

**Corporate Social Responsibility and Environmental Sustainability in the Niger Delta: A
case study of Chevron Nigeria Limited.**

A Major Paper submitted to the Faculty of Environmental Studies in partial fulfillment of the requirements for the degree of Master in Environmental Studies, York University Toronto Ontario, Canada.

By

Joan Amanesi Egwuonwu

For

**Anna Zalik
Supervisor**

July 31st, 2014.

Acknowledgment

Special thanks to God who made this academic pursuit possible.

This Major Research Paper benefitted from the collaborative effort of many revered and treasured mentors, tutors, friends, and siblings. I will like to thank my professors whose patient, gentle but yet constructive tutelage made me more grounded in my discipline. Professors Merle Jacobs my mentor, who has always believed from the first day we met that I can go far and beyond in the academia. Ellie Perkins, my advisor, ever supportive and encouraging. Thank you, professors Byran Husted and Felipe Montoya for always willing to be of assistance. And Anna Zalik, my supervisor, very thorough, yet encouraging. Thank you very much for your patience, and belief in me. I will treasure the months we worked together. To my dear friends and anonymous editors of this research, thank you for sharing your treasured time with me.

I am grateful to Chevron Nigeria Limited for affording me the opportunity to intern with your esteemed organization.

Most importantly, I want to say a very big thank you to my darling Nnama Gunns Egwuonwu and our most treasured children Harvey Chu and Dilibe Hugh. We all made this happen.

List of abbreviations used

BP	British Petroleum
CA	Community Assistance
CALEP	Chevron Africa and Latin America Exploration and Production
CBN	Central Bank of Nigeria
CD	Community Development
CNL	Chevron Nigeria Limited
CPDEP	Chevron Project Development and Execution Process
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
DPR	Department of Petroleum Resources
EGASPIN	Environmental Guidelines and Standards for the Petroleum Industry in Nigeria
EGTL	Escravos Gas To Liquid plant
EA	Environmental Assessment
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
ERA	Environmental Rights Action
ESHIA	Environment, Social and Health Impact Assessment
ES	Environmental Stewardship Process
FEMev	Federal Ministry of Environment
FE/MCP	Facilities Engineering/ Major Capital Project
FEPA	Federal Environmental Protection Agency
FGN	Federal Government of Nigeria
FOEI	Friends of the Earth International
GDP	Gross Domestic Product
GMoU	Global Memorandum of Understanding
HES	Health, Environment and Safety

IMF	International Monetary Fund
IOCs	International Oil Companies
JV	Joint Venture
LCC	Local Community Contractors
LNG	Liquefied Natural Gas
MEND	Movement for the Emancipation of Niger Delta
MCP	Major Capital Project
MOSOP	Movement for the Survival of Ogoni People
NAPIMS	National Petroleum Investment Management Services
NDDC	Niger Delta Development Committee
NEITI	Nigeria Extractive Industry Transparency Initiative
NEPA	National Environmental Policy Act
NGOs	Non-governmental organizations
NNPC	Nigeria National Petroleum Corporation.
NESREA	National Environmental Standards and Regulations Enforcement Agency
NOSDRA	National Oil Spill Detection and Rapid Response
OE	Operational Excellence
OEMS	Operational Excellence Management System
OMPADEC	Oil Mineral Producing Area Development Commission
OPEC	Organization of the Petroleum Exporting Countries
PHC	Petroleum Host Community Fund
PI	Petroleum Industry
PP	Public Participation
PPT	Petroleum Profit Tax
PIB	Petroleum Industry Bill
PGPA	Policy, Government and Public Affairs
PPCD	Participatory Partnership Community Development

PRC	Project Review Committee
PSC	Product Sharing Contract
PWYP	Publish What You Pay
RDCs	Regional Development Committees
RDT	Resource Dependency Theory
SCD	Sustainable Community Development
SCP	Small Capital Project
SOW	Scope of Work
TOR	Terms of Reference
U.K	United Kingdom
UNEP	United Nations Environment Program
UN	United Nations
U.S EIA	United States Energy Information Administration
WTO	World Trade Organization

Table of figures

Figure 1: Map of Nigeria showing the nine oil producing Niger Delta states

Figure 2: Map showing the 13 areas of interest of Chevron Nigeria Limited in the Niger Delta.

Figure 3: An image of the Niger Delta habitat teeming with its biodiversity.

