

CORPORATE SOCIAL RESPONSIBILITY IN NIGERIA'S OIL INDUSTRY: GOVERNANCE GAPS AND IMPLICATIONS FOR NATIONAL SECURITY AND DEVELOPMENT

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Abstract

The discovery of oil in Nigeria drastically transformed its economy and international trade system. However, rather than fostering national prosperity, it has left much of the population in poverty and worsened the country's infrastructure. This challenge is compounded by the insufficient Corporate Social Responsibility (CSR) efforts from oil companies, resulting in recurring crises, civil unrest, and escalating violence within the oil-producing regions, which has national repercussions and poses a threat to security. This paper explores the impact of CSR shortcomings by oil corporations on Nigeria's national security and development. A qualitative research approach is used, drawing on primary sources and secondary sources. Findings reveal a lack of coherent policy or legislation on CSR in Nigeria, underscoring the need for stronger regulatory frameworks and closer scrutiny of oil companies' CSR initiatives. The study recommends engaging genuine stakeholders and local community members in CSR project planning and implementation to ensure relevance, continuity, and meaningful impact on beneficiaries.

Keywords: *Oil corporations; Corporate Social Responsibility; Sustainability; Community; Community Development, Legislation*

Introduction

In today's global landscape, businesses have become powerful entities with significant influence over social and economic conditions. Corporations now possess the capacity to complement government efforts in addressing infrastructure needs and improving the quality of life for communities. In historical contexts, this role of societal influence shifted from religious institutions, which once held unrivaled power symbolized by grand churches, to state authorities.

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Today, it is corporations that construct the most prominent buildings, representing the shift in societal power from religious and governmental institutions to corporate entities.¹

However, in Nigeria, corporations—especially those within the oil sector—have often failed to address even basic infrastructure needs within their host communities, amplifying socioeconomic disparities and exacerbating poverty in many oil-producing regions. This gap in Corporate Social Responsibility (CSR) has had profound implications for security and social cohesion. The resulting socioeconomic inequalities and deprivation have led to widespread discontent and unrest, which now challenge Nigeria’s national security and developmental objectives. This environment of discontent has hindered the growth of social capital, which is essential for sustainable national development, while also eroding traditional moral values and community cohesion, particularly among the youth.²

The current landscape of insecurity in Nigeria reflects these societal fractures: from the insurgency in the Northeast and militancy in the oil-rich Niger Delta to secessionist movements in the Southeast. These issues underline the urgent need for a robust CSR framework within the corporate sector, particularly for companies in resource-extractive industries. As a leading oil producer globally, Nigeria holds a strategic position, but the CSR contributions of its oil corporations remain disappointingly low, with limited impact on the economic and social wellbeing of host communities.³

In the contemporary global landscape, businesses are no longer solely judged by their financial performance or basic compliance with Corporate Social Responsibility (CSR) frameworks. They are increasingly expected to play a pivotal role in tackling some of the world’s most critical challenges, including climate change, education, public health, and poverty alleviation. This evolution reflects a growing societal expectation that corporations, especially those with

¹ C Valor ‘Corporate Social Responsibility and Corporate Citizenship: Towards Corporate Accountability’ *Business and Society Review* (2005) 110(2) 191-212 at 193.

² O Y Abdul and U A Raheem, ‘Spiritualization of Social Disadvantage.’ in H. A. Saliu, E. Amali, J. Fayeye & E. Oriola, (eds), *Democracy and Development in Nigeria* (Lagos: Published by Concept Publications 2006) p. 158.

³ M Bintube, "**Boko Haram Phenomenon: Genesis and Development in North Eastern Region Nigeria**" (2015) *International Journal of Sociology and Anthropology Research*, Vol. 1, No. 1, pp. 1-22, March, European Centre for Research Training and Development UK, available at <www.eajournals.org> accessed 29 October 2024.

significant environmental and social footprints, contribute actively to sustainable development and the overall well-being of communities in which they operate.

As the world's sixth-largest oil-producing nation, Nigeria is uniquely positioned to leverage its oil industry for substantial socio-economic benefits. Given the magnitude of its oil production, one would naturally expect the CSR initiatives of Nigerian oil corporations to be transformative, with a profound and far-reaching impact on local communities and the broader society. Such efforts could serve as a catalyst for development, addressing pressing issues such as environmental degradation, inadequate healthcare, poor educational infrastructure, and widespread poverty, particularly in the oil-rich but underdeveloped Niger Delta region.

