

Internal and External Factors Affecting the Corporate Social Responsibility Efforts of AGIP in Oil-bearing Communities of South-South Nigeria

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Abstract

The modern thinking in organizational literature is based on corporate participation in the development process of host communities. Therefore, to assess the efforts that Agip has made so far in this direction, a study was initiated in 2013, by the authors. The aim was to interrogate the specific internal and external challenges of Agip in the discharge of its CSR role in some communities where it has its oil installations in the South-South region of Nigeria. To achieve this aim, a survey was conducted in purposively selected communities which host Agip's oil installations with the employment of both qualitative and quantitative methods. Results revealed that, Agip's CSR efforts are being impeded by both internal and external factors. Issues relating to Agip's approach towards project abandonment, job creation and divide and rule tactics, for instance, have dwindled community rating of Agip CSR efforts in the region. This paper therefore concludes by suggesting that, stakeholder's synergy is needed not only in surmounting these challenges but also in creating a formidable platform for the sustainable community development of the oil bearing communities of this region who most times bear the burden of oil exploration, exploitation and transportation.

Keywords: Corporate participation, impeding factors, synergy, community development, Nigerian Delta.

1. Introduction

The environment in which a business operates exerts considerable amount of pressure on the behaviour of such business in terms of the demands placed on it by the various facets of the environment. This has made the issue of corporate social responsibility (CSR) a veritable tool for fostering human development worldwide (CSRDG, 2007). The external environment of an organization has evolved over time to become a major stakeholder in the success of an organisation and could also pose challenges to such organisation when the needs are not met. According to Soreh (2012:61):

Companies can only operate to maximize profit in an atmosphere that is conducive in terms of both security and relationships. If these ingredients are absent the company among others risks its name and operational efficiency. This also threatens its continuous operations and profit maximizing ability.

Responsiveness to the needs of the environment is thus crucial and should be seen as a critical factor in the effective administration of modern organizations. Each business organization adopts strategic patterns in addressing the needs of its host environment. Though there is no recipe for socially responsible business practices, the perceptions as well as expectations of the stakeholders can be an important instrument for the corporations to strategize their CSR policies (Idemudia, 2007). If what affects the community is likely to affect the organization that operates within it, then organizations should be ready to play the role of corporate indigenes. The business organization should be able to feel the pulse of the communities in terms of their expectations and respond appropriately as responsible corporate indigenes of the communities.

More recently, the World Bank (2004) defined CSR as a "company's obligations to be accountable to all of its stakeholders in all its operations and activities." It further stated that 'socially responsible companies consider the full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their needs to make a profit.' In the light of the fact that modern companies have been held as heavily liable to

environmental and other social degradation (World Bank, 2004), a company that complies with this definition is likely to be effective in regulating its activities in the host community.

According to Nickles et al (2005), a good CSR that will ensure realizable community development requires that the management which administer such firm is sensitive to the issues that affect the lives of the people they live and work with; and is able to understand the conditions in the environment that could contribute positively to influence the lives of the people. The management is equally expected to have a fair understanding of what social changes that their operations in the area will bring to the lives of the people; and what social impact their financial and business decisions may have on the different groups that do business with the company. They should also be able to co-exist peacefully with the people within the locality of their operations; should not sow the seed of conflict by influencing the rise and fall of community leaders of all class. These points provide the background upon which successful CSR policies are evaluated.

Furthermore, a study conducted by Frynas (2005) reported that the factors that drive specific firms to engage in social investment include: obtaining competitive advantage; maintaining a stable working environment; managing external perceptions; and keeping employees happy. This underscores the fact that, CSR provides a beneficial opportunity to both the host community and the operating organization. However, such opportunity may be endangered when CSR efforts are exposed to multifarious challenges.

2. Conceptual and Theoretical Issues

The contending issues of development in this region have attracted series of research attention. Hence, the under listed literature provide insight into some of these specific interests as well as other areas relating to the topic under discussion.