Figure 4: Photo showing abandoned fishing boats due to oil spill

Figure 5: Chevron Nigeria Limited Stakeholder Engagement Plan diagram.

Table of Content

Foreword	xi-xii
Abstract	xiii
Chapter One: Introduction	
History of the Delta	1-6
Case study profile.....	6-9
Evolution of CSR in the extractive industry.....	9-12
Chevron Nigeria GMoU.....	12-13
CSR Bill in Nigeria.....	13-14
Effects of oil extraction in the Niger Delta.....	14-16
Natural resource curse paradigm.....	16-17
Rentier state: Nigeria’s dependence on oil rents. What effect?	17-18
The Petroleum Industry Bill.....	18-19
Methodology.....	20-21
Theoretical framework	21-25
Chapter Two: Contesting environmental impact assessment (EIA) in Nigeria: A case study of Chevron Nigeria Limited’s EIA process	
Introduction	26-28

Common causes of environmental pollution28-32

History of environmental impact assessment32-33

The introduction of EIA in Nigeria 33-35

CNLS’s Environment, Social and Health Impact Assessment (ESHIA) process36-37

ESHIA scoping process37-38

Scope of work in EIA approval38-40

Contesting the scope of CNL’s EIA 40-46

Conclusion46-47

Chapter Three: implementing transparency and accountability in Nigeria’s Petroleum

Industry

Introduction48-50

Methodology50

Colonialism/imperialism. What role?50-53

Corruption: an obstacle towards sustainable development in Nigeria53-54

Efforts towards revamping Nigeria’s PI54

Nigeria Extractive Industry Transparency Initiative (NEITI)55-59

Nigeria Petroleum Industry Bill.59-60

PIB, NEITI, and transparency issues60-62

Conclusion.....62-63

Chapter four: CNL’s Global Memorandum of Understanding (GMoU): A critique

Introduction.....64-66

Chevron Nigeria stakeholder engagement process66-69

CNL GMoU and issues of partnership69-71

Objectives of CNL’s GMoU71-72

The GMoU management process72-73

Environmental assessment/sustainability 73-74

Gains for CNL74-75

GMoU: foreseen challenges75-77

Recommendation and conclusion77-79

Chapter Five:

Recommendation and Conclusion80-83

References.....84-103

Foreword

The main argument of this research is that the corporate social responsibility (CSR) initiatives of Chevron Nigeria Limited (CNL) in Nigeria do not address the environmental damages caused by their exploration activities and are not commensurate to the extensive environmental pollution and social dislocation caused by their activities. Through a study of the environmental and CSR practices of CNL, I explore its environmental impact assessment (EIA) process and Global Memorandum of Understanding (GMoU) initiative and implementation. GMoU is a flagship CSR initiative used by CNL to engage its host communities through Participatory Partnership Community Development (PPCD) for sustainable development. The study also examines the role of the state, in the operations and actions of CNL and the Niger Delta (ND) communities, in relation to corruption, inefficiency, and weak implementation of the Petroleum Industry's environmental regulations and laws.

Prior to the introduction of the GMoU in 2005, CNL's CSR initiatives concentrated more on giving back to host communities what they deem fit without fair evaluation of the land and resources as factors of production. Although the current model is commended for its more inclusive approach, it still does not entirely appease the communities and the environment, thereby failing to address some core complaints of the ND people. To underline how this is possible, Lovins et al (2007) alluded that "until recently business could ignore damage to the eco-system because it didn't affect production and didn't increase costs" (p. 181). This argument forms part of my empirical findings at CNL and seems to inculcate other IOCs operating in the region. This research incorporates the three themes in my plan of study, the first being CSR. CNL's CSR flagship model, the GMoU, is examined as it relates to the cluster of communities in the region. This model is administered through project investment for economic empowerment

and sustainable development, while at the same time gaining a social license to operate for the firm. The CSR model is also geared towards minimizing or preventing work disruptions from angry communities. The second component is environmental pollution. This is analyzed by evaluating CNL's environmental assessments of its crude oil exploration. Under this component the aftermath of oil extraction which usually includes the degradation and depletion of oil sites that leads to environmental degradation will be discussed. The third is social movements. Social movements in the Niger Delta emerged as a result of the cumulative effects of social injustices and pollution emanating from oil exploration, including how oil wealth is shared. The region's social movements highlighted the emasculation of the ND peoples' rights, lack of development, widespread poverty and discontent. At the height of the struggles in the last decade, the youths engaged in destruction of oil pipelines, environmental activism and more extremely kidnapping and militant behaviors. These have become recurrent factors in contemporary Nigeria and accounts for the restiveness of the oil-producing region.