However, the reality has been starkly different. Despite their significant economic contributions and high revenue streams, the CSR activities of Nigeria's oil corporations have been widely criticized as inadequate and largely ineffective. Rather than delivering substantial and sustained improvements in living standards, these initiatives have often been piecemeal, poorly executed, or designed without meaningful community involvement. The resulting impact has been minimal, failing to address the root causes of socio-economic and environmental challenges in host communities.

This disconnect highlights a critical governance gap: while oil corporations generate immense wealth, their CSR practices have not translated into corresponding socio-economic advancements. In many cases, these initiatives are viewed as superficial or tokenistic, aimed more at enhancing corporate image than delivering genuine, long-term benefits to affected communities. Consequently, Nigeria's oil industry, which should ideally be a driver of sustainable development, remains a source of socio-economic discontent and environmental degradation.

Addressing these shortcomings requires a fundamental shift in how CSR is conceptualized and implemented within Nigeria's oil sector. There must be a move beyond mere compliance or symbolic gestures, toward integrated strategies that prioritize community engagement, transparency, and accountability. Only then can the CSR efforts of Nigerian oil corporations

begin to match the scale of their operations and contribute meaningfully to resolving the nation's most pressing socio-economic and environmental issues.⁴

This paper examines the link between insufficient CSR initiatives by oil corporations in Nigeria's oil-producing areas and the broader implications for national security and development. It explores how the neglect of CSR has intensified local grievances, contributing to unrest and endangering the stability essential for development. By analyzing these challenges, the study aims to highlight the potential for CSR reforms as a strategy to address corporate-community tensions, foster national cohesion, and support sustainable development.

The Concept of Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) refers to the expectations society holds for corporations to engage in economic, legal, and ethical practices that benefit their communities.⁵ Unlike traditional business frameworks focused solely on profit maximization within legal boundaries, CSR integrates ethical considerations, encompassing society's broader expectations of corporations' roles. While some proponents argue that a corporation meets its CSR responsibilities merely by generating profits legally, the CSR framework posits additional obligations.⁶ Beyond economics and law, CSR encompasses the ethical responsibilities to provide tangible community benefits such as employment, security, and welfare for employees. A broader proposition has been put forward to the effect that industry owes its employees not just protection from harm but also an active role in providing economic security.

This was alluded to as early as 1932, when Dodd expressed the view that:

⁴Frynas, Jędrzej George, "Corporate Social Responsibility in the Oil and Gas Sector" (2009) *Journal of World Energy Law & Business*, Vol. 2, No. 3, pp. 178-195, available at https://www.researchgate.net/publication/247577729_Corporate_social_responsibility_in_the_oil_and_gas_sector accessed 18 October 2024.

⁵Carroll, Archie B., "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders" (1991) *Business Horizons*, Vol. 34, No. 4, pp. 39-48.

⁶Semotiuk, Orysia, "The Role of Law in Corporate Social Responsibility and Stakeholder Theory" (2004) Master of Laws Thesis, Faculty of Law, Queen's University, Kingston, Ontario, Canada, p. 22.

there is a wide spread and growing feeling that industry owes to its employees not merely the negative duties of refraining from overworking or injuring them, but the affirmative duty of providing them so far as possible with economic security.⁷

This expanded CSR perspective recognizes the corporation's significant economic power and its responsibility as a primary source of employment and services in society. For a business to achieve these economic goals, it must maintain profitability to sustain its operations and contribute positively to society. Legal compliance represents another critical aspect of CSR, wherein corporations are expected to adhere to established laws and regulations on taxation, environmental protection, consumer rights, and contractual duties. As artificial legal entities, corporations are obligated to follow these societal rules. This legal foundation was reinforced in the 1960s and 1970s when social movements highlighted environmental, labor, and consumer safety issues, further embedding the legal aspect within CSR.⁸

The third CSR component is ethical responsibility, which involves actions that align with societal values, even in the absence of a legal mandate. Consumers increasingly expect corporations to act ethically, often basing purchasing decisions on companies' ethical conduct. Thus, corporations hold an ethical duty to positively impact society, anticipating regulatory developments and setting standards that minimize harm.⁹

While regulation serves as a protective measure, ensuring minimum standards of behavior,¹⁰ the law has inherent limitations. Often reactive, the law typically responds only after a social issue has emerged, as seen with consumer protection legislation that often follows harm.¹¹ Moreover, regulations can sometimes reflect industry standards due to the government's reliance on insider knowledge from industry experts during the regulatory process. This dependence, although

⁷E. Metrick Dodd, "For Whom Are Corporate Mangers Trustee? (1932) 45 Harv. L. Rev. 114 at 1154.