3. The Oil Industry and Community Development Challenges in South-South Nigeria

Although the oil industry in Nigeria commenced in 1956 at Oloibiri community, following the discovery of oil in a 12,008ft deep well, in commercial quantity (Sarah, 2000); Eni E & P Division commenced activities in Nigeria in 1962 through a subsidiary – Nigerian Agip Oil Company (NAOC) known as Agip. It holds 10.4% equity participation in the Nigerian LNG Limited and (20%) in petroleum NAOC's production assets include 9 flow stations, 2 Gas Plants and 1 Export Terminal of 3,558,000 barrels storage capacity.

The participation of the multi-national companies in the oil industry has expanded the revenue base of the Nigerian economy. In 2011 for instance, about N12.674 trillion was derived as revenue from oil exports with an estimated 2.37 million barrels of crude oil produced daily. In the same year, 80 per cent of total federally collected revenues and over 45 per cent of GDP came from the petroleum industry. This pattern has been the case in the country since oil became a major export commodity in Nigeria in the 1970s. As at 2011, about 29 oil companies were in operation in Nigeria with more companies ready to sign agreement for oil exploration and production in the country. The companies have drilled over 1481oil wells in 159 oil fields in the region during the past four decades (Federal Ministry of Petroleum Resources, 1997; NNPC, 2011).

However, some scholars have argued that, the benefits of this economic prosperity are only visible in the urban areas in form of infrastructure provision (Erhun, 2008); especially big cities outside the oil-bearing region. The rural areas specifically in this region are said to have regrettably suffered severe neglect, despite the destructive impact brought on them by these exploratory activities (Erhun, 2008). Indeed, 'while the huge oil installations benefit the Nigerian state and the oil firms, the host communities do not seem to share such benefits' (Dokpesi & Olomu, 2010). Majority of the inhabitants of these communities are now waking up to the fact that the oil related pollution and degradation brings nothing but misery, poverty and underdevelopment to their communities. In the words of Ikelegbe (2010:26-27), for instance:

When oil exploration began in the Niger Delta states in the late 1950s, the people expected that it would make a huge difference to their lives. The massive machines and technology that they saw indicated that their lives would change positively. However after ten, then thirty and fifty years, they realized that oil had brought 'misfortune and misery. Their land was taken for exploration and exploitation, pipelines and platforms. The much that was left were polluted and degraded by numerous oil spillages.

Consequently, these oil firms are now being faced with the twin problems of the environment and stakeholders' agitations for sustainable community development. Besides the moral argument that oil firms should contribute to developing host communities affected by their business activities; it has been argued that 'some multi-national

companies are so massive that they can match many nation-states as entities with the power and resources necessary to positively impact positive change within their areas of operation' (Saale, 2010).

However, even with such massive resources at their disposal, the Nigerian oil region has been laid prostrate by massive oil related environmental degradation resulting in soil fertility loss, agricultural decline, forest loss, fisheries decline and biodiversity depletion (Amnesty International). Agbo (2009) argued that the result of the environmental damage unleashed on the oil bearing communities is the violations of the rights to health and a healthy environment, the right to an adequate standard of living (including the right to food and water) and the right to gain a living through work for hundreds of thousands of people. This has consequently disinherited and dislocated the local people who are dependent on the primary economies of farming, fishing and hunting (Ikelegbe, 2008) for livelihoods. As Ibaba (2005) observed,

The Niger Delta region of Nigeria is an odd paradox. Despite its evident and abundant resources which include the nation's oil wealth, the area represents one of extreme poverty and underdevelopment. The Niger Delta is not only underdeveloped, but is also experiencing a crisis of developmental instability.... Infrastructure development is very low, poverty level is about 80% and unemployment ranks 70%. Access to basic social amenities is very limited. For example, over 80% of the coastal communities source water for drinking, cooking and other domestic uses from rivers, streams and lakes that is equally used for disposing of human and other forms of waste. The upland communities largely drink from shallow wells that are contaminated. Indeed, the Niger Delta region falls below the national average, in all measures or indicators of development.

