The Rhetoric of Corporate Social Responsibility (CSR) [1] in the Niger Delta

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Abstract

Petroleum exists as the source of an unholy convergence of interests between the Nigeria state and oil corporations operating in the Niger Delta. However, the unholy alliance develops major cracks when social responsibility to the oil communities is brought to the fore; with both parties shifting responsibility to the other. The paper, in an interdisciplinary leaning to business ethics, examines the place of Corporate Social Responsibility (CSR) in the Niger Delta, with the Shell Petroleum Development Company of Nigeria Limited (SPDC) as a case study. Donaldson's Moral Minimums for Multinationals (MMM) provide the ethical basis in evaluating SPDC's corporate social responsibility in the Niger Delta. The paper establishes that CSR undertaken by SPDC in oil host communities are inadequate and not making the desired impact. Though, in SPDC's current community development model, the Global Memorandum of Understanding (GMoU), projects within the clusters where the GMoU is operational is community initiated, communities outside the GMoU influence are still top-down initiated and that is the problem. The paper concluded that the SPDC's GMoU be made a Niger Delta wide development model for oil host communities, to become community driven and that CSR projects be made gender biased in favour of women as they bear the full brunt of environmental devastations and as child bearers and home keepers.

Keywords: Corporate Social Responsibility, MNCs, Niger Delta, SPDC.

> *Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible. This is a fundamentally subversive doctrine. If businessmen do have a social responsibility other than making maximum profits for stockholders, how are they to know what it is? Can self selected private individuals decide what the social interest is...The discussions of the social responsibility of business are notable for their analytical looseness and lack of rigor. What does it mean to say that business has responsibilities? Only people can have responsibilities.* Friedman,[2] (1970)

1. Introduction

A wide gap exist between those who see corporations as existing purely for profit motive (Friedman, 1970) and those that advocate for a convergence of social and economic motives for corporations (Schrader, 1987, Weaver, 1998, Utting and Ives, 2006). Annan (2001) argues "there is a happy convergence between what shareholders want and what is best for millions of people the world over". However, there is no consensus to this debate. The divide is noticed in National Governments and Multinational Corporations (MNCs) trading responsibilities between them. MNCs claim having paid the requisite royalties/rents to governments of host states; it is the place of government to provide basic infrastructural necessities to host communities. However, communities, civil societies, and Non-Governmental Organizations (NGOs) feel otherwise. These groups countered that MNCs has a responsibility to give something back to the communities in which they operate as a form of social responsibility. Such impasses reveals the existence of major gaps in the provision of basic services such as infrastructure, salvaging people from pandemic poverty, etc, that always leave the communities at the receiving end with untold environmental discomforts, that precipitates restiveness (Gulbrandsen and Moe, 2007).

The balance of the paper proceeds as follows: Section 2 undertakes a literature survey on corporate social responsibility; Section 3 interrogates the potency of codes of conduct in checkmating the power of MNCs; Section 4 critically examines Shell Petroleum Development Company's (SPDC's) Corporate Social Responsibility (CSR) in the Niger Delta using Donaldson's Moral Minimums for Multinationals (MMM) as traditional algorithms; and Section 5 concludes the work.

2. Theoretical Underpinnings of the CSR Literature

A one sentence acceptable definition of CSR is difficult to situate as there is an avalanche of definitions, which are often biased toward specific interests (Marrewijk, 2003 Argandona and Hoivik, 2009). Dahlsrud (2006) survey of definitions of CSR identified five definitional dimensions with corresponding ratios: the environmental (59), social (88), economic (86), stakeholder (88), and voluntariness (80). The Commission of the European Communities' (2001) definition of CSR came up as having the highest frequency count of 286 in Dahlsrud's CSR definition survey and adopted in this paper as the operational definition; which defines CSR as, "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". As the definitional lack of consensus portrayed, the concept of CSR has attracted diverse theories and endless debates. These theories and debates are about what the exact purpose of business is and what social responsibility entails. Depending on one's perspective, social responsibility is interpreted using either the pro-profit argument or the profit cum social responsibility argument.