⁸Etikan, Julie, "*Corporate Social Responsibility (CSR) and its Influence on Organizational Reputation*" (2024) *Journal of Public Relations*, Vol. 2, No. 1, pp. 1-12.

⁹Mohm, Lois A., Weds, Deborah J., and Harris, Katherine E., "*Do Consumers Expect Companies to be Socially Responsible? The Impact of Corporate Social Responsibility on Buying Behavior*" (2001) *The Journal of Consumer Affairs*, Vol. 35, p. 45 at p. 49.

¹⁰William, C.A., "*Corporate Social Responsibility in an Era of Globalisation*," *U.C. Davis Law Review*, Vol. 35 (2002) 705 at 717.

¹¹See *Sarbanes-Oxley Act* (2002), United States; and for Canada, see Bill 198, in fact it has been dubbed CSOX, with the "C" standing for Canada

beneficial for technical insights, can undermine the objectivity of regulations. Critics argue that involving corporations in their regulatory oversight creates cyclical dynamics that compromise CSR goals.¹²

CSR also includes the expectation for corporations to proactively address social and environmental issues, such as reducing pollution, supporting education, and addressing poverty.¹³ Given their financial strength, corporations are seen as vital partners in addressing these issues where government resources are insufficient. Some corporate leaders may support these activities for shareholder benefit, yet true CSR proponents contend that genuine CSR requires altruistic motives, irrespective of economic return.¹⁴

To establish a legal foundation for proactive CSR, analogies to natural persons' duty of care in tort law have been considered. Like a bystander's duty to aid those in danger when a special relationship exists, corporations, due to their economic reliance on society, could be viewed as having a duty to assist society when facing challenges. This duty aligns with the artificial legal personhood corporations enjoy, extending this protection from business people to society.¹⁵ Recognizing this duty is not incompatible with capitalist principles, as similar expectations apply to natural persons, regardless of economic incentives. Progress necessitates new legal precedents, suggesting that society's expectations of corporations may indeed warrant such legal evolution. Lord Denning's golden dictum is handy here, according to him "if we never do anything which has not been done before, we shall never get anywhere. The law will stand still while the rest of the world goes on, and that will be bad for both." In other words if there seem to be no established rule on any aspect of the law, the earlier one is made the better.¹⁶

¹²For instance the Nigerian Corporate Affairs Commission (CAC) comprises or members representing Manufacturers Association of Nigeria (MAN), Nigerian Bar Association, some of whom work directly or indirectly for these corporations and so on.

¹³ In the case of Nigeria fighting corrupt practices in and out of the government and the corporations and funding NGO's involved in the fighting corruption may well be regarded as positive social contribution of a corporation.

¹⁴ See Lord Denning in *Storer v Manchester City Council* [1974] 3 All ER 824 at 828: where he said in similar vein that "...you do not look into the actual intent of a man's mind...look at what he said and did."

¹⁵ This was in *Donoghue v. Stevenson* [1932] All ER Rep 1; [1932] AC 562; House of Lords.

¹⁶ See *Packer V Packer* [1953] 2 All ER 127.

Theoretical Perspectives on Stakeholder, Conflict and Development Theories

Stakeholder, conflict and development theories could be examined as the basis for demonstrating the relationship between corporate social responsibility in the content of corporate governance, national security and development. This approach illustrates the connections between the societal goals and corporations in it.

Stakeholder Theory

Stakeholder Theory canvassed by R. Edward Freeman¹⁷, extends the duties of corporations beyond the shareholders to include all individuals or groups impacted by their operations. The theory emphasised the role of the all the stakeholders in the area of collaboration with each other in decision making for mutual benefits. The stakeholder theory recognised employees, customers, suppliers and local communities' interests as critical in corporate matters.

Corporate social responsibility (CSR) is underscored by the stakeholder theory which emphasises integration of the interests of anyone affected by the operation of a corporation in the pursuit of its own business interest. Involvement of oil corporations in the Niger Delta in education, health, infrastructure and environment issues sits well within the stakeholder theory.

