Frustration mounted and revolts broke out 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 suppression from the military governments, lack of government attention and sympathy and the company's insensitivity to the plight of the people. The youths were in the forefront of the agitation to see oil wealth reflect in the communities that generated it. Bonny Kingdom was not left out in the struggle for CSR interventions and benefits: The elder in the statement below described the Bonny conflict situation, how it was resolved and the power play between the youths and the traditional authority:

> *"There was a conflict between NLNG and Bonny in 1999. Not only youths but the whole Bonny matched down to the roundabout leading to the Residential Area and the Industrial Area and blocked it. The governor flew down to calm the situation. While the governor was addressing the people... that is why i said if you allow the youths to be involved about corporate organisations, they are going to set this town ablaze. Some youths carried an empty coffin to hit the Governor who left the place in anger. That is why it is important to leave out the youths in matters like this because, they are*

prone to violence. This led to a riot where cars and other properties were burnt and destroyed, a young man died that day and tear gas was used to disperse the rioters. The reasonable people that would have solved that problem left the area. This situation made the king and his cabinet to take charge of conflict management and *CSR negotiations on behalf the kingdom. This was after a meeting with NLNG, the Federal and State governments so as to prevent future occurrences"* (ECL 1 Interview).

In this narrative, it was unanimously agreed by king and the chiefs to have a peaceful protest against NLNG for certain breach of agreement between the company and Bonny Kingdom. It however turned violent with the act put up by the youths. The youths are accused of being prone to violence. NLNG, the king and his cabinet and the Federal and State government convened a meeting to address the problem and proffer solution. The conflict management style adopted after the meeting was a defining moment to the power relations currently experienced in the Bonny Kingdom. The youths wanted to take charge of turning around the anomalies associated with the use of the chiefs as middlemen in the dispersal of CSR benefits. The riot represented the resistance people put up against explicit positions of command which the traditional authority wields over them. This was an opportunity the youths had to permanently reduce the powers and authority of the traditional institution or dismantle the hierarchical structure of the Bonny Kingdom. According to the respondent below, this did not work out.

> *"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).

The youths lost the opportunity to reduce the powers and authority of the traditional institution or dismantle the hierarchical structure of the Bonny Kingdom. This was as a consequence of the stringent measures adopted by the traditional authority. This allowed the traditional authority to not only retain its hold on the youths and other groups in the structure, it also cemented and increased the influence of the traditional authority over the rest of Bonny Kingdom. The paramilitary arm of the police force known as the Nigerian Mobile Police

(MOPOL) was used to supress the situation. Some youths were forced to sign an undertaken of good behaviour. Consequently, conflict management lacked dialogue strategy for all aggrieved party to air their grievances and make room for consensus and compromise.

Furthermore, the youths as the soldiers and police in the traditional structure are used to reinforce the powers of the already powerful traditional authority. I argue that the youths are unwilling participants in the power play between the company and the traditional authority. This can be seen in the comment made by the chief in the comment below:

> *"The dog that does not bite, minor thing will make him to bite. When we try to caution a company and try to make peace and they do not listen, we will lose the chain. That is when we will give the youths the go-ahead order to ensure compliance. NLNG was trying to be funny, so we sent the youths and they blocked the gates and the entrance to the company. The president had to come in to resolve the issue. We are going to lose the dogs from the chain to go and fight and that is why i said NLNG must pass through the chiefs. When we talk and the company refuse to listen us we give the directives to the youths so that NLNG will know that this land is owned by somebody"*
> (CCL 1 Interview).

The youths are used to force the oil and gas companies into doing the wishes of the traditional authority. This in my perception determines if NLNG would enjoy the conducive environment it needs to achieve its business objectives of profitability, legitimacy, social license to operate and competitive advantage. I assert that the company utilizes this platform to the maximum as it asserts its respect and recognition of the culture, hierarchical structures and power play with Bonny Kingdom. The story below reiterated by an elder in the community shows the extent of the power play in Bonny Kingdom that sets it apart from other Niger Delta communities in Nigeria;

> *"Shell SPDC disposed chemical waste into two major creeks in the community because SHELL has two waste outlets. Fishes, crabs, everything died. What i and my secretary did was to collect a water sample, use a camera to record and also took photos. Then one of the national news channel came, we gave them the materials and granted them an interview on the issue. The story aired worldwide and at that stage we began negotiations with Shell SPDC using a lawyer. What happened was that some government officials, the company and some members of my care taker committee formed the negotiation parties. I and my secretary raised 2million Naira, registered a limited liability company on behalf of the community that would create jobs with the compensation money i believed we could have gotten from the negotiation. What SHELL did was to meet our chief and the chief stopped us. The*

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chief gave us instruction to stop any contact with SPDC. Also that all correspondence to the company must be vetted by him and then forwarded to SHELL through his office. The negotiation was killed off as power was seized from me by the chief and no compensations were paid till date (ECL 1 Interview).

This story, shows the relationship between companies and the traditional authority in Bonny Kingdom. This relationship utilizes the traditional structures to the mutual advantage of both the chiefs and the companies operating in Bonny Kingdom. This is reflected in the accusations from the community members against the company and the chiefs. The fact that no compensations were paid to the community members who suffered from the reported environmental degradation shows the reason for the feeling of oppression the people have towards their traditional rulers. In other local communities across the Niger Delta, the traditional institution is respected but do not wield the same powers the traditional authority wields in Bonny Kingdom. The authority structure in these communities are semi-decentralized or fully decentralized. The youth groups are able to independently make decisions and take action without undue influence from the traditional authority.

Nonetheless, there is a baseline in the relationship within Niger Delta communities. The seeming lack of unity among community members on one side and between community members and their leaders on the other. Personal interests, greed and corruption endanger trust, mutual understanding, unity and social capital in the community. The lack therefore has significant impact on the community relationship and invariably on community development. For instance in the comment below,

"The youth groups are in two factions there are some in the group that betray others. If they had a meeting and all of them decides on an action to take. One person would go and leak the news to the chiefs. The police would come and pick up the others and tag them as militant (CP 1 Interview).