Buttressing these assertions, Ikelegbe (2008) observed that the region is the least developed in the nation. It has only 2% of the federal roads; and less than 30-40% of its settlements have electricity. As at 2004, for instance, the entire Bayelsa state was not connected to the national electricity grid. In some areas, existing primary health care facilities serve as little as 2% of the population. There is a huge infrastructure underdevelopment. Also, educational facilities are inadequate in the coastal communities. According to UNDP (2006), the historical neglect of the region's development poses a huge barrier to attaining socio-economic transformation and poverty alleviation. In the NDDC master plan (NDDC, 2001) the low level of government involvement in the lives of the oil communities was also manifested thus:

The majority of the working population of the Niger Delta region is self-employed in commercial activities including agriculture (farming and fishing), trading, logging and associated wood processing, traditional craft, raffia palm tapping, raffia thatch, weaving of cloths, mats and baskets, metal works and blacksmithing. However, these activities have remained small-scale, incomes low and opportunities few. The modern industrial sector employs only a fraction of the labour force of the region, while the organized indigenous private sector has not been able to generate employment opportunities to any significant degree. The resulting development challenge is not only the need to reform the economy for enhanced economic growth, but also to empower citizens and revitalize the social fabric of society in the region. The lack of gainful employment, especially among the youths is not only an economic issue but has become a major security concern and an underlying cause of conflict and violence in the region.

One of the fundamental issues which have arisen over the years in the development process of this region has been who takes responsibility for development initiatives in the region. Even between levels of government, there are disagreements with respect to development responsibility. In the 1980s for instance, while the federal government accused Bendel and Rivers states for neglecting the oil-bearing communities through the diversion of money to develop the non – oil bearing communities instead of the oil-bearing communities within the states; the indigenes of these states and their various governments accused the federal government for employing their oil wealth in the development processes in the non – oil bearing states (Omoweh, 2001).

Irrespective of these disagreements, government has often made efforts as part of its statutory responsibility to its citizens in this region.

4. The Statutory Responsibility Efforts of Government in South-South Region

The development struggles of this region began in the colonial days, when minority agitations, based on fears of ethnic-based political domination, brought to the fore the necessity to give the region special development attention (Ibaba, 2008). In response to the peculiar development challenges that emanated from the emergence of the oil industry; and the need to attain the physical development of the region, the Niger Delta Development Board (NDDDB) was established in 1961. From the onset, the board was fraught with incapacitations. Constitutionally, "it was practically impossible for the board to engage in project execution since the enabling instrument limited its assignment to advisory capacity in planning and designing of projects" (Etekpe, 2007: 46). Secondly, majority ethnic groups opposed the establishment of "a special

Development Commission for the ethnic minorities of this region' (Okaba, 2005: 72) perhaps, because of the low revenue from oil at this period.

Again, the Oil Minerals Producing Areas Development Commission (OMPADEC) was established in 1992 to rehabilitate and develop the oil producing areas; tackle ecological problems that result from oil exploitation; and embark on development projects (Dokpesi, 2012). In terms of implementation, researchers have submitted that OMPADEC failed to actualize these development objectives for which it was instituted. Some of the reasons for this failure include the abandonment and imposition of projects on supposedly beneficiary communities (Onyeonoru and Aborishade 2001); corruption and ineptitude of OMPADEC officials; and deceit and corruption in the Nigerian leadership which set it up (Ikporuku, 2000). Instructively, the Decree 23 of 1992 which set it up created room for inefficiency, financial wastefulness and mismanagement because members of the board were both policy makers and implementers (Newswatch 27 January 1997, as quoted in Onyeonoru and Aborishade 2001:55).

Perhaps not wanting to give up on the development challenges of this region, government in the year 2000 set up the Niger Delta Development Commission (NDDC) to continue from where previous Commissions left off. The differences between the NDDC and the previous Commissions are that it has adequate knowledge of the failures of its predecessors and a Master Plan (MP) designed to guide its activities. However, Ibiezugbe and Dokpesi (2011) have noted that, though the Commission at inception made some strides in providing roads and other structural facilities in the region, it became clear later on that the problems of funding and inordinate politics and corruption which affected previous instruments are already hampering the success of the Commission. In 2011 for instance, a report by the Niger Delta Development Commission (NDDC) Presidential Monitoring Committee indicted the Commission of abandoning 285 projects, in six years, within three states of the nine states which constitute NDDC's area of development intervention.