CSR is apparently guarantees good community relation with the corporations, just as stakeholder informed approach to cooperate governance promotes inclusiveness and accountability. This aligning societal aspiration with corporate objectives which promote sustainability and peaceful co-existence between the corporation and the community.

Aligning corporate governance with the stakeholders' interest is a potential solution to conflict reduction and prevention and a promotion of partnership between corporation and the host communities. In communities with natural resources being exploited by Multinational Corporations such as the Niger Delta, the stakeholder theory and by extension of CRS represents the antidotes to instability and conflicts which is a foundation for the promoting national security and development.

¹⁷Freeman, R.E., *Strategic Management: A Stakeholder Approach* (Boston, MA: Pitman, 1984).

Conflict Theory

Conflict theory originated from Karl Max's¹⁸ analysis of societal structure. Karl Max discussion of classes of people in society indicates that an economic system which favour the elites and marginalize the general populace is bound to eventually create tension and promotes unrest where such disparity is allowed to fester and unaddressed. The theory demonstrates how domination of power and resources by a section of the society promotes conflict and increase tension in the society.

Tension can be drastically reduce where CSR is employed by corporation to ameliorate economic disparities. CSR can be employed to promote health, education, employment generation, reduce social-economic challenges thereby reduce disparity in the society. A corporate governance system which prioritises conflict theory by addressing possible conflict areas no doubt promote good corporation and community relation. It equally deescalate tension in the communities. Explosive activities and tendencies are usually avoided by corporation applying conflict theory. It's equally ethically correct in corporate governance parlance as it promote inclusive decision making process. Where conflict theory is jettisoned there is the likelihood of neglecting inequalities and the voices of the oppressed.

Development Theory

Development theory is rooted in economic, social and political advancement of the society. The developmental state model, emphasizes government-led strategies and partnerships with private sector entities to drive growth and improve living standards.

Development theory and CSR are aimed at sustainable development where corporations play an active role in advancing national goals such as poverty alleviation, infrastructure development and environmental sustainability. Public-private partnerships provide a framework for aligning corporate efforts with development theory and all it trappings.

Corporate Governance practice based on development theory promotes corporate ethics and national development. Development focused corporate governance approach results in the

¹⁸Marx, Karl, *The Essentials of Marx: The Communist Manifesto* by Karl Marx and Frederick Engels, (New York: Vanguard Press, 1926).

corporations' contribution to community and national development, and conversely reduces retrogressive activities from corporations and their officials.

Addressing systemic challenges such as inequality, inadequate infrastructure, and poor education is crucial for stability and growth. Development approach to governance aligned with progress and priorities that create resilient communities, decreasing vulnerability to conflict and enhancing national security.

Stakeholder, conflict and development theories offer a comprehensive framework for understanding the roles of CSR and corporate governance in national security and development. Together, these theories emphasize the importance of inclusive, ethical and strategic corporate practices that address societal challenges. By aligning corporate actions with broader developmental goals, these frameworks underscore the potential of CSR to drive sustainable progress, enhance social cohesion and strengthen national stability.

CSR Scorecard for Oil Corporations in Nigeria

Oil corporations operating in Nigeria, such as Shell,¹⁹ Chevron, Mobil, and Agip, articulate policies that recognize their host communities. Shell's policies emphasize a constructive role in addressing social issues beyond direct business interests,²⁰ while Chevron's "Chevron Way" mission aims to enhance communities' well-being and maintain transparent communication on environmental impacts.²¹ Mobil and Agip have also developed community-centered policies. Despite these efforts, local perceptions often characterize these corporations as dismissive, lacking empathy, and isolated from host communities. Representatives negotiating on behalf of these corporations are seen as detached and collaborative only with local elites, often misaligned with the general populace's interests.

Local community members perceive that oil corporations' CSR efforts fall short, particularly when addressing fundamental issues like infrastructure, health, and economic development.

¹⁹ Shell alone is responsible for the exploration of over 50% of the oil in Nigeria until recently.

²⁰Royal Dutch/Shell Group of Companies, statement of General Business Principles (London and The Hague: Shell, 11 March 1997)

²¹Chevron, the Chevron way, (San Francisco: Chevron, 1995). See also NNPC/Chevron Joint Venture, Community Development Philosophy (Lagos: Chevron Nigeria Ltd, November 1997).