The saying goes that a house divided against itself cannot stand. The disunity among the groups and within the community in general obstructs social capital such that personal interest overshadows common interest. Social capital means the expected collective economic and social benefits which the individuals and groups derive from cooperating as a community. The lack of trust, unity and mutual understanding hinders the effective harnessing of social capital which is one of the pre-requisites for community development.

6.4   Trust and Social License to Operate

The element of force and coercion to obey the traditional institution and the resultant forced peaceful conditions it created in Bonny Kingdom makes it difficult to argue if NLNG has obtained a genuine social licence to operate, trust and cooperation of the community people. The company in its perception believes that undertaking 50 percent of infrastructural projects and undertaking CSR interventions has granted them the needed social licence to operate, legitimacy and competitive advantage. The community on the other hand believe that social license to operate lies with the chiefs and it hinges on trust. This respondent in the comment below believes that there is no real social license to operate for NLNG because of the trust factor.

> *"The social license to operate is not there because anybody that stood out to fight NLNG were called names while some others were 'settled'. For example, some community members that were ex-drivers and that worked with the company were made company police men recently. They scattered their trade union, and the strong members that were very active and vocal were made police men. Now some people would say that no matter what happens, i would not speak out. They would say there is no fight you fight in Bonny that you will win so it is pointless. Some others will say, i was at the forefront of the clash between NLNG and the community. Our chiefs that betrayed us. If i see a way to join in embezzling the money, i will join. So you cannot say there is the social license to operate"* (CP4 Interview).

According to this respondent, some people who do not benefit from CSR like those who are tagged militants are disgruntled. There are some others who are more vocal or active and who are settled so that they become quiet and supportive of the company and the chiefs. This statement reinforces the reason for the need to put personal interest ahead of community interests as CSR benefits comes only to the strong and powerful. The NLNG in defence of its belief that it effectively acquired the community's trust denies engaging in divide and rule tactics i.e. setting one group against another in the statement below;

> *"NLNG does not operate a "Divide and Rule" system, but carries out engagement with all recognized stakeholder groups in the community in line with the traditional structure and hierarchy as espoused by the Kingdom. In engaging the different stakeholder groups, NLNG maintains respect and honour for the traditional structure and leadership* (N Questionnaire)

Engagement according to the statement above is with recognized stakeholders (i.e. the traditional institution). Relating and engaging other groups in Bonny Kingdom is based on

respect to the traditional hierarchical structure and leadership in Bonny Kingdom. This has made the community people to describe the trust factor as evasive. This can be deduced in the statement below:

> *"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 do 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 benefits 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.

6.5   Attaining Community Development from Community Perspective:

The NLNG believes that community development is foremost the responsibility of the community people. The company expects the Bonny community to champion their own development process from need identification, project initiation and implementation. The belief is that it will not only result in community development but reduce the community's dependence on the Nigerian state or the NLNG. The community peoples' perception on how development can be achieved is different from that which is articulated by NLNG. The respondent below defines what development means.

> *"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)

The definition by the respondent hinges on empowerment and poverty reduction. It is either the government or the company empowers people by giving funds and training in small business ventures or vocations. The development interventionist has to also monitor success

of the empowerment intervention that would lead to development. This spells a feeling of inadequacy on the part of the community members. The statement shows dependence on external agents of development for community development as the community lacks the ability and resources to champion its development process. The chief in the statement below also attributes development to external sources i.e. the government and the companies operating in Bonny Kingdom.

> *"Community development is a thing that buoys down to government. That is the reason for creating Local Government. Government generally is not making us feel the impact of having the three tier government in Nigeria. Some of the roads you see here are repaired by these companies operating here. It is largely government fault"*
> (CP4 Interview).

The chief attributes the development challenges to the government much like the NLNG. Governance failure has been identified as an important aspect of the community development challenge. This is because, it has made the local communities to continue to seek company CSR as an answer to community development challenges rather than the government. However, the CSR interventions to community development challenges seems to concentrate in the hands of the strong and the powerful. Thereby leaving the poor and the marginalized to bear the brunt of these challenges. A respondent in her comment below proffered a solution to this perceived problem.

> *"I would say NLNG should go ahead and do whatever CSR projects they have for their host community and take the glory rather than giving it to indigenous contractors to handle and at the end of the day the objective for the project gets defeated. They can inform the chiefs, but should not give the contract to local people (chiefs) again"* (CP1 Interview).

According to the respondent, the solution lies in the elimination of the chiefs as middlemen and the use of indigenous contractors to implement CSR interventions for Bonny Kingdom. The belief is that CSR should be done directly for the people that way, NLNG can gain the praise (i.e. legitimacy and social license to operate) and the people can also enjoy such interventions. Poverty has also been blamed for the inability of Bonny Kingdom to achieve community development. In the statement below, the focus group identified with this line of thought.

> *"...the recently completed exercise by NLNG called the Upgrade Compensation was not holistic... It was carried out based on the poverty level of the people... The money*

paid to these people was small and did not reflect the needs of the people. Looking at
the existing socio-economic challenges, what do you expect of the people to do? They
would yield because already you have crippled their traditional economy for so long.
They are poor, hungry and cannot afford to educate their children and the company
flags money in their faces, they would take it" (FFG Interview).