(i) The Shareholder Theory

Otherwise referred to as shareholder capitalism, this theory gained limelight through the works of Milton Friedman and Levitt. When asked, "So the question is do corporate executives, provided they stay within the law, have responsibilities in their business activities other than to make as much money for their shareholders as possible?" Friedman (1970) responded empathetically thus, "and my answer to that is, no they do not." Friedman painstakingly cautioned that business must operate within the law and be morally ethical. Similarly, Levitt (1958) averred, "government's job is not business, and business job is not government". "Business should stick to business; it has no "holy mission," and it ought not to become a new "Church". Thus, advocates of shareholder theory unequivocally asserts: "business organization is an economic institution whose legitimate function is economic performance and not social activity" (Ojo, n.d).

(ii) Stakeholder Theory

The belief that business and society are intricately linked had long been muted. Frederick (1978) observed that "an obligation to provide service beyond profits, yet without denying profits, was advocated by some". Despite these early theoretical concerns, the publication of Freeman's landmark book, *Strategic Management: A Stakeholder Approach* (1984) served as the harbinger of the stakeholder theory. It is the centrality of the stakeholder theory that businesses have obligations, aside shareholders, to a broad range of interests in society, which Freeman (1984) called stakeholders (any group or individual who can affect or is affected by the achievement of the firm's objective)**.** The range of stakeholders vary widely to include employees, customers, competitors, governments, communities, etc, to such issues as ethical or moral matters-environmental pollution, human rights, poverty reduction, etc. The totality of these suggests a nexus between economic, political, social, and ethical issues.

Donaldson and Preston, (1995) gave further impetus to the stakeholder theory of the corporation. Simpson (2009) in paraphrasing Donaldson and Preston, suggests that work conducted with stakeholders could be viewed as ***descriptive*** (investigates how organizations and stakeholders relate to each other), ***instrumental*** (investigate what happens if organizations relate to stakeholders in certain ways), and ***normative*** (how a firm should relate to its stakeholders). The stakeholder theory was further stressed by the American Law Institute Report (1992) *Principles of Corporate Governance,* arguing, "the modern corporation by its nature creates interdependencies with a variety of groups with whom the corporation has a legitimate concern, such as employees, customers, suppliers, and members of the communities in which the corporation operates " (p. 72).

Furthering the sanctity of the stakeholder theory, especially from an ethical perspective, Donaldson in *Corporations and Morality* posits that corporations owes a moral/ethical duty to society, which he claims translate into a social contract between MNCs and communities, the terms of which places so much requests or expectations by stakeholders from corporations.

In buttressing his case, he copiously quotes Henry Ford II of the Harvard Business School, arguing; "The terms of the contract between industry and society are changing…Now we are being asked to serve a wider range of human values and to accept an obligation to members of the public with whom we have no commercial transactions".

Henry Ford's assertion of businesses "accepting an obligation to members of the public" with whom businesses *"*have no commercial transactions*"* tend to be narrow in scope, as a wide literature point to the existence of a social license under which MNCs operate. For example, Wood' (1991) *Model of Corporate Social Performance* identified three broad aspects, among which includes principles of corporate responsibility, abbreviated as CSR1. Three principles are discerned within CSR1:

(a) ***The Institutional Principle of Legitimacy,*** otherwise known as ***Davis's Iron Law of Responsibility***, which states that "Society grants legitimacy and power to business. In the long run, those who do not use power in a manner which society considers responsible will lose*"* (Davis, 1973). In so much as business derived legitimacy from society, business must never abuse its economic power in undertaking actions that will harm strategic stakeholders (Orlitzky, 2000).

(b) ***The Organizational Level Principle of Public Responsibility*** *argues* that "businesses are responsible for outcomes related to their primary and secondary areas of involvement within society" (Wood, 1991). The primary area involves the specialty function of the corporation, say oil exploration while the secondary area of involvement is defined as the impacts and effects generated by the primary activities of the corporation.

(c) ***The Individual Level Principle of Managerial Discretion*** posits that *"*managers are moral actors. Within every domain of corporate social responsibility, they are obliged to exercise such discretion as is available to them, toward socially responsible outcomes*"* (Wood, 1991).