Basic community needs, such as access to clean water and healthcare, remain unmet, as Oil Company workers receive exclusive services, and their needs are met through company-controlled resources. Infrastructure improvements around oil facilities rarely extend to surrounding villages, creating disparities that highlight the corporations' limited integration with host communities. Thus, a judicial commission of Inquiry once concluded that, there is “*a lack of meaningful contact and consultation between the oil companies and the communities in which the oil companies operate and therefore lack of understanding between both parties, where there is such lack of understanding there is always confusion, disorder and all that makes for disturbances.*”²²

Communities expect oil corporations to prioritize the well-being of those directly affected by their operations, especially concerning environmental risks. Oil spills and pollution have devastated agriculture, fishing, and water resources, resulting in public outcry in affected regions. Society's expectations extend beyond mere damage prevention; there is an ethical responsibility for corporations to contribute to essential needs, such as education, poverty alleviation, and infrastructure, particularly given the economic and environmental impact of their operations.

While CSR frameworks emphasize proactive measures to mitigate environmental and societal harm, oil corporations often fail to meet these minimum standards. Communities rightfully fear that continued corporate negligence will exacerbate pollution, expose residents to hazardous conditions, and threaten traditional livelihoods. Given their resources and expertise, oil corporations have the capacity to protect the environment and communities, yet evidence indicates a disconnect between corporate policies and on-ground realities.

The oil industry's CSR performance in Nigeria thus reflects a substantial gap between societal expectations and corporate actions. Host communities in Nigeria consistently encounter environmental degradation, limited access to essential services, and insufficient corporate

²²Judicial Commission of Inquiry into *Umuechem Disturbances Report* (January 1991).

accountability. The disparity between policy and practice in the Nigerian oil sector highlights the need for a strengthened CSR framework, greater legal enforcement, and ethical commitments to ensure that corporate activities align with societal welfare and environmental sustainability.

Shifts in the Concept of National Security

The understanding of national security has evolved significantly from a narrow, state-centered focus, typical of the Cold War era, where the security of the state and its institutions was paramount. In that period, national security prioritized state officials and apparatus, while citizens' safety was an indirect outcome of a secure state. However, modern threats—especially rising intra-national and ethnic conflicts—redefine security concerns, moving the focal point toward individuals within the state. Increasingly, internal issues like ethnic, religious, and cultural divisions present greater threats to national security than external conflicts, necessitating a new approach to safeguarding both citizens and the state.²³

In many cases, state security measures may inadvertently target citizens under the guise of safeguarding national sovereignty. Here, national security conflates with governmental stability, allowing state power to suppress dissent or assert control over citizens, often at a high cost to individual liberties.²⁴ This evolving definition aligns with international bodies like the United Nations and the UN Development Programme, which advocate for a citizen-centered approach. Consequently, realigning security practices to focus on individual well-being and safety aligns with broader humanitarian principles, ensuring that state security measures also promote public safety rather than suppressing it.

²³ Frynas, G., "Corporate Social Responsibility in the Oil and Gas Sector" (2009) 2(3) *The Journal of World Energy Law & Business* 178-195.

²⁴ Examples of this are the killing of about 350 Shiites Muslim sect in Kaduna in Dec 2015 and the killing of some people residing in an uncompleted building in Abuja under the pretense that they were Boko Haram Terrorists in Sept., 2013 see Premium Times @ <https://www.premiumtimesng.com/news/headlines/201615-kaduna-govt-says-347-shiites-killed-by-nigerian-troops-given-secret-mass-burial.html>, (accessed Oct. 28th 2024) with a caption titled: Kaduna Government says 347 Shiites killed by Nigerian troops given secret mass burial and Premium Times @ <https://www.premiumtimesng.com/news/145094-apo-killings-nigerian-army-sss-extrajudicially-kill-7-label-boko-haram.html> (accessed Oct. 28th 2024) with the caption Apo Killings: Nigerian Army, SSS, extra judicially kill 7, then label them Boko Haram respectively

Increasingly, internal conflicts-whether based on ethnic, religious, or other group identities-have escalated the threats within national borders. Nigeria's efforts against groups like Boko Haram illustrate how national security concerns are becoming internalized, with military campaigns aiming to protect citizens from domestic threats. Scholars generally agree that national security today must prioritize individual security, reflecting the shift in both theory and practice toward a more inclusive understanding of security. Additionally, internal tensions over resource control, as seen in the Niger Delta, spotlight the security challenges tied to resource allocation and the equitable distribution of national wealth.