The loss of traditional means of livelihood and the protracted neglect of the people has led to desperation among the people. The local people do not care if interventions suit their needs and they do not care about the sustainability of such interventions. The local people are in need of immediate cushioning of their challenges and would resort to any measure to get the cushioning effects. Conversely, the community leaders are also described as victims of the poverty paradigm surrounding the challenge of community development. This can be seen in the assertion below;

"The community leaders on their own are helpless. For example, if the resources they
need to meet the challenges of their community comes from company A or B and it is
when he dances to the tune of that company that he can help his community. So the
problem is poverty. Because, if people had some level of economic independence they
would be able to say no to some corruption. This is why we need to build cohesion,
and compromise for others, that is one way i go take, i leave am for you, the one you
go take, you fit leave am for me. But somebody go say, oh boy leave that thing abeg, i
get children way i go give food for house. With this attitude of looking out for
individual wellbeing as against collective good is what makes cohesion impossible"
(CP 10 Interview)

The leaders and the people are poor and disempowered and consequently cannot resist corruption or selfishness. Poverty at the community level disempowers community leaders to effectively meet the development challenges of their community. The corruption being experienced among the community leaders is a function of poverty and selfishness. This is because, people want to maximize their position and opportunity to get relief from poverty even against common good. Therefore, trust, unity and social capital is hampered and consequently opportunity for economic growth and development of the community is also hampered.

6.6   Summary:

In this chapter, discussion bordered on how the community people defined CSR. It was discovered that this definition centred on paying back for the sufferings and the sacrifices that the community made for NLNG. This was followed by the discussion on the relationship between NLNG and Bonny Kingdom. It was discovered that the internal relations within the Bonny Kingdom had bearing on the NLNG- Bonny relationship. This is because of the role and impact which the hierarchical social and political structure of the Bonny Kingdom and the inherent power play and power relations. It was discovered that these web of relationships, power structures and other such factors like unity, trust and conflict management reflects on NLNG's achievement of community trust, legitimacy and a social license to operate. Looking at the core actors of community development- community, state or NLNG and the hindrances to community development, can how and what community people think development be achieved?

Discussion and Findings 7.0

7.0   Introduction:

This chapter will discuss the findings of the research. Based on the research question, the research discusses the differences in the perceptions of both the Nigeria Liquefied Natural Gas Limited (NLNG) and its primary host community, the Bonny Kingdom. The differences in perception includes how corporate social responsibility is defined and what the different expectations ought to be from NLNG's CSR strategies and policies. The findings also include the perception on what community development means and how it can be achieved. More so, empirical evidence from these perceptions led to the discovery of certain processes and structures like the hierarchical and monarchical system of the Bonny Kingdom, the power relations within the community and between the community and the NLNG. These will be analysed in order to understand the intricacies and implications for CSR and community development. In the course of the research, the question of whose responsibility to develop the local communities in the Niger Delta arose as host communities like Bonny Kingdom increasingly agitate for more CSR benefits. This was analysed critically and the answer informed the conclusions offered by the research.

7.1   Conflicting Perceptions on Corporate Social Responsibility:

Corporate Social Responsibility (CSR) is yet to get a generally accepted definition. This is because the perception of NLNG about its CSR policies and strategies is different from how Bonny Kingdom perceived it. Armstrong and Green (2012) have argued that the difficulties of establishing a common definition stems from the different perception of CSR among stakeholders. In this case, the Nigeria Liquefied Natural Gas Limited (NLNG) and Bonny Kingdom has defined it differently. In relation to the corporate goals as represented in the analytical framework for achieving community development through CSR in figure 5 in this study, the NLNG beliefs CSR is the voluntary decisions and actions they have undertaken to give back to the society. The NLNG believes its CSR activities have granted it a positive corporate reputation, social licence to operate and competitive advantage. The community on the other hand define CSR based on their experiences. The community perceive CSR as

mandatory and as a way the NLNG pays for the negative social, economic and environmental externalities from its operations. In Bonny Kingdom especially the Finima community, the people believe CSR is their right because, they had to vacate their ancestral land for NLNG to carry out its business operations. In Nigeria, CSR is often viewed in terms of project intervention which companies undertake in local communities. These projects encompass social and infrastructural amenities, creation of job opportunities, human development and environmental protection. The communities in the Niger Delta are looking for a trickle-down effect from the vast oil wealth being generated from their environment.

7.1.2   Conflicting Perceptions on Community Development:

From an environmental standpoint on sustainable development of host communities, Bridger and Luloff (1999), stated that communities differ in terms of environmental challenges, natural resources, human resources, economic and social development level, etc. Development strategies which are developed and utilized by global or national bodies or corporations tend to prevent meaningful and concerted community action (p.380). Theodori (2008), has defined community development as a process that depends largely on the intentional actions of people in a locality who come together and interact with the intent of solving their local problems, improving their quality of life, and shaping their future wellbeing (p.64). The NLNG's perception of community development falls in line with this definition. The company stated that part of its sustainability vision for undertaking CSR in their host community is that the community should champion their own development. The company expects Bonny Kingdom to identify their needs as a group, identify projects that will meet the needs and also head such project implementation. The company plays a supporting role in the process of community development in Bonny Kingdom.

The local people on the other hand, expects NLNG or the government to take over community development. Local people believe they are helpless and incapable of meeting their community challenges and become consumers of services rather than producers. Rather than developing their social networks, local people tend to rely on external institutions to meet their socio-economic challenges. The ideology is that of dependency that entails it is 'only outside experts can provide real help' to development challenges (Orubu et al., 2004 p.210; Mathie & Cunningham, 2003 p. 476). Evidence of this is reflected in the data from Bonny Kingdom where the people expressed their feeling of inadequacy and dependence on external

agents of development for the development of their community. The belief is that government or the company ought to empower them by providing funds and training in small business ventures or vocations, provide necessary infrastructures and other social goods. This is due to the seemingly lack of capability and resources to champion the development process.

