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Interventions of Corporate Social Responsibility of Oil Companies in Promoting Sustainable Community Development in Host Communities in Niger Delta, Nigeria

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ABSTRACT

The paper focused on intervention of corporate social responsibility of oil companies in the promotion of sustainable community development in host communities. The paper identified the strategies of corporate social responsibility intervention in the promotion of sustainable community development to include understanding the operations of corporate organizations, understanding social settings in host communities, identification of relevant stakeholders among others. The highlights of the paper on the reasons of corporate social responsibility for sustainable community development in host communities include improving people's living conditions, satisfying the interest of many stakeholders, value-added to the operations of corporate organizations, partnership funding, an opportunity to give back to host communities, social justice among others. The paper recommends among other things that corporate social responsibility should stimulate mutual trust among relevant stakeholders as well as that corporate social responsibility should be very helpful to all the relevant stakeholders in the corporate organizations and host communities. The involvement of corporate social responsibility intervention in sustainable community development demands institutionalization of corporate organizations in development initiatives of the host communities in the society.

Keywords: Interventions, Corporate Social Responsibility, Oil Companies, Sustainable Community Development, Host Communities and Niger Delta.

INTRODUCTION

Corporate social responsibility (CSR) is development policy of corporate organizations which enables concerned corporate establishments to conduct their operations in a manner that takes into consideration socio-economic interventions that will positively impact on improving the living conditions of people of host communities in human environment. In the views of Armstrong (2009) corporate social responsibility is employed by organizations when such establishments or corporate bodies conduct their activities in an ethical way which takes into account the social, economic and environmental impact of their operations in general and going beyond compliance in particular in human environment. The intervention of corporate social responsibility in promotion of sustainable community development in host communities offers an opportunity to corporate organizations to really go beyond their own interest as required in the spirit of give and take in host communities of many companies in human environment.

In the context of this study, sustainable community development is defined as a development initiative which articulates on meeting the needs of present generation without compromising the ability of future generations to meet their own needs through the intervention of corporate social responsibility of corporate organizations in the cost communities in the society. The focus of sustainable community development is on addressing key elements of socio-economic prevailing realities and effective environmental management for the benefit of both present generation and future generations in human environment.

STRATEGIES OF CORPORATE SOCIAL RESPONSIBILITY INTERVENTION IN PROMOTION OF SUSTAINABLE COMMUNITY DEVELOPMENT OF HOST COMMUNITIES IN HUMAN ENVIRONMENT

The strategies of corporate social responsibility intervention in promotion of sustainable community development in host communities in human environment are the followings:

1. Strategy of understanding operations of corporate organizations: An important strategy of corporate social responsibility is to promote good understanding of the operations of corporate organizations by relevant stakeholders. An understanding of the operations of corporate organizations will be helpful in identifying appropriate areas of corporate social responsibility intervention in promotion of sustainable community development in host communities in the society.
2. Strategy of understanding the social settings in the host communities of corporate organizations. Indeed, a good understanding of the social settings in the host communities where the corporate organizations operate will enable the organizations to identify appropriate community leadership and various segments to deal with in order to promote sustainable community development through the instrumentality of corporate social responsibility.
3. Identification of relevant stakeholders. The identification of relevant stakeholders is a good strategy in corporate social responsibility intervention in promotion of sustainable community development projects in the host communities. SPDC (nd) states that identification of stakeholders, problems and opportunities are possible areas of intervention of corporate organizations in their corporate social responsibility activities in host communities. This can be achieved through

community engagement. Aruma (2014) asserts that community engagement helps all the relevant stakeholders to understand their responsibilities in promotion of sustainable community development process in various participating communities in human environment.