Exploring further the concept of MNCs operating under a social license, Orlitzky (2000) posits that *"*in today's competitive market environment, business is confronted with a new set of challenges that not only economics related. To survive and prosper, firms must bridge economic and social systems. Maximizing shareholder wealth is a necessary but by no means sufficient condition for financial prosperity anymore*"*. It is to this end, expected of MNCs to *"*develop the region they operate by hiring local employees, providing training programmes, sourcing locally and consequently supporting the local economy*"* (Bennett, 2002).

Though profits are necessary for any business entity to exist, they do not exist or prosper in isolation. Businesses rely on the society for infrastructure, source of employees, even the consumer base as well (Utting and Ives, 2006, Uddin, et al, 2008). In justifying the need for MNCs to render social responsibility functions to society, Handy (2002) argues that:

> *The purpose of business… is not to make a profit, full stop. It is to make a profit so that the business can do something more or better. That "something" becomes the real justification for the business…. It is a moral issue. To mistake the means for the end is to be turn in on oneself, which Saint Augustine called one of the greatest sins…It is salutary to ask about any organization, "If it did not exist, would we invent it"? "Only if it could do something better or more useful than anyone else" would have to be the answer, and profit would be the means to that larger end.*

Similarly, Kelso and Adler (1958) argue that *"*the capitalist revolution will not be fully realized until some of the basic capitalist principles—ownership, for example—has been extended to embrace ever larger numbers of citizens. As ownership is more widely diffused, so will the citizen's stake in the prevailing system increase. As a result, his interest and loyalty to the modified capitalist system will increase*"*. The totality of these arguments is synonymous with the present anti-globalization campaigns in seeking more voice to the people (Stiglitz 2003). An aggregation of the above theoretical underpinnings point to the fact that *"*despite this polarization of the debate, there is general agreement that the private sector remains one of the best placed institutions to make a significant positive contribution towards improving social, economic and environmental conditions in Africa" (Visser, 2005).

3. MNCs and CSR: Voluntarism and the Ethical Code Compliance Dilemma

In built into the shareholder vs. stakeholder debate is the question of CSR voluntariness. Is CSR a corporate largesse to communities or otherwise? In recent times, so much has been expected of MNCs to tackle environmental degradations, climate change, human rights, global poverty, etc, arising from their operations.

Andriof and McIntosh (2001:17) in Burchell and Cook (2004) had stated that "consumers and employees are now well informed about the challenges facing the world, they have little faith in governments' ability to change things, they acknowledge the corporation as the most powerful social construct of the present era and, most importantly, they are willing to reward corporations who are responsive to their concerns". Such expectations are not out of place as communities and citizens of nations place less and less trust in the government ability to provide basic essential services (Bennett, 2002:395, Human Rights Watch, 2002). However, the potentiality of the corporation playing such a role is still so much in doubt as the desire for profit intensely prevails, which limit both its social license[3]and the extent of its involvement with broader social issues (Barnerjee, n.d:2).

The seeming inability of corporations to look beyond profit in rendering CSR services, and above all the recent complicity of MNCs in corruption issues, human right abuses, environmental disregard, social and economic dislocation, etc, voluntary principles/guidelines are being put in place in at least checkmating the activities of MNCs in their areas of operation, especially in the developing countries where environmental laws, fiscal regulations, legal regulations, etc, are lax. To achieve this feat, the following voluntary codes/principles are put in place, amongst others:

- The Wolfsberg Principles-"know thy customer" anti-money laundering guidelines to guide states and MNCs (www.transparency.org),
- The Caux Round Table (CRT, 2009) Principles for Responsible Business,
- The 17 Principles of Environmental Justice (24-27 October, 1991, Washington DC).
- The Voluntary Principles for Security and Human Rights (December 2000) initiated by the US State Department and the Foreign and Commonwealth Office of the United Kingdom. (www.voluntaryprinciples.org),
- The Global Sullivan Principles of CSR (1999),
- The Organization for Economic Co-operation and Development (OECD, 2000) Guidelines on Multinational Corporations, and,
- The OECD Bribery Convention (April, 1998) on combating Bribery of Foreign Officials in conducting International Business.