As presented in the analytical framework for achieving community development through CSR in figure 5 in this study, the ideal picture of CSR is internal community relationship with a well posited local community governance structure. On the contrary, the situation in the Niger Delta has a different reality. There is a challenge of leadership in terms of coordination and cooperation across local communities in Niger Delta which has been identified as one of the reasons for the dependency on external help. Bridger and Luloff (1999), posit that leaders of local communities tend to paint issues of sustainability and environmental problems in apocalyptic terms using extensive technocratic language of planning and administration. Thus, creating the necessity for external development agencies to work compulsorily with political or local elites. This leaves the multinational and national corporate leaders especially of oil and gas companies to resolve these environmental and developmental challenges (Bridger & Luloff, 1999, p.381). This kind of leadership scenario belittles the community members as their leaders have discovered that the best way to attract institutional resources is to embellish the seriousness of their community problems (Mathie & Cunningham, 2003 p. 476). Benchmarking CSR's CCP Models and Projects as adopted in figure 5, with obtainable companies' practices, many of the oil and gas companies in the Niger Delta are relating to their host communities through the paramount rulers and councils of chiefs and other local elites. This was due to the traditional in-house and global memorandum of understanding CCP models adopted by the oil and gas companies which seems to be favourable to them. This led to the feeling of alienation and marginalization by such groups, for example, the youth and women groups. This is because they were not part of the CSR negotiation, discussions and community development process. According to a Nigerian proverb, "when two elephants fight, the grass beneath suffers" hence it is the ordinary people that bear the brunt of the power relations between their leaders and these development agents. The ordinary people are at the receiving end of the negative externalities of oil production, they have been neglected for so long, and it has led to the feeling of marginalisation (Orubu et al., 2004 p.210).

In general, local people are excluded from participating in decision-making processes due to structural and institutional factors within the Nigerian setting. There is no co-management

arrangement of CCP project as modelled in figure 5.This has resulted in the inability of the oil companies or the government to consider the local communities as stakeholders of the oil industry. As noted above, local people do not count themselves worthy of participating in or ensuring the sustainability of any development projects the oil companies embark on in their communities. Such company or government projects are often labelled as, 'government hospital', or 'NLNG sports facility', etc. Hence, this has made local communities to see the government and oil companies as 'partners in crime' and the enemy. This means that the trust factor according to the model in figure 5 is missing. CSR has the potential to restore the company reputation, legitimacy and secure their license to operate through corporate-community partnership and effective participation. This is because, making the host community a stakeholder and a partner will eliminate the sense of alienation which has etched its hold on the Niger Delta people (Idemudia & Ite, 2006 p.200).

7.2   Power Relations:

Oil and gas companies have recognized the potentials of CSR as a community development agent and as a means of achieving their corporate objectives of profitability, social licence to operate and competitive advantage. NLNG has adopted the voluntary CSR style to solve the socioeconomic challenges of their host communities. The challenge of community development in the Niger Delta has resulted in the different corporate-community partnerships, adopted by the oil and gas companies that are working in the region. These partnership styles were necessary as these companies tried to engage their host communities as partners in their development process. It was also necessary to reduce the dependence and feeling of alienation which host communities felt and possibly build a positive relationships with them as stakeholders.

Through the data analysis, it was observed that the NLNG- Bonny partnership shows the prominent features of a combination of the traditional in-house and the global memorandum of understanding models. This is because of the prominent role the traditional rulers play in the partnership. The traditional authority has a significant impact on the relationship and partnership between NLNG and the community on one hand and between the community members and their rulers on the other. The NLNG has stated that it recognizes and respects the traditional institution in Bonny Kingdom. Therefore, the hierarchical structure in Bonny Kingdom puts the traditional rulers in the place of facilitating the community development processes as representatives of the people. The Bonny Kingdom Master plan was aimed at

community development. It stipulated that it would maintain the traditional governance structures. The company also stated that its relationship with other groups is based on the already established hierarchical structure in the kingdom. This proved to have both positive and negative effects on the Bonny- NLNG relationship and partnership. The experience is positive in the sense that the hierarchical structure and the power patterns and relations in the community has been a determinant to building a trusting relationship with the community and securing a social license to operate. This is because the traditional authority maintains a conducive environment for the actualization of NLNG's business objectives. Hence, both NLNG and the traditional institution have become powerful by strengthening each other. This is because, the relationship between the monarchy and the oil companies is mutually beneficial to them but disadvantageous to the rest of the community (Barnerjee 2008 p. 62; Hamann & Acutt, 2003 p. 263). This relationship has eroded the trust factor which should make the analytical framework for CSR depicted in figure 5 to be a vehicle for attainment of community development.

There must be an objective channel for direct benefits to the rest of Bonny Kingdom. The question here is that, is there an objective channel for CSR benefits to be equitably distributed? The traditional channel tends to favour certain segments of the population and disfavours the others. The ordinary people are not saying NLNG should go away (a form of social licence to operate) but what comes from NLNG to Bonny kingdom in form of CSR benefits are disproportionally distributed. People that belong to or are connected to the traditional authority tend to benefit more than those who are not. Hence, CSR is a political struggle of the strong and powerful and not for the marginalized. This is where the negative aspect lies as reflected in the disadvantages of the corporate-community partnership adopted by the NLNG.

The traditional in-house and the global memorandum of understanding models hinder effective community engagement and participation as they are subject influence of both the local elites and NLNG. The global memorandum of understanding model is said to lead to community dependency instead community empowerment. Consequently the Bonny people continuously and increasingly demand more development efforts from the NLNG. These situations has also been confirmed by this research. The research also found that there is incompatibility between NLNG- Bonny partnership objectives and the priority needs of the community. This is because the local elites often push their selfish interest as against the

wider community interests as pointed out by most respondents from the community. The NLNG complained about the lack of sense of ownership and unsustainability of community development on the part of the community people. Lastly, it hampers the possibility of a long-term positive relationship between NLNG and Bonny Kingdom even though it seems that if NLNG maintains the status quo, there might be a long relationship between the company, community representatives and the community by extension.