In an overview of the performance of state intervention instruments in the region, Ibaba (2008) concluded that development commissions are alien institutions that have failed to respond to the development challenges of the region. One reason which accounts for this failure is that these policy instruments often slaughter people-centred and participatory development approach on the altar of personal gains. In validating this point, Cocodia (2008) noted that the 'government at both the federal and local levels has shown itself to be unwilling to effectively address issues pertaining to the Niger Delta.' This has further worsened the underdevelopment in the oil-bearing communities in Nigeria. Consequently, Dokpesi (2012) noted that:

The continuous failure of government development intervention programmes in the region has made oil-bearing communities lose confidence in government's sincerity; and hence turn their search light on the oil multinationals whose business activities impact negatively on their traditional means of livelihoods.

5. Corporate Social Responsibility (CSR) Efforts of the Oil-firms in South-South Nigeria

Corporate Social Responsibility (CSR) has been described as a demonstration of certain responsible behaviour on the part of public and the private sectors towards society and the environment (Clarkson 2006). Pohle and Hiitner (2008), in their research on CSR among some manufacturing firms in the US, found that companies that understand their environment's CSR concerns well, tend to report more success than their peers in increasing revenue and reducing costs as a result of their CSR strategy. These companies also believe they are more effective at adopting ethical and green procurement, aligning philanthropy with business priorities, and adopting a formal company value system than their peers. They are also more likely to engage their employees in the company's CSR objectives.

Aaron and Patrick (2008) study of the CSR practices of three Oil TNCs (Shell, TotalFinaElf and Agip) in six host communities in Rivers state, for instance, revealed that a proactive CSR policy response, to the needs of host communities, tended to mitigate conflict between a company and its host community.

It is instructive to state that even when efforts are made by organizations in meeting the needs of their host environments, such efforts in some cases are fraught with shortcomings and problems. Aaron (2008) for instance contends that, 'the failure of CSR to bring about sustainable community development in the Nigeria Delta owe, not so much on the quality and mode of intervention by trans-nationals, rather, the level of decay in the communities as well as the ideals of the companies makes it difficult for CSR to be a remarkable success story.' Frynas (2005) for instance observed that, corporate social initiatives rarely form part of larger regional development plans when corporate objectives of firms and their CSR efforts are examined. This explains why CSR can yield no more than a drop in the ocean of development efforts (Manby, 1999).

Furthermore, in a study conducted in the Niger Delta region, Frynas (2005) mentioned an incidence in one host community when he inquired about a drainage system that was broken down and was told that 'we are appealing to Shell

[which built the system] to come do it.' This is aggravated by a wide spread belief, in many oil-bearing communities, that oil is part of their heritage and that the host communities can expect to share in this national wealth. What results from this attitude, in the midst of government neglect, is dependency mentality in which the oil firms are seen as the only government known to the people.

It is on the basis of such general challenges that a study was initiated in 2013, by the authors, to interrogate the specific internal and external challenges of Agip in the discharge of its CSR role in some communities where it has its oil installations in the region.

6. Research Methodology

To achieve the study objective, Twon-Brass, Ogbobiri, Olugbobiri and Akakumama communities were Purposively selected because they are hosts to Agip's major oil installations and have in one way or the other benefitted from AGIP' CSR efforts. The study was designed to collect both quantitative and qualitative data on Agip's CSR efforts and the challenges in making such efforts; with the aid of questionnaire and In-depth interview instruments. In each of the target communities, the youth, men and women groups were identified, and Stratified Sampling method was applied in selecting respondents from these respective sub-groups or strata, using the union/association register of each stratum as entry point. In each target community, a sample size of 150 respondents was selected, with 50 respondents uniformly selected from each stratum. From a total sum of 600 questionnaires distributed across the 4 target communities, 537 were however ready for analysis. On the other hand, one (1) opinion leader was purposively selected from each community to provide detailed information on specific issues in the community-oil firm relations in their respective communities. To have a fair assessment, a representative of Agip in charge of Agip-host community relations was equally engaged in the interview process.

7. Results And Discussion

The research questions were mainly focused on issues relating to the challenges arising from the approach of Agip to CSR; and community-based challenges with respect to Agip CSR efforts. The following tables present data with respect to such challenges.