The potency of codes of conduct in their ability to regulate MNCs is a matter of contention. For Donaldson (2000) the potency of codes in checkmating corporations depends on the following factors:

- Codes by themselves are worthless. Codes, rather, become effective only in the context of certain other organizational and societal factors, such as senior management's personnel commitment to ethics, pressure from academics, civil society, NGOs, etc,
- The right source or impetus for a code is necessary. Experience shows that unless companies come to "own" the codes and implement them with conviction, persistent failures occur, and,
- Stakeholder involvement appears critical for the success of codes. Compliance to codes depends heavily on the interaction of various stakeholders in the formulation and implementation of the code…when they are constructed through the cooperation of stakeholders and owned by the corporations themselves, codes hold significant promise.

However, mindful of the octopus status of MNCs, especially in terms of their financial outlay, an overwhelming home government support, acclaimed technology know-how, power of employment, etc, has made academics, NGOs and even Civil Society groups to wonder loudly the potency of the proliferated voluntary codes in putting MNCs under control (Utting, 2000, Christian Aid, 2002, Alston, 2005). The International Council on Human Rights Policy (2002), with their landmark publication, *Beyond Voluntarism: Human rights and the developing international legal obligations of companies* specifically doubted the potency of codes arguing succinctly "that international law has a role to play in ensuring that companies respect human rights. We need clear international rules to strengthen the obligations of states in this regard and, where appropriate, they should place direct legal obligations on companies." To this end, national and international regulations have been advocated as the best mediums to regulate the activities of MNCs (Nixon and Yamin, 1980, The CornerHouse, 2002, Christian Aid, 2002, Abdul-Gafaru, 2006, Richter and Satow, n.d,).

4. SPDC and CSR in the Niger Delta

Corporations are motivated to investing in CSR by a set of hypothesis; the ***Business Integrity Thesis,*** and the ***Slack Resources Theory***.

The business integrity thesis holds that shareholders and stakeholders desires a financially comfortable corporation, while adhering strictly to values of environmental sustainability, ethical conduct, etc. At the centre of this thesis is corporate reputation (Jackson, 2004). Utting and Ives (2006: 11) emphatically stated that:

> *The 1980s and 1990s were not good years for the reputation of Big Oil. Exposés of malpractice in relation to the environment, human rights, local communities and conflicts were rife. Against this backdrop, several North American and European oil companies embarked on a makeover in order to win friends and placate enemies. They did this not only through the proverbial use of public relations and philanthropy but also by proactively promoting corporate social responsibility (CSR).*

Thus, the concept of CSR became part of SPDC International's operational conduct as image/reputation laundry, following the alleged complicity in the controversial hanging of the Ogoni environmental activist and writer, Ken Saro Wiwa and nine others in Nigeria (Rowell, et al, 2005) and the controversy-laden intention of Shell to dump the Brent Spar (North Sea) oil facility into the ocean triggered-off international criticisms championed by Greenpeace International. Shell Petroleum Development Company's CSR was followed with a major change in the company business principles translated into publications such as Shell Report (1998) *Profits and Principles-Does There Have To Te a Choice?*, The Shell Report 1999: *People, Planet and Profits: An Act of Commitment*, Shell (2001) *People Planet & Profit*, etc, summarizing how the company intends to integrate social responsibility into its overall business strategy. Unfortunately, these publications were never translated into reality, because for SPDC, CSR in the Niger Delta was purely an effort to redeem her battered image.

Similarly, the ***slack resources theory*** is yet another theory used to situate the corporation's intention for embarking on CSR. Slack resources are defined as "the stock of excess resources available to an organization during a given planning cycle" (Voss, et al, 2008:148). It is a kind of resources that enables the corporation to meet unforeseen circumstances in its business environment. Thus, the essence of slack resources with respect to CSR is situated on the premise that resources set-aside for CSR activities by MNCs is purely dictated by the extent of the availability of resources not desired for other purposes (Jensen 1986, Bird, et al, 2006). Like the reputation postulation, the slack resources theory confirms that CSR is not an inborn desire by MNCs for developing communities but to create an enabling environment for business to strive.