In Nigeria's Petroleum Industry, the complexity in the disposal of waste products during and after production, and the geographical space needed for exploring, producing, refining and distributing the product have majorly contributed to volatility of the region. My field experience in CNL and relevant literature reviews on the ND provided background to the socio-economic and practical implementation of the GMOU. This research analyzes the current ways the program is run, the social relations practice it entails and the critique it faces with regard to transparency, effectiveness, deliberative strategy and motive. Findings from my fieldwork show that although CNL has a CSR program in place, the environment is usually set on the back burner when implementing CSR. It is apparent also that their best CSR actions are still

incommensurate to the social, cultural and environmental disruption the company's exploration activities have caused and continue to cause.

Abstract

The objective of this study is to explore Chevron Nigeria Limited's (CNL) corporate social responsibility (CSR) initiatives in relation to environmental sustainability in the Niger Delta (ND), as both in theory, work simultaneously towards the effective development agenda of their host communities. Through a study of the environmental and CSR practices of CNL, this research explores CNL's flagship CSR program, the Global Memorandum of Understanding (GMoU) and environmental stewardship process. The study finds that CSR alone does not effectively address the development of the ND based on the fact that what is invested in the region does not compensate for the sometimes irreversible environmental damage caused to flora and fauna, especially considering the deteriorating human and social infrastructure evident in the region. It is worth mentioning, however, that the onus of the development of this region has always been contentious, as CNL (and other IOCs) are quick to point out that it is not their responsibility to develop their host communities or operational sites as attested in the Joint Venture (JV) agreement with the Nigeria government.

This study also explores the inability of the Federal Government of Nigeria (FGN) to create an enabling environment for CSR to flourish. The study argues that the value of CSR to CNL and its host communities is not mutually reinforcing. CNL's GMoU is critically analyzed in this study in relation to its practical implication in the host communities, considering the fact that CSR, which was devised in the Global North, respects and considers other countries' norms (Blowfield and Frynas, 2005, p. 512). The inference therefore is that CSR should be country specific, tailored to suit the circumstances of the ND people. This study adds to the body of literature that addresses the need for integration of CSR models, business and the environment for more effective and sustainable development in the Nigerian context.

Keywords: Global Memorandum of Understanding, Corporate Social Responsibility, Social and Ecological Sustainability, Environmental Impact Assessment, Resource Curse, Rentier State, Niger Delta, Chevron Nigeria Limited, Petroleum Industry, Fossil Fuel, Petroleum Pollution, Oil Industry.

Chapter one

Introduction

History of the Niger Delta

Geographically, the Niger Delta (ND) is located at the South-South axis of Nigeria. It is bordered to the south by the Atlantic Ocean and to the East by Cameroon. The surface area covered is about 112,110 square kilometers, which represents about twelve percent of the country's total surface. The total population of the oil producing state is estimated at over twenty eight million inhabitants (Niger Delta Regional Development Master Plan, 2006). The ND cuts across 800 oil producing communities, with an extensive network of more than 900 oil wells, and 100 flow stations (Osuji, 2001; Sangay, 2001). This region is made up of over forty minority ethnic groups, spanning nine states; Cross River, Akwa Ibom, Rivers, Bayelsa, Delta and some parts of Ondo. Prominent minority groups among them are; the Itsekiris, Ijaws, Urhobos, Kalabaris, Efiks, Ibibios, Ikwerres and the Ogonis. The Niger Delta Development Master Plan shows that the ND people relied on farming and fishing as its primary means of sustenance prior to the discovery of crude oil in the late 1950s. This is because the biodiversity of the region is very high. ¹The area contains a broad variety of plants and animal species, including a wide sea of exotic and unique flowers and birds. The Niger Delta is said to be the largest wetland in Africa and the fourth largest in the world (Nandy and Mitra, 2004; Awosika, 1995; Iyayi, 2004). These 36,000 square kilometers (14,000 square miles) of marshland, creeks, tributaries, and lagoons drain the Niger River into the Atlantic at the Bight of Biafra (Ibeanu, 2000; Emoyan, Akpoborie, & Akporhonor, 2008). The discovery of crude oil however altered this regions social, economic, historical, religious and cultural attachment to nature. The region's extensive

¹The Niger Delta people also survived on gin distillation, boat carving and textile weaving as a secondary occupation. Also, most of the indigenes engaged in trading, commercial activities and transportation

Chapter one

mangrove and wetland areas in the ND have been converted for one form of oil facility or the other, or degraded by oil. As a result, this region is known as one of the “poorest, least developed and least reciprocated for its contributions to national wealth” (Ikelegbe, 2001, p. 437). The ND people lack the necessary social infrastructures, employment opportunities, access to basic human needs, health care facilities, and good schools.