Table 1: Percentage Distribution of Respondents' Views on whether there are cases of project abandonment or not in their Respective Communities

Community	Ogboinbiri		Akakumama		Olugbobiri		Brass		Total
Response	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Response Rate (%)
Yes	115	79.9	112	86.8	123	90.4	114	91.9	87.3
No	29	20.1	17	13.2	13	9.6	10	9.1	12.7
Total	144	100	129	100	136	100	124	100	100

Source: 2013 study by the authors

Generally, table 1 for instance shows that, over 87 per cent of respondents across the target communities indicated that certain projects in their communities are abandoned before completion. When probed further, the respondents argued that the immediate inculcation is on the indigenous contractors who handle such projects. Apparently, these contractors renege on executing the projects even after the company has fully mobilized them. The result of this is abandoned projects or projects executed below standard. Table 2 provides more insight on why community projects are abandoned half way.

Table 2: Percentage Distribution of Respondents' Views on Whether or Not Agip closely monitor Community Projects.

Community	Ogboinbiri		Akakumama		Olugbobiri		Brass		Total
Response	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Response Rate (%)
Yes	42	34.4	40	34.8	50	41.0	52	63.4	43.4
No	80	65.6	75	65.2	72	59.0	30	36.6	56.6
Total	122	100	115	100	122	100	82	100	100

Source: 2013 study by the authors

The table shows that 56.6 percent of respondents across the target communities indicated that projects were not being properly monitored by Agip after the contracts have been awarded. Moreover, most respondents in Akakumama community believe that some Agip personnel may actually be conniving with some community leaders and contractors to disrupt project execution. This is perhaps the reason why there are so many abandoned projects or projects that deliver less than expected benefits in these communities. For the respondents that agreed that the projects are being monitored, they explained that the usual mechanisms employed were periodic visits by Agip engineers: (2 persons) to the sites for inspection of materials, progress and quality of work being done. The indication from these responses implies that though Agip puts up some form of monitoring activities, they do not seem to be effective or adequate. According to the Ogbobiri community opinion leader, in the IDI session:

*If Agip really wants to help the community, they should come down to investigate the jobs they are sub-letting to the community. This will make our people know that the projects they are giving us are from their heart.
Source: 2013 IDI conducted by the authors*

This implies that project abandonment which affects government intervention policies in the region, as reported in the literature by Onyeonuru and Aborishade (2001) and the 2011 report of the Niger Delta Development Commission (NDDC) Presidential Monitoring Committee; equally affects Agip's CSR project delivering efforts. What this means is that the oil-bearing communities, who are the recipients of such abandoned community development projects are in critical crisis of community development. The inability of Agip to effectively monitor the implementation of its projects has negatively affected its CSR efforts in the host communities as well as community perception of its development efforts as corporate indigene. The reflection of the impact of project abandonment on community perception can be seen in table 3.

Table 3: Percentage Distribution of Respondents' views on whether or not Agip has improved the standard of living in their community

Community	Ogbobiri		Akakumama		Olugbobiri		Brass		Total
Response	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Response Rate (%)
Yes	72	50.0	65	48.9	43	31.6	104	83.8	53.6
No	72	50.0	68	51.1	93	68.4	20	16.2	46.4
Total	144		133	100	136	100	124	100	100

Source: 2013 study by the authors

The table shows that 53.6 per cent of the respondents agreed that Agip has greatly improved their standard of living while 46.4 per cent disagreed. However, the respondents that did not agree that Agip has impacted on their standard of living reported the issue of incomplete projects as part of the reasons for holding such impression.