Today, national security considerations for Nigeria encompass economic, demographic, and environmental threats alongside traditional military concerns. This comprehensive perspective helps identify the underlying causes of internal strife, offering insights into the security implications of widespread environmental degradation, pollution, poverty, organized crime, and infrastructure decay. Relying solely on military intervention overlooks these non-combatant threats, which are now just as likely to fuel internal conflicts as any traditional external threat.

Incidents of Crisis Undermining National Security

- i. **Ekpan Women's Protest Against Oil Company Policies (1986)** On August 25, 1986, 10,000 Ekpan women from Delta State's Uvwie clan staged a protest at the Nigerian National Petroleum Corporation (NNPC) facility, demanding employment and local development support. The women blocked access to NNPC's plants, halting work and fuel distribution. Police intervention failed, underscoring community frustration over unfulfilled promises. The women's demands included jobs, utilities, scholarships, and fair compensation for acquired land.
- ii. **The Ogoni Movement (1990s)** Founded in 1990, the Movement for the Survival of the Ogoni People (MOSOP) represented Ogoni grievances over environmental degradation due to oil activities by Shell Petroleum. The "Ogoni Bill of Rights" encapsulated these demands, including the right to control local resources and political autonomy. MOSOP's activism attracted international attention,²⁵ pressuring Shell to reconsider its environmental practices

²⁵ In May 1994, four prominent Ogoni leaders were brutally murdered by a mob of youths. These men had been

and corporate social responsibility. Despite some progress, the Ogoni struggle highlights the need for policy reforms to safeguard communities and meet CSR expectations.²⁶

- iii. **Demonstrations/Protests Against Chevron (2016)** In August 2016, protests erupted against Chevron in Nigeria's Niger Delta, where youth blockaded company facilities demanding job creation and housing. The demonstrators cited the destruction of local settlements and the lack of socioeconomic benefits despite Chevron's use of community land. Such local grievances reflect the broader demand for a fair distribution of oil wealth and heightened accountability from multinational corporations.²⁷ Protesters alleged that Chevron's operations had led to environmental damage and highlighted the widespread poverty persisting in resource-rich areas.²⁸
- iv. **Niger Delta Protests Following 2011 Oil Spill (2014)** In March 2014, Niger Delta communities rallied against Shell over the aftermath of a 2011 oil spill, which had devastated local fishing grounds. Protesters demanded reparations and environmental restoration, uniting communities to hold Shell accountable for its CSR obligations and urging the company to commit to sustainable practices.
- v. **Community Disputes with Universal Energy Resource (2013)** On July 7, 2013, AkwaIbom communities protested Universal Energy Resource's failure to fulfill its CSR agreements for local development projects. The protest exposed recurring CSR gaps, with host communities demanding adherence to commitments that had promised infrastructure, education, and other essential services.

associated with a faction of MOSOP that had differed with Saro-Wiwa on the organization's tactics and strategy and had been regarded by some in MOSOP as government collaborators. Ken Saro-Wiwa and several other Ogoni activists were immediately arrested on charges of murder and incitement to murder. Sixteen members of the MOSOP leadership were put on trial, and nine, including Ken Saro-Wiwa, were eventually convicted and sentenced to death by a special tribunal. Without the right to an appeal, the Ogoni Nine were executed on November 10, 1995.

²⁶Ogoni and Nigeria Conflict Over Oil, Trade and Environment Database, (<http://www1.american.edu/ted/ice/ogonioil.htm>); (accessed 23rd November 2024). Ogoni Protests Escalate in Nigeria as Shell Fails to Implement UNEP Report, An Article Published on Arts Activism Education Research By Sarah Shoraka (11th December, 2013); <http://platformlondon.org/2013/12/11/ogoni-protests-escalate-in-nigeria-as-shell-fails-to-implement-unep-report/> (accessed 23rd November 2024)

²⁷Demonstration Against Chevron In Nigeria, Published by Reuters, (August 2016); <http://www.reuters.com/article/nigeria-oil-idUSL8N1AW209> (accessed 23rd November 2024)

²⁸Ulf Laessing (2016), Demonstration against Chevron in Nigeria's Delta widens - Being a publication of Reuters Africa <http://af.reuters.com/article/nigeriaNews/idAFL8N1AW209> (accessed 24th day of Oct 2024)

- vi. **Septa Energy and Local Community Protests (2013)**In 2013, over 500 women from Akwalbom State staged a protest against Septa Energy, a subsidiary of the Seven Energy Group. The women halted construction of a gas plant to demand compliance with previously promised development initiatives. With symbolic gestures like cassava leaves, they highlighted community dissatisfaction with unmet CSR obligations.
- vii. **Niger Delta Avengers (2016)**Emerging in 2016, the Niger Delta Avengers (NDA) intensified internal security challenges by targeting oil infrastructure, reducing Nigeria's oil production to its lowest in two decades. Their demands include autonomy and resource control, as well as ecological restoration for affected areas. These attacks have impacted national revenue significantly, showcasing the broader impact of unmet community needs and CSR promises on national security.