Power relations in the community is such that, the traditional authority in Bonny Kingdom has played and continue to play a vital role in the development of its communities both historically and contemporarily. The throne and community elites have been strong and continues to wield power and control over the subjects and NLNG by extension. The theory of relational power posited that control is a function of positionality and influence the actors have over each other in their relationship. More so, much like in a social contract, it is the people who choose their leaders, empower them by legitimizing their positions and handing them the right to represent their common interest and pursue their shared values and objectives. These representatives therefore make policies in line with these shared values and objectives (Scott 2006, p. 10). The Bonny Kingdom has this characteristics. As mentioned in the history of the Kingdom, their defeat in their war with Andoni tribe in 1869 led to the installation of a viable kingship dynasty that still rules Bonny Kingdom today. The people have given the throne and its officials the right and power to make policies on their behalf and also represent them in matters like CSR. Consequently, the people are supportive and loyal to the policies and decisions made by their leaders and accept same as binding.

Across the Niger Delta inclusive of Bonny Kingdom, the traditional authority has acted as representatives of the people in the relationship between company and community. However, holders of traditional chieftaincies and monarchs have often used their position as a way of gaining and retaining control over compensation payments, and diverting development funds for personal gains (UNDP 2006, p. 352). This has resulted in mistrust which make the community people to constantly suspect and blame the traditional authority for the under-development experienced in the local communities. As Scott (1995) posits, people utilize their 'weapons of the weak' i.e. grumbling, blame game, suspicion and gossip, etc to resist their leaders due to the limited choices provided them by their leaders. The Niger Delta wide revolt by the youths against the traditional institution is a consequence of this situation. The revolt was able to restructure the traditional system and water down the powers of the traditional rulers in some Niger Delta communities. Many communities reorganised their youth bodies

and set up an independent body Community Development Committee (CDC). In Bonny Kingdom, this body is the Bonny Kingdom Development Committee (BKDC). The CDC was established for managing CSR benefits and working towards community development and is usually comprised of persons elected by the chiefs (Akpan, 2006 p.232). In the case of Bonny Kingdom the youths did not succeed to water down the powers of the traditional institution. Findings from this research, show that community people are left with little or no choice on the decisions made by their leaders on matters of CSR and community development. The powers and influence of the traditional rulers have thus expanded, leading to the people utilizing their 'weapons of the weak' i.e. grumbling, blame game, suspicion and gossip, etc to resist their leaders.

7.2.1   The impact of Social Capital and Cohesion on Community Development:

The erosion of trust has increasingly become a challenge to the stability of the local social order within the Bonny Kingdom. Given that conflict management is one of the customary responsibilities of traditional leaders, coupled with the eroding trust and impartiality of traditional authorities, the communities' ability to manage and resolve internal conflict has weakened considerably. This has led to each person and groups placing themselves in advantageous position above the community good (i.e. corruption and selfishness). Findings show that for trust to be or not to be is a perception of how much one is benefitting. The higher the criticism of this system, the lower the degree of trust. Criticism or lack of it is based on the material returns for any individual or group gained from any particular source be it the government, NLNG or the traditional authority. Hence, if one is advantageously placed and reaping benefits then the level of trust is high, but if not then the trust will be low.

This spells an erosion of social capital and cohesion. Social capital entails network, rules, and trust that enable members of the community to work together to pursue their shared objectives. Fukuyama (2001) defined social capital as shared norms within a community, and the willingness for members of the community to sacrifice their individual interests and benefits for collective community interests (in Rochelle, 2015 p. 439). Social cohesion on the other hand is characterised by a set of outlooks and norms that includes trust, a sense of belonging and the willingness to participate in and support community development initiatives. Both concepts consists of vertical and the horizontal interactions among members of the community as members of the group strengthen each other's identity and helps build

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self-esteem in individuals and social cohesion in groups. Social capital and social cohesion play a vital part in community development (Rochelle, 2014 p. 439).

7.2.2   Balance of Power through Participation and Effective Engagement:

A viable corporate-community relationship should integrate adequate stakeholder engagement and should also address the inherent power relations that affects NLNG's CSR strategies and projects. Based on the relational power theory, Barnerjee (2008) believes that there is an unequal power balance that tends to favour the company but has negative implications for both NLNG and Bonny Kingdom. This hinders the opportunity for equal representation of all interests and actors involved in the NLNG- Bonny partnership. As empirical evidence suggests, community people are marginalised, they lack the confidence and ability to air their views, expectations, grievances and concerns (Garvey & Newell, 2005).

Scholars of community development proposed participation and community engagement, not just consultation with the community people but allowing them to be involved in the community decision making. Participation should enable all people to have their interests represented. If all community members have equal opportunity to voice their concerns and be included, there is the possibility that sustainable community development can be achieved. In Nigeria, the position of the host communities as a stakeholder in the oil industry is a fairly new concept. Host communities are mostly relegated to the background especially in the area of decision making processes within the oil industry (Idemudia & Ite 2006, p 197). The promotion of accountable government boosts the capabilities of people who were formerly excluded from participating in decision making to be involved by constructing the institutional mechanisms for their voices to be heard. (Bridger & Luloff, 1999, p.381).

7.3   Community Development: Government or Corporate Function:

In Nigeria, the socio-economic challenges of the Niger Delta has influenced oil and gas companies to play an expanded role in the area of CSR like investing in social amenities, job creation, stimulating the growth of the local economy, and also contributing to the national economy through payment of royalties and taxes. Given the influence of the 'western' trends in CSR theoretical debates on other geographical regions, it becomes pertinent to ask the

question: who has the responsibility of developing the rural communities of the Niger Delta in general and Bonny Island in Particular? Is it companies or the function of the government?