Another crucial challenge affecting the CSR efforts of Agip in its host communities is employment. This is presented in the general expectations of the communities from Agip through its CSR in Box 1 below:

Box 1: Expectations of Communities on CSR	
<p>Ogbobiri</p> <p>⇒ Provision of employment for the people, youth empowerment, scholarship, environmental protection, provision of portable water, well-functioning health centre,</p> <p>Akakumama</p> <p>⇒ Provision of employment for the people, youth empowerment, capacity development, skill acquisition projects, educational development programmes, portable water, functional health facilities, jetties, well-coordinated execution of developmental projects,</p>	<p>Olugbobiri</p> <p>⇒ Employment creation, skill acquisition programmes, educational development projects, portable water, farm development, functional health centres, good roads,</p> <p>Brass</p> <p>⇒ Provision of employment for the people, skill acquisition projects, youth empowerment, use of indigenous contractors to execute projects, provision of loan facilities to entrepreneurs and the horizon of projects should be broadened.</p>

The general expectation that runs through these communities is the provision of employment. On the issue of whether or not Agip has met community expectations, while 43.4 percent of the total population of respondents said yes, 56.6 percent of them reported that Agip has not yet met their community expectations. The reason for such low rating of Agip was mainly that Agip reneged in providing jobs. The issue of job was probed further in order to determine community perception of Agip on job opportunities. Results are presented in table 4 below:

Table 4: Percentage Distribution of Respondents' Opinions on whether Agip's employment Opportunities for People in the Communities are Satisfactory or Not.

Community	Ogboinbiri		Akakumama		Olugbobiri		Brass		Total
Response	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Response Rate (%)
Yes	15	10.6	10	7.7	11	8.1	25	21.7	12.0
No	127	89.4	120	92.3	125	91.9	90	78.3	88.0
Total	142	100	130	100	136	100	115	100	100

The table revealed that 88 per cent of the respondents reported that Agip's provision of employment opportunities for individuals in their communities is not satisfactory. They gave two main reasons for this common assertion. Firstly, very few people in the communities get into Agips' workforce. Secondly, most of the indigenes are contract workers in the company - a situation that the respondents consider as short-changing them.

Although Agip has made some efforts in the economic empowerment of the people of these communities in the area of skill acquisition and the Green River Project (GRP), community perception is low. The GRP was set up in 1987 as part of Agip's CSR projects in the area of agriculture. The programme has been involved in free agricultural extension services, rapid multiplication and distribution of improved seeds and seedlings, agro mechanization, processing and formation of cooperatives. It also empowers the youth through skills acquisition training and provision of micro-credit facilities for farmers' cooperatives and small scale businesses (GRP Report, impact livelihood and ensure micro-level sustainability of CSR in the communities. However, as contained in the literature above, the loss of soil fertility, forest and fisheries decline arising from environmental degradation (see Amnesty International, 2009)); has resulted in low agricultural patronage (see NDDC, 2001). While the petro - dollar oil economy created a dependent and monetized individuals; the depletion of the environment undermined interest in the traditional occupations which sustained the people in per-petroleum era. Today in the region, youths seek paid employment rather than school - to-farm programme. Hence the dependence on the oil firms, which seem to be perhaps the only industries in most of these oil-bearing communities, for jobs is very high. According to one of the IDI participants from Ogboinbiri community:

My community is one of the host communities in Bayelsa state but we, the less privileged, have nothing to boast of or show for it. We bear the name as a host community but we do not see anything, only electricity and roads ... we die in poverty: no water, no employment. We have many graduates at home doing nothing and many of them have degrees in oil-related fields. Not more than four individuals from our community are in the company's payroll as permanent staff. Besides, most of the people employed are contract staff. Source: 2013 IDI sessions conducted by the authors.

When indigenes of the oil-bearing communities are not employed the tendency is to blame the oil firms operating in their areas since it becomes the last resort for the people in terms of job provision. This is understandable in that the levels of unemployment and in the region are quite high as asserted in the literature. This is occasioned, as NDDC (2001) noted in the literature, by low employment opportunities in the modern industrial sector and lack of employment opportunities in the organized indigenous private sector in the region. This lack of gainful employment, especially among the youths induces insecurity.

Furthermore, internal discontents among individuals and groups within community are equally likely to impede the process of CSR in host communities. Table 5 below presents what the situation is with respect to Agip's corporate initiatives in target communities.