These incidents illustrate that Nigerian communities expect CSR practices that encompass employment, local development, environmental preservation, education, and worker protection from oil corporations. However, recurring protests, including acts of civil disobedience, underscore persistent unmet demands. Government officials often face accusations of collaborating with oil corporations, which has undermined local trust and led to systemic corruption. This discontent, combined with government inaction, has fueled resistance movements within the Delta region.

In addition, traditional rulers, sometimes acting as intermediaries for oil companies, often receive financial incentives, creating a socioeconomic divide within communities. These select elites benefit directly from corporate presence, often at the expense of broader community welfare. Consequently, CSR efforts highlighted by oil companies rarely represent the broader population's expectations, and the resulting disenfranchisement fosters resentment among residents.²⁹ Local communities increasingly view oil corporations as exploitative, with the wealth of a privileged few contrasting sharply with widespread poverty. As tensions escalate,

²⁹Omofonmwan, S. I. & Odi, L. O., "Oil Exploitation and Conflict in the Niger-Delta Region of Nigeria" (2009) 26(1) *J. Hum Ecol* 25-30.

protests have become an essential platform for communities seeking to address their grievances and demand accountability, reflecting broader implications for Nigeria's national security.³⁰

Oil Corporations' Corporate Social Responsibility (CSR) Failures and its Impact on National Security

Since Nigeria's first commercial oil discovery in 1956, the country has grown to produce roughly 2.3 million barrels of oil per day, with reserves estimated at between 16 and 22 billion barrels, mainly concentrated in the Niger Delta. The Nigerian Constitution of 1999, in Section 44(3), establishes federal ownership of all mineral resources, vesting control of oil and gas in the government and empowering the National Assembly to make laws on the sector's management. As a result, only companies licensed by the federal government, both domestic and international, can engage in oil exploration.

Oil production in Nigeria is dominated by foreign companies, primarily from Europe and the United States, operating in joint ventures with the state-owned Nigerian National Petroleum Corporation (NNPC). The NNPC typically holds a 55% to 60% stake in these joint ventures. Major players like Mobil, Chevron, ELF, Agip, and Texaco operate through partnerships, while smaller companies maintain individual concessions. Oil extraction has considerable environmental impacts, most acutely felt in the Niger Delta, a vast wetland spanning over 20,000 square kilometers, of which 6,000 square kilometers are rich mangrove forests with high biodiversity and unique ecosystems.³¹

However:

³⁰ See Niger Delta Avengers @ https://en.wikipedia.org/wiki/Niger_Delta_Avengers (accessed on 28th Oct 2024)

³¹Zabbey, N., "Impacts of Extractive Industries on the Biodiversity of the Niger Delta Region, Nigeria" (Paper presented at a 3-Day National Workshop on Coastal and Marine Biodiversity Management, Pyramid Hotel, Calabar, Cross-River State, 7-9 September 2004).

...oil-led development has clearly seriously damaged the environment and the livelihood of many of those living in the oil producing communities...but Nigerian environmental laws in most aspects comparable to their international equivalents are poorly enforced.³²

The natural consequence of the situation above is the tension and series of crisis which has always been present essentially within the oil producing areas with spiral effect on the country as well.³³

Despite the region's ecological importance, oil-driven development has severely degraded the environment and eroded the livelihoods of Niger Delta communities, where fishing and agriculture are mainstays. While Nigerian environmental regulations align with many international standards, they are rarely enforced, leading to widespread pollution, habitat destruction, and economic hardship. This systemic failure has fueled tensions and unrest, disproportionately affecting oil-producing areas but also creating ripple effects across Nigeria.