The SPDC's CSR in the Niger Delta is still expected to make the desired impact vis-à-vis the social, economic and environmental devastation experienced in the region. It is such perspectives that made Nicky Oppenheimer, Chairman, De Beers, while at the Commonwealth Business Forum, November 1999 (***Diamonds Working for Africa***), bears his mind observing that *"*natural resources can be a source of great good… or dreadful ill". In the remaining part of this section, we will undertake a critical assessment of CSR in the Niger Delta using the theoretical postulations of **Donaldson's Traditional Algorithm** with SPDC as the focus MNC. Shell Petroleum Development Company is the focus MNC since the company has the highest on-shore operations in the Niger Delta. It is also the operating company of the NNPC(55%)/Shell (30%)/TotalFinaElf (10%)/Agip (5%) joint venture and the oil giant accounts for 39% of Nigeria's crude oil production (SPDC,2002:6).

(a) SPDC and CSR in the Niger Delta: Donaldson's Traditional Algorithm[4]

In the present era of globalization where corporations seems to be taller and richer than national governments, environmental laws are totally inadequate to contain them. Business ethics provides another avenue for decision-making/regulation. Business ethics requires corporate managers to be guided by sound moral standards.[5] Business ethicists consult traditional algorithm to reflect upon international ethical dilemmas that raise grave concern for conducting international businesses. Donaldson (1989) is one of the foremost scholars that pioneered the use of morality to guide corporate managers in decision-making. He wrote his most useful and most consulted algorithm that considered a set of moral minimums for multinationals.

Donaldson's algorithm *"*inform corporations of the minimum they cannot go below when they are faced with an ethical decision involving conflicts of relative economic development*"* (Giampetro-Meyer, 2009). Donaldson's moral minimums for multinationals provided for the following algorithm:

- The practice is permissible if and only if the members of the home country would, under conditions of economic development similar to those of the host country, regard the practice as permissible.
- Is the practice a violation of core human value (respect for human dignity, respect for basic rights, or good citizenship)?

- Multinationals do not have a minimal moral requirement to aid the deprived. If anyone has such minimal obligations, it is the peoples' respective governments or perhaps, better-off individuals.

These algorithms provides for the lowering of ethical standards based upon different levels of development, in as much as the corporation never contravenes core human values.

Moral Minimum No.1: The practice is permissible if and only if the members of the home country would, under conditions of economic development similar to those of the host country, regard the practice as permissible

To paraphrase, this algorithm would read thus: would the practice be acceptable at home, in the United States, if my country, Nigeria, were in a similar stage of economic development as the United States? The Royal Dutch/Shell Group of Companies' revised Statement of General Business Principles (1997)[6] stated inter alia:

> *Shell companies have as their core values honesty, integrity and respect for people. Shell companies also firmly believe in the fundamental importance of the promotion of trust, openness, teamwork and professionalism, and in pride in what they do…to conduct business as responsible corporate members of society, to observe the laws of the countries in which they operate, to express support for fundamental human rights in line with the legitimate role of business and to give proper regard to health, safety and the environment consistent with their commitment to contribute to sustainable development.*

In consonance with her General Business Principles, Shell boasts of spending "US$300,000-US$400,000 per year in the early 1990s to US$25 million per year in 1996 and US$69 million in 2002" (Christian Aid, 2002:27) as a testimony of her commitment to CSR in the Niger Delta. The authenticities of such claims are constantly contested by NGOs, academics, civil society groups, human rights groups, etc. For instance, while reacting to SPDC's astounding financial estimates of cash spent on CSR in the Niger Delta, ken Saro Wiwa, dismissed the Shell claims as saying "they can only do that to people who do not know how much money they are taking away*"* or "as their usual block of six classrooms" (Rowell, et al, 2005:38). The Economist (2001) observes:

> *A report commissioned by Shell but prepared by independent consultants, makes depressing reading. Shell has not made it public. Having looked at 82 of the 408 projects on Shell's books—ranging from the electrification of villages to building schools and hospitals—the team concludes that less than a third have been successful. Farm projects and those that aim to make villages more self-sufficient by giving them the means to earn more do least well. The micro-credit schemes run by women do best. The report finds that the company has still been decreeing too many projects from on high. Although it has tried, it is still essentially buying off the locals with gifts—some of them forced out of it by ransom-demanding kidnappers and protection-merchants—rather than helping people to develop their future.*

On the effectiveness of SPDC's CSR in the Niger Delta, a development expert notes with dismay observing:

> *The Shell rethink has made no fundamental difference, though there has been some movement. Internally there is not a 100 percent agreement on corporate responsibility issues. The structure for community development is not efficient. There are people within Shell who have benefited from the cash economy, infrastructure projects, and so on. They won't let that go and put the communities in the driving seat some of those guys are trying to sabotage the efforts to change. So the results don't match resources spent; how much the communities get is small. But the other oil companies are no better they spend huge sums of money for no results.*

Elem Sangana and Umuechem (both in Rivers State, Nigeria) are typical cases in the above scenario. The people of Elem Sangana had every reason to be angry with their long time neighbour Shell, for the health clinic and water tower built by the company has not supplied a litre of water or no single patient ever received treatment because Shell refused to pay for medicines, medical doctors, and to connect the water plant to her own water system or dig a bore hole to supply water to the community water tower (The New Republic, 2005).

The situation report for Shell CSR projects in Umuechem is equally unsavory. Vintage Christian Aid (2004:24) painted a graphic picture of what it is like a Shell CSR project in Umuechem stating that:

> *… but on the way to the nearby Shell flow station, which has fresh water and electricity for its employees, there is the SPDC women's centre, in which no meeting of women has ever been held and a garri (cassava root) processing plant that does not work.*

> *To check on the SPDC post office, which has never handled a single letter, the SPDC secondary school, where no lesson has ever been taught, and the NDDC hospital, in which no patient has ever been treated, it is necessary to clamber through bushes overgrowing the sites. None of the projects were ever finished.*

Christian Aid concluded by observing that *"*the failure of community development in Umuechem is not an isolated instance. The underlying problem with many oil industry 'community development' projects in the Niger Delta is that they are used not to help communities, but as a pay-off for access to land. They are all too often administered by exploration and production staff who know little about development and whose priority it is to keep oil flowing*."*

The desire to ensure oil flowing from the communities has compelled MNCs to deliberately institute false methods in conducting business contrary to their original general business principles (Peel, 2005). Therefore, four motives for CSR engagement by MNCs; *"*obtaining competitive advantage, maintaining a stable working environment, managing external perceptions, and keeping employees happy*"* are advanced (Frynas, 2005:583). Among these false motives of corporate engagement in CSR, managing external perceptions is of peculiar interest here. Frynas had noted that "Shell in Nigeria claimed in an advertising brochure in August 1996 that the Kolo Creek flow-station was providing associated gas for a rural electrification scheme; during the author's visit to the site in early 1997, associated gas was still being flared there". Though, associated gas is used to power Bayelsa State Government owned Electricity Turbine, the menace of gas flares is still much around, fifteen years after Frynas' visit to the Kolo Creek flow-station.

It is a basic requirement of Donaldson's moral minimums for multinationals that corporations ask themselves the question: "would the practice be acceptable at home, in the United States, if my country were in a similar stage of economic development?" False claims to the existence of hitherto non-existent development project (in this case the stoppage of gas flaring) is not acceptable anywhere in the world, even if the United States were in the same level of development as in Nigeria of today. These lies are indeed detrimental as it threatens SPDC's social license to operate in the Niger Delta, and a major source of distrust between MNCs and the oil host communities.

Moral Minimum No.2: Is the practice a violation of core human value (respect for human dignity, respect for basic rights, or good citizenship)?

Here questions such as the following may reasonably follow: would the United States accept and live with the kind of gas flares, environmental pollution, MNCs' complicity in human rights violations, etc, experienced in the Niger Delta, if the United States were in similar level of economic development as it is in Nigeria today? DeGeorge (2000) posited that MNCs in international business must observe the following guidelines:

- Do no direct intentional harm,
- Produce more good than harm for the host country,
- Respect the rights of employees and of all others affected by one's actions or policies,
- To the extent consistent with ethical norms, respect the local culture and work with and not against it, and,
- Multinationals should pay their fair share of taxes and cooperate with the local government in developing equitable laws and other background institutions.