Table 5: Percentage Distribution of Respondents' Views on whether or not some community members benefit from Agip's CSR at the expense of the community in general

Community	Ogboinbiri		Akakumama		Olugbobiri		Brass		Total
Response	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Response Rate (%)
Yes	100	75.8	100	85.5	87	85.3	102	85.7	83.1
No	32	24.2	17	14.5	15	14.7	17	14.3	16.9
Total	132	100	117	100	102	100	119	100	100

Source: 2013 study by the authors

It shows that 83.1 per cent of the respondents agreed that there are individuals in the communities who benefit from Agips' CSR at the expense of the communities. The respondents further argued that some sections are left out in the execution of Agip's projects in their communities. For instance the Olugbobiri interviewee argued thus:

Why would Agip give surveillance of facility to one contractor? It short change the youth who are jobless. Vigilante can help to provide certain alleviation for the young people, we have discussed these issues over and over with the company, and they seem not to listen. Source: IDI conducted by the authors

This issue was more pronounced in Ogboinbiri and Akakumama communities among the youths who claimed that they are being side-lined in the determination, negotiations and execution of projects. In a related instance one of the interviewees, from Akakumama community, asserted that:

The company does not believe in proactively working with the people but they usually react to volatile situations by dealing with the individual people that lead the groups. It seems that if you do not foment trouble, the company is likely to overlook your request. A former youth president was made a contractor after he disrupted Agip facilities and activities. If Agip does things to the general expectation of the people, things will be better. If you give them problem, they will buy you. All trouble makers against Agip were all made contractors. Source: IDI conducted by the authors

To be able to present a balance analysis Agip interviewee, in the IDI session, was asked to list factors militating against effective implementation of CSR in the communities where Agip operates. Thus he listed 'insecurity and intra-communal politics.' According to him in comparison with other oil firms, "Agip's CSR is the best in the Oil and gas industry in Nigeria." The reason he gave was that Agip was the only oil firm which still enjoys the goodwill of the host communities. For this, it was allowed to operate fully during the militant era while others shut down operations. This was made possible because, according to him, the 'company's policy usually involves succumbing to community pressure in selecting indigenous contractors for execution of projects.' This perhaps suggests that Agip's CSR effort is not made from a benevolent perspective. Rather, it is an attempt to seek a peaceful and conducive environment needed for the attainment of organizational goals. So, whoever does the contract job and; whether or not the contract is abandoned do not seem to mean anymore to the firm. This explains why CSR can yield no more than a drop in the ocean of development efforts as noted by Manby (1999) in the literature. Policy like this could pose danger for relations between the company and the host-communities. Bid to placate potentially unruly elements in the communities may result in undermining ultimate use of projects just to silence deviants. Award of contracts could be biased in favour of such group even if they do not deliver the expected benefits that would meet the needs of the community. This is against the World Bank's CSR idea of balancing the needs of stakeholders with organizational needs in the process of profit making (see World Bank, 2004 in the literature).

Probing the likely effect of such policy option on peaceful coexistence in target communities, the table 6 provides an insight.

Table 6: Percentage Distribution of Respondents' Views on whether or not there have been Oil-induced Individual or Group conflicts in their communities, arising from Agip's CSR Efforts

Community	Ogboinbiri		Akakumama		Olugbobiri		Brass		Total
Response	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Response Rate (%)
Yes	100	78.7	35	41.2	90	87.4	82	84.5	73.0
No	27	21.3	50	58.8	13	12.6	15	15.5	27.0
Total	127	100	85	100	103	100	97	100	100

Source: 2013 study by the authors

It shows that 73 per cent of the respondents indicated that there are indeed intra-communal conflicts arising from the CSR efforts of Agip in host communities. Although a number of reasons are adduced for the conflicts, award of contracts seems to be the paramount cause of conflicts. Is either that there is heated contest for securing contracts, or contractors are under-performing or the company itself is not transparent in its contract award process. For instance, a respondent from Ogboinbiri said that two indigenous contractors fought over whom to be awarded the contract of piling the water side.

8. Summary and Conclusion

There exists a reciprocal relationship between an organization and its host community. What affects one is likely to affect the other. Therefore, the modern thinking in organizational literature is that an organization needs to assume the status of a responsible corporate indigene. By so doing an enabling environment could be created for it to realize its goals while at the same time contributing to realizing community felt-needs. Such responsiveness is a crucial ingredient needed to

manage modern work organizations.