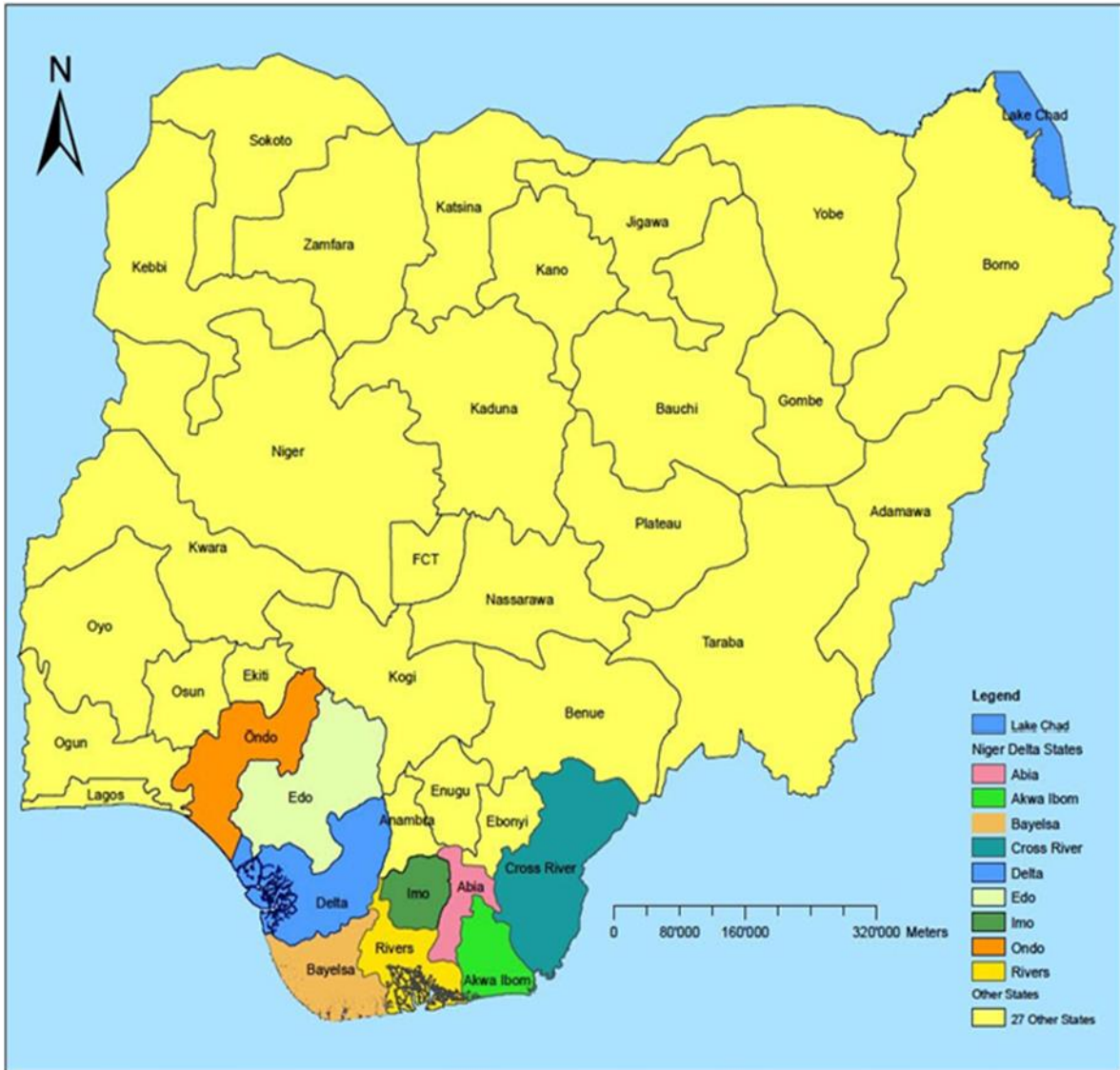


Figure 1: Map of Nigeria showing the 9 states that make up the Niger Delta. Source: Google map