Corporate presence in the oil bearing communities of the Niger Delta is a sad sour episode of environmental and human right violations. Literatures abound as to the detrimental impacts of hosting Oil MNCs (Ikein, 1990) as a direct violation of all the guidelines prescribed by DeGeorge (2000) above. Shell has a poor environmental ethics**,** especially as the company is severally accused of *"*operating to double standards-one set for Nigeria and a higher set for its operations in the UK*"* (Rowell, et al, 2005:14). However, the issue of environment and human rights like Siamese twins are inseparable. Ken Saro Wiwa while talking on the Niger Delta and SPDC observes: "You have two problems, the human rights problem and the environmental problem. You cannot talk about the environment without human rights. Shell must bear responsibility for the pipelines, the gas flaring, and environmental devastation*"* (Rowell, et al 2005:38).

The presence of SPDC in a community spell doom arising from the countless oil spillages, and gas flares that renders the environment desolate with devastating consequences on the local economies (farm lands, rivers), social dislocation (prostitution, fatherless children, single motherhood, teenage pregnancies, unemployment, low morale for academics and apprenticeship, etc). These issues are both of human and environmental rights.

Shell prepared a human rights guide, the Business and Human Rights: A Management Primer (1998) to manage her poor reputation crisis resulting from the ken Saro Wiwa's judicial murder in Nigeria and the Brent Spar incidents. The corporate giant whole heartedly stated her unalloyed commitment to basic human rights values, observing that *"*business is part of, not separate from, "society". The distinction between "business" and "society" is artificial. Businesses and corporations are social entities, created in the context of larger interdependent cultural, political and sociological systems".

In spite of such commitments and avalanche of committal documents, Shell's human rights record is not good enough for a developing country like Nigeria. There is disparity in SPDC statements of commitment and field operations in the Niger Delta. Shell's human rights record in the Niger Delta tingle the ear, as she is a direct beneficiary. The leaked WAC report states that in 2003, Shell hired her, the (WAC), consultants to independently assess the human rights situation of Shell companies. Instead of *"*indicating how the company could be a solution to the problem of the Niger Delta, WAC identified Shell as part of the problem. The report concluded that the way Shell operated creates, feeds into, or exacerbates conflict and that after 50 years in Nigeria Shell had become an integral part of the Niger Delta conflict system" (WAC Global Services, 2003, Rowell, et al, 2005). The use of Nigeria's mobile police by SPDC officials, notably, Shell community liaison officers, as either escort to communities or in their flow-stations deprives communities of menial employment rights. The situation is even worse in the Niger Delta, due largely to militant gang activities, where oil flow-stations are presently guarded by the Joint Task Force (JTF), which comprises of the Nigerian Army, Navy and the Air Force). This is unfair to oil bearing communities.

The Ogonis vowed never to forgive Shell for her connivance with the Nigerian State to perpetuate heinous human rights violations, especially the death of the writer and environmental activist ken Saro Wiwa. In 2000, the fifth anniversary of the hanging of ken Saro Wiwa was gravely commemorated. Rowel et al (2005:25) observes that at the commemoration ceremony

> *Saro Wiwa's symbolic coffin was buried under the Ogoni flag, flapping defiantly in the breeze. The Ogoni still hold Shell responsible. The main sign of the funeral had a picture of Shell's famous logo followed by "killed Saro Wiwa" It then read: "Shell is forever persona*-non-grata *in Ogoni". The "S" of "Shell" had been crossed out, leaving "Hell".*

Only recently, an SPDC sponsored UNEP (2011) report titled "*Environment Assessment of Ogoniland"* blamed SPDC for the heinous environmental devastation presently experienced in Ogoniland, stating an intensive rehabilitation efforts for a minimum of thirty years is expected to lapse for the environment to gain return to its original value.

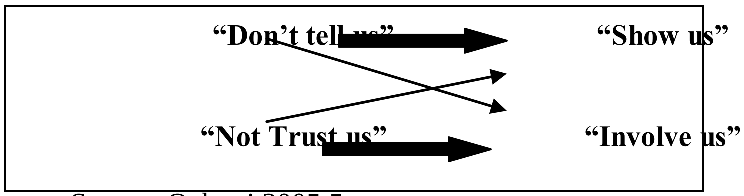
Moral Minimum No.3: Multinationals do not have a minimal moral requirement to aid the deprived. If anyone has such minimal obligations, it is the peoples' respective governments or perhaps, better-off individuals.