The citizens of a nation - state expects their government to provide their basic needs like education, health care, infrastructures, security, etc in exchange for support and loyalty. Every member of society and constituent groups (community) envisions that the government's activity towards development should be equitable as it will motivate them to support their government and also want to contribute to implementation of such development actions. However, when this is lacking, the idea of 'corporations as government' becomes the case. This refers to the means by which businesses are currently taking up the functions and responsibility previously undertaken only by governments (Idemudia, 2014b p. 178). Moon (2007) in support of this stand point have argued that governments especially in democratic, capitalist, welfare systems are falling short of societal expectations (p.302). For example; the Niger Delta Development Commission recognizes that generally, there is an eroded faith in the reliability, intents and capability of governments among the Niger Delta people. This is because, the Nigerian government is accused of neglecting its primary function and even her efforts have not yielded any real benefit for local communities (NDDC, 2004 p. 93; Idemudia 2014b, p. 179).

Idemudia (2010), argued that the Nigerian state failed due to several reasons. First of all, being a creation of colonialism, Nigeria is a state-nation, rather than a nation state (p.135). This means that Nigeria is a product of several ethnic elements joined together in a process of social mobilization, who still retain their sense of individuality but still attempt to preserve and enhance the status and interests of the collectivity (Rejai & Enloe 1969, p.141). Consequently, Nigeria suffers a legitimacy crisis. The vast heterogeneity in terms of ethnic religious differences coupled with different administrative styles the colonialists adopted in the different regions (i.e. different regions had colonial experiences) still plays out in Nigeria's political scene (Idemudia 2010, p. 135).

Furthermore, the dependence on oil in the economy means that Nigeria is 'a mono-commodity rentier state'. Hence not only is the country dependent on oil rents, most of the population are involved in the distribution and consumption of petroleum rather than production. It is only a few (about 2% - 3%) of the Nigerian population that are involved in the oil rent production (Idemudia 2010, p. 136; Ite, 2005, p. 915). More so, Nigeria is caught up in the 'resource curse'. This has informed the marginalisation of the Niger Delta, informed

injustice in resource distribution, caused armed social conflicts, hindered democracy, resulted in poor governance and also slow economic development (Osaghae, 2015 p.1-2; Ite, 2004 p. 9; Ite 2005 p. 916).

Finally, the failure and lack of continuity of government institutions (like the NDDB, OMPADEC, etc), corruption, inadequate planning, and poor governmental funding has contributed to the poor state of community development in the Niger Delta (Idemudia 2010 p. 136). This is contrary to the supposed ideology of the picture of 'the Nigerian state' presented in the model in figure 5. By implication, the failure of the Nigerian government in relation to the development of the Niger Delta has resulted in severe outcomes for CSR systems. One of which is the absence of an enabling environment for CSR systems to thrive. Fox, Ward and Howard (2002) described this in four ways; "Mandating role", where the government sets a minimum requirements for business operations and ensure compliance by entrenching it within a legal framework. (p.3). However, institutional and technical capacity of governmental regulatory agencies, such as the Department of Petroleum Resources and the federal and state ministries of environment are weak. This has made them unable to effectively monitor and ensure oil and gas companies comply with regulatory policies. These agencies more or less allow the oil and gas companies to monitor themselves. Hence, the continuous rise in oil spills in the Niger Delta due to lack of transparency in environmental reporting (Idemudia 2010, p. 140).

That aside, the Nigerian government's failure is not actually based only on inadequate policies, but also on government institutions especially the Nigerian National Petroleum Corporation (NNPC). The NNPC has not exhibited exemplary character as the most senior partner in a joint venture partnerships with the various multinational oil and gas firms exploring and producing crude oil in the country. Just like the NDDC, the NNPC is mostly politicized and weak institutionally characterized by unnecessary bureaucratic delays in its daily activities (Ite 2004, p. 9).

Secondly, it reflects a "facilitating" role, where government acts as a catalyst by creating incentives and support for social and environmental development of CSR strategies of oil and gas companies (Fox, et.al 2002 p.3). For example, Niger Delta is a volatile region. Government has been blamed for its inability to provide avenues for local communities to adequately seek redress in the courts. Instead of the government to deactivate the tension by encouraging stakeholder engagement and reconciling opposing stakeholder interests, the

Nigerian government has always resorted to the use of force on agitating communities who are perceived as separatist that cannot be tolerated. A case in point is 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).

Thirdly, becoming a partner, in order to enhance and harness the complementarity embedded in a collective effort with private sector and civil society in tackling complex social and environmental problems (Fox, et.al 2002 p.5). The Nigerian state especially at the local government level through the NDDC involves in a partnership with oil and gas companies operating in the Niger Delta. However, there is a consensus among scholars of Niger Delta discourse that there is poor coordination between the government and the companies on government-company development partnerships. The NDDC is blamed partly for host community development challenges largely due to the replication of development projects done by these companies and the ineffective use of scarce resources (Idemudia 2010, p. 145). Lastly, endorsing CSR efforts of companies like recognizing the CSR efforts oil and gas companies operating in the nation through award schemes (Fox, et.al 2002 p.6).

The politics of development borders on the blame game as each tier of government blames each other for the development woes in the Niger Delta. The oil companies are also not left out of the blame game as government accuses them for their role in the Niger Delta situation. The Niger Delta states were agitating for resource control asking for a 50% of national oil revenues as against the 15% derivation funds already being allocated to the Niger Delta states. The belief was that more funds will lead to more development in the region. The Federal government however only pays about 10-12% of the expected funds. In its defence, the Federal government claims that the state governments have little to show for the already allocated funds much more when it is allocated 50% of national revenue (Idemudia, 2010 p. 146). This blame game buoys down to corruption. For example, the current Emir of Kano and the former Governor of the Central Bank of Nigeria, Emir Muhammadu Sanusi II in 2014 had alerted the country and the international community that Nigeria is missing $20bn. According to his interview in the Punch Newspaper, (March 19, 2015), he stated that;

> *"My position in the Central Bank was that there was always this gap of $20bn after reconciliation between what the NNPC exported and what it deposited into the Federation Account". "…It could be $20bn at the end of the day. After reconciliation it could amount to $14(bn) or $12(bn) and I think these issues reflect unconstitutional and illegal withholding of revenues from the Federation Account.... It must stop. I*

think those issues need to be addressed and until we address them and begin to close all the loopholes in government revenues, we are going to continue to create opportunity for the destruction of the economy" (Akinkuotu, 2015).