4. Identification of areas of intervention of corporate social responsibility in host communities. A democratic approach is required to elicit the views of the people of host communities in identification of areas of intervention of corporate social responsibility. Participatory rural appraisal (PRA) offers an opportunity to the people of host communities to identity areas of intervention.
5. Prioritization of identified needs in areas of intervention of corporate social responsibility. The application of pair-wise ranking becomes imperative in the prioritization of areas of need in the intervention of corporate social responsibility. The prioritization of identified needs in areas of intervention of corporate social responsibility facilitates emergence of community development plan in host communities.
6. Corporate social responsibility intervention community development plan (CDP): The emergence of corporate social responsibility intervention community development plan is based on prioritized community needs assessment in the host communities in human environment. This requires active participation of all the relevant stakeholders in the host communities.

REASONS OF CORPORATE SOCIAL RESPONSIBILITY INTERVENTIONS OF OIL COMPANIES IN SUSTAINABLE COMMUNITY DEVELOPMENT IN HOST COMMUNITIES IN NIGER DELTA

The reasons of corporate social responsibility intervention in promotion of sustainable community development are the followings:

1. **Improving people's living conditions:** It is pertinent to state clearly that improving people's living conditions through provision of corporate social responsibility intervention projects is an important reason for promotion of corporate social responsibility in host communities of corporate organizations in human environment. The desire to improve people's poor living conditions is the cardinal reason of corporate social responsibility intervention in promotion of sustainable community development projects in participating host communities in the society.

2. **Enhancing people's understanding of corporate social responsibility to address prevailing problems:** Another reason for promotion of intervention of corporate social responsibility in stimulating sustainable community development projects is to enhance people's understanding of the operations of corporate organizations and their expectations to address prevailing problems in the host communities. Armstrong (2009) strongly observes that corporate social responsibility is simply about taking decision initially on the extent which corporate organizations should be involved in addressing social issues and then creating a corporate social agenda to focus on and to what extent in host communities. Interestingly, the establishment of corporate social responsibility framework stimulates conscious efforts and concerns on corporate organizations to set up a

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corporate social agenda of deciding on issues to address to a certain extent in host communities in human environment.

3. **Satisfying the interest of many stakeholders:** While commenting on reasons of corporate social responsibility, Armstrong (2009) employed stakeholder theory which was first propounded by Freeman in 1984 to illustrate that managers of corporate organizations must satisfy many constituents or components notably employees, suppliers, customers, local community organizations among others that can influence the outcomes of firms. He further explained that it is not sufficient for managers of corporate organizations to focus exclusively on the needs of stakeholders or the owners of the organizations. He continued to state that stakeholder theory simply means that it can, indeed, be beneficial for the organizations to engage in certain corporate social responsibility projects and programmes which non-financial stakeholders consider to be important to them in the host communities. The implication of this is that the interest of relevant stakeholders in issues of corporate social responsibility should be taking into consideration in the host communities.

In corporate social responsibility intervention in promotion of sustainable community development, it is appropriate that corporate organizations and host communities seek broad participation of relevant stakeholders. The key element for the success of corporate social responsibility intervention in promotion of sustainable community development depends on the ability of the organization satisfying its important stakeholders. Bryson and Farnum (1995) assert that the key success for public and non-profit organization is seen to be dependent on its ability to satisfy its relevant stakeholders in accordance with each stakeholder's criteria for achieving satisfaction. Meeting the desired needs of relevant stakeholders is a critical concern of corporate social responsibility intervention in promotion of sustainable community development in host communities.

In the views of Mulwa (2008), the criteria for satisfaction of the desire of relevant stakeholders can only best be understood through the full participation of concerned relevant stakeholders. The application of the instrumentality of full participation of relevant stakeholders in corporate social responsibility intervention will yield the desired dividends in promotion of sustainable community development in the host communities.

4. **Value-added to the operations or business of corporate organizations in the host communities:** The mere existence of corporate social responsibility can better be seen as value-added internal development projects or returned to the stakeholders in the host communities (Armstrong, 2009). The implication of this is that corporate social responsibility is merely for a corporate organization to give back to the host community or society what it has taken away from the area concerned. This helps to reduce tension in host communities of corporate organizations.