The lack of robust corporate social responsibility (CSR) initiatives by oil corporations, compounded by government complicity, has severely compromised the Niger Delta's economic resilience. Oil extraction has not only depleted local resources but has led to practices detrimental to sustainable living. In many cases, essential resources—be it land, rivers, or even entire communities—are sacrificed to ensure unimpeded oil flow, often with government security forces intervening to protect oil interests over community welfare.

This dynamic has spurred significant security challenges as militant groups continue to emerge, demanding CSR responses that genuinely benefit local communities, including development support, healthcare, education, and poverty alleviation. The government's inconsistent and largely politicized approach to addressing the region's developmental needs has exacerbated local frustrations and violence, exposing an ineffective national security strategy. The

³²Human Rights Watch, *The Price of Oil: Corporate Responsibility and Human Rights Violations in Nigeria's Oil Producing Communities* (1999, New York) p. 7.

³³However, on October 30th 1990, a protest riot broke out at Umuechem, a village in the eastern part of Port Harcourt, the River state capital. Official Report admits that eighty people were killed by the security agent and property worth Millions of Naira destroyed. Again official record admits that 495 houses were either destroyed or badly damaged.

government is therefore “trying to plug holes in what is an increasingly leaky dam.”³⁴Essentially, the state’s inability to establish meaningful regulatory standards for CSR leaves it reliant on coercive methods to manage citizen discontent. Such instability heightens the risk of wider conflict, increased secessionist movements and deepening economic challenges.³⁵

Recommendations and Conclusion

The challenges in the Niger Delta and Nigeria's broader development landscape present a stark reminder of the nation’s struggle to achieve sustainable progress, leaving it lagging behind even the slowest-growing global economies. The persistence of militancy, oil theft, illegal refining activities and renewed secessionist agitations highlight the intersection of environmental degradation, economic disparity and political instability. These crises underscore the pressing need for strategic reforms in governance, as well as a reimagining of the role and accountability of corporate entities, particularly in the extractive industry.

Corporate Social Responsibility (CSR) represents a pivotal mechanism to bridge the entrenched governance gap and foster socio-economic stability in Nigeria. To this end, robust legislative and regulatory frameworks must be enacted to harmonize, standardize, and enforce CSR practices. This is crucial to ensuring that corporate investments are not just philanthropic gestures but align with Nigeria’s national development priorities, addressing the root causes of inequality, environmental degradation, and local unrest.

Historically, one of the significant barriers to the success of CSR initiatives has been the exclusion of host communities from meaningful participation in the planning, prioritization, and execution of projects. This exclusion has fueled mistrust and resentment, limiting the effectiveness and sustainability of corporate efforts. As Nigeria moves forward, it is imperative for oil corporations and other stakeholders to embrace a bottom-up approach that prioritizes

³⁴See International Crisis Group, "Fuelling the Niger Delta Crisis," available at <https://www.crisisgroup.org/file/2625/download?token=gd44vYmx> (accessed 28 October 2024).

³⁵Abdelaziz, Gamal Sayed & Hosny, Sara and Osama, Hassan, "CSR Attribution: Is it the Cornerstone of CSR Success?" (2024) 6(3) Journal of Humanities and Applied Social Sciences.

community engagement and inclusivity. By involving host communities from the inception of CSR initiatives, corporations can ensure that these projects address genuine local needs, thereby fostering a sense of ownership and shared purpose.

Furthermore, beyond the immediate benefits to host communities, inclusive and impactful CSR practices have far-reaching implications for national security and stability. By addressing socio-economic grievances and creating opportunities, CSR can help to weaken the appeal of militancy, reduce criminal activities such as oil theft, and foster trust between corporations, communities, and the government. This collaborative dynamic can serve as a foundation for long-term peace and economic resilience, particularly in regions fraught with tension and underdevelopment.

In a broader context, embedding effective CSR into Nigeria's developmental framework offers an opportunity to redefine the role of private sector actors as strategic partners in nation-building. Corporations can no longer operate in isolation from the socio-political realities of their environments. By aligning their activities with national priorities, they contribute to a more inclusive economic model that addresses inequalities, promotes environmental sustainability, and drives innovation.

Ultimately, CSR must evolve from being a peripheral business activity to a transformative tool for bridging governance gaps and advancing national security. It is not just about corporate philanthropy; it is about redefining accountability and responsibility in a way that positions businesses as drivers of equitable growth. In doing so, Nigeria can harness the power of CSR to catalyse meaningful progress, reduce instability, and lay the groundwork for a resilient and prosperous future.