Government's failure in terms of curbing corruption (closing all loopholes in government revenue) as the Emir stated, is an opportunity to destroy the economy of Nigeria. Corruption demoralizes the ethical case for oil companies to engage in CSR practices. This is because, the government cannot successfully point out corrupt practices on the part of the companies as regards their CSR obligations. More so, government loses its integrity as a regulator of companies' operations or CSR activities. If the Nigerian government cannot regulate itself against corruption, neither can it regulate companies' inability to meet local community expectations especially when these functions are the primary duty of government that it failed to meet. (Ite, 2004, p, 8; Idemudia 2010, p. 147; Idemudia & Ite, 2006 p. 203). Because, Nigeria suffers legitimacy issues, and is wanting in its facilitating, mandating, partnering and endorsing functions in supporting CSR. Therefore, the focus shifts from government to the oil companies because, they are more visible and accessible to the host communities in that the office complexes and workers co-exists in the communities. More so, the substantial efforts of oil and gas companies towards community development through their CSR initiatives fall short of the peoples' expectations. This has led to their over-dependence on these companies for their development needs (Ite, 2004 p. 7).

The oil and gas companies also refute the concept that it is their responsibility to develop their host communities. They maintain that community development is the primary function of the Nigerian state (Ite 2005, p.923). Business objectives are designed by neoliberalism and a 'market mind-set'. It is guided by profitability and the assumption that all sectors of the nation would benefit from their oil exploration activities. This is because, companies pay rents and royalties to Nigerian government and it is their expectation and dilemma that it is the government's primary responsible to distribution the oil wealth maximally and equitably for community development (Idemudia 2007 p. 20).

7.4   Summary:

This chapter highlighted the findings of the research. It started by discussing the differences in perceptions of the company and the local community on the definition of CSR and community development

Chapter 8

Conclusion and Recommendation

8.0   Conclusion: CSR for Community Development: an Icing on the Cake:

Several oil and gas companies especially those that have embraced the sustainable development paradigm have become aware and embraced their role as development actors and partners in the development of their host communities. This is because, they also aspire to achieve their triple-bottom line of profitability, social licence to operate and competitive advantage. This is evident in the various projects they have embarked on in their various communities. Some of which are; provision of infrastructure facilities and other services like healthcare and education, etc. Others include, improving economic opportunities through payment 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).

In conclusion, the issue of the Niger Delta is not the issue of CSR, the situation is too desperate to be handled entirely by CSR. It is not that CSR cannot be used as means of community development, but it should be redefined in context. The kind of intervention that is needed in the Niger Delta can only be afforded by the state because, only the state can mobilize the necessary resources and capacity needed to handle the development challenge in the Niger Delta. The oil and gas companies have some responsibility but not as much responsibility as is assigned to them. There is a challenge of co-ordination and distribution of whatever public good comes into the community either from the state or the companies. The question should be how do development actors ensure that benefits are evenly distributed. What channels are available to encourage the different groups in the host communities to have a voice in the decision making process. Another problem is the lack of helplessness and lack of information about happenings in the community and what is available and provided for the people. Proper communication channels and the answers to this question would lower the degree of alienation felt by the marginalized groups in Bonny Kingdom while the degree of trust will improve.

This research indicates that the Niger Delta people lack the patience and the willingness to invest time to organize themselves into a cohesive and strong unit with the power to bargain

and negotiate. As Scott (1995) proposed, the 'oppressed' have other weapons of liberation which may not necessarily be aggressive. Sometimes, people combine active and passive means of resistance that are creative and potentially liberating. A united and cohesive group armed with resolve and persistence can be powerful enough to ensure bargains and negotiations to bring the expected objectives which the group aspires to achieve in relation to CSR benefits. For instance, the situation where the youths successfully challenged the traditional authority was the opportunity they had to achieve this but they were too dispersed and unorganized to take advantage of this new opportunity. The situation in the Niger Delta communities is not so different from what is obtainable in other rural areas across Nigeria. However, the region receives the attention of CSR discourse because the region generates the national wealth therefore it deserves both CSR and state interventions.

Multi-sector partnership have been proposed by scholars of Niger Delta discourse. Business and government should share the responsibility of community socio- economic development (Ojo, 2012 p. 20). Partnership is believed to be an innovative instrument for solving complex social problems. The Local governments, responsible for directing the formation of such partnerships should be actively involved, thus promoting the notion of social co-responsibility between the government, companies, social organizations and host communities (Albareda, Lozano & Ysa, 2007 p. 401). Other factors are also necessary like 'creating an enabling environment' for CSR to thrive, good governance structures in all tiers of government and institutions (i.e. effective democratic institutions, rule of law, transparency and accountability, and participatory decision making). This should also include, quality policies geared towards environmental protection and poverty-reduction. Corporate social responsibility is therefore the 'icing on the cake' as the primary obligation, for businesses still remains productivity, profitability and wealth creation, while the government's primary function to equitably distribute the wealth among the various sector of the society (Ite, 20004 p. 9).