5. **Added value to the living conditions of people of host communities:** The desire for corporate social responsibility intervention in promotion of sustainable

community development calls for assessing the added value in host communities. Armstrong (2009) notes that assessing the added value that is the value for money which is provided by existing practices or by new practices when such practices are implemented is a major consideration in human efforts in human environment. Added value is, indeed, achieved in corporate social responsibility initiative in promotion of sustainable community development when the benefits accruing from such development initiative exceed its cost in the host community. In certain situations, the accruing benefits justify the cost of establishing the project.

6. **Promotion of change of attitude and orientation of corporate organizations:** Essentially, promotion of change of attitude and orientation of corporate organizations is another important reason of corporate social responsibility intervention in promotion of sustainable community development in host communities in the society. Indeed, change of attitude and orientation of corporate organizations from being passive beneficiaries of their business initiatives to active participants in promotion of sustainable community development can be seen as favourable approach to stimulate peaceful atmosphere to initiate sustainable community development projects in host communities in human environment.

7. **Partnership funding of sustainable community development projects:**
Provision of adequate funds for corporate social responsibility in promotion of sustainable community development concerns is equally considered as another reason of intervention of corporate social responsibility in host communities. Essentially, partnership funding guarantees adequate funds for effective implementation of corporate social responsibility stimulated sustainable community development projects in host communities in the society. The involvement of relevant stakeholders notably federal, state, local government, non-governmental organizations, oil companies, contractors handling major projects in oil and gas establishments as well as other corporate organizations, host communities among others strengthens partnership funding of intervention of sustainable community development in host communities. Shell Petroleum Development Company SPDC (2000) states that the contributions of relevant stakeholders will depend on how transparent and accessible a corporate organization is on the development of project document. The stakeholders are likely to make commitment if they are adequately involved. The partnership funding of corporate social responsibility intervention in promotion of sustainable community development becomes obvious in joint ventures in host communities.

8. **Provision of an opportunity for a corporate organization to give back to host community or society what it has taken from the area concerned in human environment.**
It is pertinent to state that prior to the introduction of corporate social responsibility that many corporate organizations have been like vampires which are only interested in sucking out the wealth of their host communities or country without given back to the concerned communities or country. This is unacceptable to host communities in the activities of corporate organizations in the contemporary

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global environment. While commenting on a similar subject, Bassey (2017) likened our Nigerian leaders who have been mostly like vampires that are only interested in sucking out the wealth of the country. The introduction of necessary corporate policies on corporate social responsibility and corporate governance have been in favour of corporate social responsibility as seen in many host communities in human environment.

9. **Social partnership:** Another important reason of corporate social responsibility intervention in promotion of sustainable community development in host communities is the desire to stimulate social partnership in human environment. In a desperate desire to promote social partnership, relevant stakeholders in corporate organizations' activities collaborate to work together for a common purpose of improving people's living conditions in the host communities in the society. Armstrong (2009) perceives the concept of social partnership as stakeholders who are involved in working together to the greater good of all people in the society. Essentially, social partnership as a concept elicits collaborative engagement of all relevant stakeholders to work together for the ultimate purpose of improving people's living conditions in human environment. Fasel (2000) asserts that in successful business partnering relationships across organizational boundaries that people and corporate organizations grow and develop in human environment. Indeed, corporate organizations and host communities learn from their partnering. Social partnership or social partnering encourages collaborative relationship and strong collective bargaining among relevant stakeholders in human environment.

10. **Collective bargaining:** The provision of an opportunity for collective bargaining is also another reason of corporate social responsibility intervention in promotion of sustainable community development in host communities in the society. Collective bargaining involves people negotiating or discussing with a view to reaching agreement on terms and conditions of provision of certain projects and services to ameliorate people's poor living conditions. The focus of collective bargaining in this circumstance is on improving the prevailing reality in an area in human environment. Collective bargaining is characterized by certain features in the society. Armstrong (2009) states the followings as main features of collective bargaining:

i) **Parties involved:** The parties involved in collective bargaining must be about two or more groups.
ii) **Outcomes of collective bargaining:** The outcomes of collective bargaining must be based on collective agreement.
iii) **Procedure of collective bargaining:** There must be agreed procedure stating clearly how the parties involved in the collective bargaining relate to each other.
iv) **Negotiation:** The negotiation will be based on agreed framework and consultation
v) **Sanctions:** There is need for the existence of sanctions to check the attitude of all people.