Shell Petroleum Development Company never had any "minimal moral requirement to aid the deprived" in the Niger Delta. Thus, CSR is seen as a mantra of MNCs accused of intensifying climate change, and exploiting poverty (Henderson, 2001, Utting, 2005) or, at least, being "insensitive to the misery that coincides with their profitable operations" (The New Republic, 2005). Corporate Social Responsibility projects in the Niger Delta had always been a top-down (exception is Statoil's presence at Akassa, Bayelsa State, where community projects are initiated by the people of Akassa, (see **www.pronatura.org**) approach where projects for communities are dictated by either the corporation or the government. This practice has been condemned (Okafor, 1985, Scott, 1998, Frynas, 2005). In recent years, SPDC has come to adopt a new community development model, the Global Memorandum of Understanding (GMoU*)* with projects initiated by communities themselves. The new community model asserts:

> *The GMoU is to become the new framework for sustainable community development allowing every Cluster of Communities to take ownership of its own development. The GMoU is a comprehensive agreement that governs the relationship between the communities within a Cluster and SPDC over an initial period of 5 years. When effectively implemented, this process will assist every GMoU Cluster and its constituent communities, to develop the capacity to own and manage their own development programs. The delivery of the GMoU will be guided by fundamental principles of sustainable development and good governance* (SPDC GMoU p. 1).

The model is, however, restricted to oil bearing communities such as cluster communities within the Gbarain-Ubie Gas gathering project area. Project initiations in communities outside the GMoU purview are still top-down. The abysmal failure recorded by some corporations on CSR projects is attributed to community hostility towards this top-down approach. It is such trends that compelled Schumacher (1973:205) to write: "Everything sounds very difficult and in a sense it is very difficult if it is done for the people, instead of by the people". Therefore, there is lack of trust for SPDC by oil bearing communities and an adoption of a different means of communicating with oil MNCs, as shown below.

Communicating Communities' Demands



Source: Ogboyi 2005:5

5. Conclusion

The paper established a number of conclusions. First, that SPDC never met the three criteria of Donaldson's Minimum Morals for Multinationals, which portray that western multinationals practice double standards in Third World Countries. Such double standards precipitates social, economic and environmental concerns for host communities in the Niger Delta as alternative sustainable economic sources are almost non-existent. Secondly, that though CSR had become part of SPDC's medium of giving back to communities, especially in the late 1990s, CSR projects are still inadequate, top-down driven and in communities where projects are bottom-top driven, the scope of such communities is too narrow to make the desired impact. Corporate Social Responsibility projects are not making the desired impact in host communities because, most CSR projects are political, intended to satisfy political friends, pacify hostile communities and sometimes an unnecessary duplication. The solution to SPDC's CSR dilemma in the Niger Delta is twofold. First, SPDC's GMoU be made a Niger Delta wide development model for oil host communities, because it is community driven. Second, CSR projects be made gender biased in favour of women as they bear the full brunt of environmental devastations and as child bearers and home keepers.

Notes

1. This phrase was coined from Suzana Sawyer and Edmund Terence Gomez' work titled Transnational Governmentality and Resource Extraction: Indigenous Peoples, Multinational Corporations, Multilateral Institutions and the State.
2. Friedman, M in Capitalism (1962:133) and in "The Social Responsibility of Business Is to Increase Its Profits" in New York Times Magazine (September 13, 1970).
3. That a corporation is constrained to meet societal expectations and avoid activities that societies (environmental stakeholders) deem unacceptable, whether or not those expectations are embodied in law. Social license is about meeting the expectations of society.
4. An Algorithm is an effective method for solving a problem using a finite sequence of instructions. Each algorithm is a list of well defined instructions for completing a task.
5. The question of morality for corporations is a highly contested subject matter with a great divide-see French, 1979, Velasquez, 1983, Garrett, 1989, Pfeiffer, 1990, Philips, 1995, Moore, 1999, etc).
6. Shell Group of Companies' revised Statement of General Business Principles (1997) which incorporated human rights and sustainability is a revised version of the 1976 Statement of General Business Principles. The need for the revision arose from the Brent Spar and Saro Wiwa incidents of the 1990s (Utting &Ives, 2006:17).

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