8.1   Recommendation:

As a recommendation, the research would echo the propositions made by the scholars of the Niger Delta challenge, CSR and community development which is a multi-sector partnership. The NLNG, Bonny Kingdom and government should be co-responsible for the socio-economic development of the Bonny Kingdom. Adequate engagement and representation of all interests and stakeholders groups in the kingdom should be adapted by both the NLNG and

the traditional authority. This research would also like to push forward the recommendations of the local people in Bonny Kingdom who bear the brunt of NLNG business operation. CSR intervention in form of projects especially infrastructure and job opportunities should be directly managed and supervised by the company. This is because the use of contractors have led to abandonment or improper execution of much needed CSR projects and it has negative effects on the local people. Democratic principles of rule of law, accountability, effective representation for the marginalized and transparency should be adopted by the government, NLNG and the traditional rulers and people of Bonny Kingdom. The implication is that community development is a collective effort that would thrive on unity, trust and commitment to shared values and objectives.

8.2 Suggestions for Further Study:

This study focused on a single case study i.e. the Nigeria Liquefied Natural Gas Limited and its primary host community i.e. Bonny Kingdom. This made the study a one-sided enquiry because Bonny Kingdom has a special feature that distinguishes it from other host communities in the Niger Delta region of Nigeria. Consequently, findings and inferences are largely restricted to the case study. Though the research tried to highlight some implications that might suit the wider society (i.e. Niger Delta and Nigeria).

Further study could be conducted on other Niger Delta communities who are also NLNG's host communities. This would give a clearer understanding to the Niger Delta challenge. This is because the further study might effectively compare what is obtainable in other communities that do not have the hierarchical structure found in the Bonny Kingdom that has made NLNG enjoy a conducive business environment. It would be interesting to know how these communities perceive NLNG's CSR and if the company can attain or has achieved their business objectives of legitimacy, social licence to operate and competitive advantage.

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Appendix:

Interview Guide for the Local People

Do you come from an NLNG host community?

Do you know what Corporate Social Responsibility means?

What does Corporate Social Responsibility mean to you?

What are the socio-economic challenges you face in your community?

Do you believe NLNG has a role in solving these problems?

How would you describe the pre- and post NLNG presence in your community?

Which of these CSR projects or activities have you heard about and benefitted from?

What is community development in your own perspective?

How do you see the relationship between your community and NLNG?

How would you rate the relationships between your community and NLNG compared to other oil and gas companies operating in your community?

How would you describe the pre- and post NLNG presence in your community?

Has there been any situation where your community had conflict with NLNG?

How was the situation resolved?

What measures are in place to mitigate future conflicts between your community and NLNG?

Who do you think is responsible for managing the relationship between NLNG and your community?

Why do you think so?

Have you ever participated in discussions on how to solve your community development challenges with NLNG?

Would you say that youth groups in your community are strong or weak in relations to pursuing their demands on NLNG?

Who do you think has the greater influence on the outcomes of CSR strategies of the NLNG?

Why do think this is so?

What do you recommend should be the case?

What measures do you think are in place to build trust between your community and NLNG?

Do you have any other comments or suggestions about any of the above questions?

Interview Guide for the Community Leaders

What does CSR mean to you?

What are the socio-economic challenges you face in your community?

Do you believe NLNG has a role in solving these problems?

What is community development in your own perspective?

How would you describe the pre- and post NLNG presence in your community?

Some young people in the community have said that they are not adequately represented in discussions on CSR demands on NLNG. Would you say that youth groups in your community are strong or weak in relations to pursuing their demands on NLNG?

Who has a greater influence on the selection, and implementation of CSR project for host communities?

Some people in the community have said that community leaders tend to place personal interest over public interest in the pursuit of CSR demands from NLNG. What is your perspective on this issue?

Have there been conflicts between NLNG and your community?

How was the situation resolved?

What mitigation measures are in place to counter future conflicts?

Do you believe your community has given NLNG the social licence to operate?

Do you believe that there is trust between your community and NLNG?

What measures are in place to build trust between NLNG and host communities?

Interview guide for NLNG

What does CSR mean to you?

Why are you carrying out Corporate Social Responsibility activities and policies?

Why does NLNG consider CSR important?

Based on socio-economic challenges your host communities face, do you believe that NLNG has a role in solving these problems?

What is community development in your own perspective? How can your host communities achieve development?

How would you describe the state of your relationship with your host communities?

How do you think your host communities perceive your CSR strategies evident in your projects?

Have there been conflicts between NLNG and any of its host communities?

How was the situation resolved?

What mitigation measures are in place to counter future conflicts?

I found power relations in the Bonny Kingdom interesting, the traditional authority has the vested power to negotiate CSR demands and mediate conflicts on behalf of the communities. The youth and other such groups have to comply with whatever the traditional institution decides. Would you say that youth groups in your host communities are strong or weak in relations to pursuing their demands on NLNG?

Oil and gas firms Like NLNG are accused of capitalizing on the lack of unity among Niger Delta communities when carrying out their CSR policies and strategies. Respondents in Bonny and Finima communities called it divide and rule tactics. Thereby deepening distrust among community members. Who is to blame? What do you think NLNG should do instead?

NLNG in my opinion was granted the social license to operate by the traditional authority by creating a kind of forced peaceful condition for the company to do business in the Bonny Kingdom. Some respondents believe that this was done for the personal interest of the members of the traditional authority. Whereas others believe that the company got the social license to operate by making their presence felt more than other firms in the region? What is NLNG's stand on this issue?

Like the first instance, trust exists between NLNG and that traditional authority which the community members translate as automatic trust between their communities and the firm. In

your opinion, should this be the case? What measure should be in place to build trust between communities and NLNG?

What are the challenges NLNG is facing in the implementation of its CSR policies?

What are the strengths of implementing NLNG's CSR policies?

What are the weaknesses of implementing NLNG's CSR policies?

Do you have any other comments and recommendations?

Research in Pictures:

Travelling by boat to a fishing settlement in Bonny. (Source: Author)

Experiencing the extreme poverty in one of the host communities. (Source: Author)

Company facility in one of the host communities. (Source: Author)

Fishermen focus group showing off their catch. (Source: Author).

Little girl fetching drinking water.
(Source: Author)

Primary school in the community.