However, with respect to Agip-host community relations in the Niger Delta region of Nigeria, the CSR efforts of Agip are seriously impeded by both internal and external factors. While the internal factors are those within Agip which defined its CSR attitudes and approach; the external factors relate to community based challenges. One of such challenges is the issue of abandonment of community projects provided by Agip. This challenge is both internally and externally induced. The indigenous contractors, who execute those projects, tend to see the contracts awarded to them as an opportunity to share in the oil wealth, rather than execute projects to uplift their respective communities. These indigenous contractors are part of the conservative indigenous elites who benefit from and want to sustain the underdeveloped status quo in these respective communities. The more the underdevelopment problems of these communities persist, the more the contracts to be awarded; and the longer the period of contract benefits. According to Chokor (2005), these opportunistic local elites live in big cities away from their poor rural communities which bear the burden of oil related problems. They benefit from this exploitation through the collection of contract or compensation from oil companies in the name of their respective communities; and invest same in the big cities where they reside. They hardly spend the night in their local communities.

On the other hand, although Agip has a project monitoring mechanism, its CSR effort in host communities is affected by sabotage on the part of some employees and policy problem on the part of the organization itself. The connivance of some Agip employees with some community leaders and contractors to forestall the implementation of some Agip sponsored community projects in line with specification; and Agip's tendency to "buy peace" among host community members through questionable contract awards have created serious gaps in its efforts at genuinely contributing to sustainable community development. While such connivance is likely to lead to substandard projects and project abandonment; the buy-peace policy of Agip creates conditions for laze-fare approach to project monitoring. What results from this therefore is a situation in which the firm spends so much on CSR but achieves little results in relative terms.

Employment for the youths is also an area that calls for attention. Although Agip may not be able to employ all the qualified youths, diversifying investment into non-oil industries in those communities, as part of oil firms' CSR effort, will help in job creation, boost the local economies of the host communities and provide additional profits for the oil firms, among other things. This is necessary because youth dissatisfaction with job creation coupled with youth complaint of marginalization in terms of community benefits from Agip is likely to generate social deprivation for them. Social deprivation, like a time bomb, can rekindle the embers of social conflicts between individuals and groups on one hand; and host community and Agip on the other hand. The relevance of youth economic empowerment can never be overemphasized because of its social and economic effects on the individuals, the family and the entire community. Apart from the fact that it provides empowerment for the individuals in several ramifications, as well as enhancing his status, it provides support for the family. This is more so in African societies in which extended family system is still a common phenomenon. A gainful employment for a youth member of a family means (to some extent), insurance at old age for the parents, as well as a means of support for siblings to be able to realize their potentials as well.

Human society is built on the platform of social dynamism. Consequently, almost every phenomenon in human life experiences the wind of change at one time or the other. Therefore the extent to which a phenomenon can survive this wind is a function of how far its values and self-worth can sustain it. Agip's policy of 'buying over' the indigenous elites with contracts and monetary incentives to ensure peaceful business atmosphere is a palliative measure that may not sustain peace for a long time. Instead, it creates room for potential social conflicts in the system.

Therefore synergy between Agip, the government and the community is needed to generate a formidable platform for providing sustainable development to this region. Government for instance, can intervene in cases where there is sustainability problem in projects already completed and submitted to the host communities for use. It is the primary duty of government, at every level, to be responsible to its citizens; while Agip provides assistance as a good corporate indigene. In the performance of its CSR, Agip needs to be firm and non-partial in contract awards and/or in the distribution of benefits to community members. It must ensure that its project monitoring mechanism (PMM) is efficient and effective in order to win public confidence of the genuineness of its CSR efforts in host communities. It should also conduct a periodic evaluation and auditing of the behaviour of members who oversee the PMM in order to sustain its integrity. Hence, Agip should be interested not only in the economic gains but also in the social gains of its CSR efforts. Finally, participatory community development is not only about participation in initiating, designing and implementing programmes and projects; it is also about project monitoring. Communities can help to regulate the excesses of dubious indigenous contractors through the application of traditional political instrument.

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