Essentially, achieving collective bargaining in corporate social responsibility intervention in promotion of sustainable community development requires mutual trust, respect,

consultation and engagement of relevant stakeholders in the development projects. Commenting on a similar subject, Aruma (2014) identifies community consultation, community engagement, community participation, partnering and community capacity building as strategies to stimulate effective service delivery in community development process. This elicits collaborative efforts of all relevant stakeholders in corporate social responsibility intervention in promotion of sustainable community development in host communities.

11. **Social Justice:** Corporate social responsibility enthrones social justice in the spirit of give and take in the host communities. This social justice syndrome encourages corporate organizations to give back to the host communities where they have been carrying out their operations over the years. Jhingan (2009) advocates for social justice and equity in development plan in the society. The intervention of corporate social responsibility enthronement of social justice in the spirit of give and take in the host communities will lead to corporate organizations concern of providing sustainable community development projects that will complement other stakeholders' efforts to improve people's living conditions, reduce high rate of poverty and unemployment, stimulate wealth creation, provide adequate electricity, improve health and educational services among others.

Essentially, social considerations are usually taken into account in corporate social responsibility intervention in promotion of sustainable community development in host communities in human environment. In the views of Templar (2005) people are encouraged to know a corporate organization's social standing and what it, however, does for the host community. This is, indeed, what an ideal situation presents in a corporate organizational environment and the host communities.

CONCLUSION

Corporate social responsibility as a corporate development policy of corporate organizations should always endeavour to set agenda on promotion of good community relations in their host communities. This can be achieved through the instrumentality of corporate social responsibility intervention in promotion of sustainable community development in the host communities in the society. This will, undoubtedly, add value to corporate organizations' activities in the host communities in human environment.

The intervention of corporate social responsibility in promotion of sustainable community development in host communities will hopefully create enabling environment for corporate organizations to operate in their host communities. This will ensure uninterrupted corporate organizations' operations in their host communities in the society. The intervention of corporate social responsibility in promotion of sustainable community development will, indeed, help to secure license to operate (LTO) for corporate organizations in their various host communities in the society. A well implemented corporate social responsibility will also help to improve the reputation of corporate organizations in their various host communities in the society.

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RECOMMENDATIONS

The following recommendations are made based on the discussion on intervention of corporate social responsibility in promotion of sustainable community development in host communities:

1. Corporate social responsibility as a corporate development policy should stimulate mutual trust among the relevant stakeholders for smooth corporate business. Trust of all the relevant stakeholders in corporate business has the potential to create a peaceful and harmonious working environment in host communities in the society.
2. Corporate social responsibility as a corporate development policy of corporate organizations should be very helpful to all the relevant stakeholders in an organizational environment and its host communities in the society. This will promote harmonious working environment in corporate organizations and their host communities in the society.
3. Corporate social responsibility as a corporate development policy of corporate establishments should be mutually beneficial to all the relevant stakeholders in corporate business. This will certainly sustain good working relationship between corporate organizations and their host communities in human environment.
4. Corporate organizations should always try to be good corporate partners in conformity with the corporate social responsibility as a corporate development policy in their host communities in the society. This will enable corporate organizations to partner with their host communities and other relevant stakeholders in promotion of sustainable community development.
5. Corporate social responsibility should equally endeavour to encourage corporate organizations to be good corporate neighbours and citizens in accordance with the corporate social responsibility as a corporate development policy that promotes sustainable community development in host communities. This corporate intervention as demonstrated in corporate social responsibility will help corporate organizations to impact positively on their host communities in human environment.

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