Chapter one

The first viable oil field in Nigeria was drilled at Oloibiri, in present day Bayelsa state in 1956, through a JV ²agreement with the British government, through the operations of Royal Dutch/Shell (Cayford, 1996; Obi, 2000; Paki and Ebienu, 2011). Others followed at Afam, a year later, and at Ebubu and Bomou, both in Ogoni land, (Akpomuvie, 2011; Ojatorotu, 2008; Okonta, 2008; Omoweh, 2005). Since the discovery of oil in the ND, IOCs' have paid lip service to both CSR and environmental management issues. Human rights, environmental ethics and socially responsible and safe practices have often been sacrificed at the altar of expediency as is evident in the deplorable state of development and living conditions of the oil industry's so-called 'host communities'. The Land Use Decree of 1978³ spells out that the state has "sole ownership of all lands where oil is explored, produced, transported, and stored, it also defines the contents of land in the country" (Omoweh, 2005, p. 115). The socio-economic challenges of the

² In Nigeria's Petroleum Industry, the Nigeria National Petroleum Corporation (NNPC) is in a Joint Venture agreement/partnership with Chevron Nigeria and other international oil corporations operating in the Niger Delta. NNPC operates Nigeria's share in the Joint Venture Agreement with CNL and other IOCs. The share value in the JV is a 60/40 agreement of costs, profits and losses in any oil exploration contract. NNPC share is 60 percent while, Chevron and each of the other IOCs owns 40% (NNPC, 2010).

NNPC is the state's oil company that manages the oil exploration activities on behalf of Nigeria. NNPC was established on April 1st 1977, and was awarded operational authority to manage the country's crude oil refining, petrochemicals and transportation of the finished product as well as its marketing (NNPC, 2010).

³ Since the 1960s, various Acts and Edicts have been enacted by the Ministry of Petroleum Resources to govern and regulate Nigeria's Petroleum Industry (PI). According to the Environmental Guidelines and Standards of the Petroleum Industry in Nigeria (EGASPIN), the Petroleum Act of 1967 is the principal regulation Act for pollution control (EGASPIN, 2002). The handbook also states that, some other direct regulations enacted to guide and protect the environment (water courses, soil and air) are; The Petroleum (Drilling and Production) Regulations 1969, Sections 25 and 36; The Mineral Oils (Safety) Regulation, 1963, Part 111 Section 7 and Part IV Section 44 and 45; The Petroleum Regulations 1967; The Oil in Navigable Waters Decree NO. 34/Regulation 1968; The Oil Pipeline Ordinance Cap 145 of 1956, as amended by the Oil Pipeline Act 1965, Section 17(3) and; The Petroleum Refining Regulations 1974, Section 43 (p. 1). These laws supposedly designed to protect the interest of stakeholders as well as the environment, however, portray the state's ownership of the land and not the indigenous communities as owners, see Akpomuvie, 2011; Omoweh, 2005

Chapter one

ND are as a result of extensive and continuous ecological damage caused by the extractive operations of foreign dominated oil companies in the ND (see Jike, 2004; Ite and Idemudia, 2006; Eweje, 2006; Aaron, 2012).



Figure 2: Niger Delta habitat teeming with its biodiversity. Source: Getty Images Limited.

The fact is, sixty percent of ND people, according to the Niger Delta Development report for UNDP (2006), depend on the natural environment ‘living or non-living’ for its survival (Zabbey, 2009). This is why the communities expect so much social and economic provision from CNL (and other IOCs). This dependence has increased debate on CSR, questioning whether actually CSR can create sustainable development in the region as the communities highly expect

Chapter one

it to. Accordingly, Smith, (2003) admits that CSR may be “unavoidable” and it seems to have become of “strategic significance” (p. 34) in the region. Oil wealth in the country has metamorphosed into the paradox of plenty, coupled with poor development, marginalization and exclusion of the people. Despite the new wave of CSR in the ND we should not ignore the fact that IOCs are still violating environmental laws (see Aiyede, 2004; Boele et al 2001; Phillips, 1999; Okonta, 2000; Edoho, 2008). As an illustration, Zabbey, (2008) explains, that the rich and dense ND mangroves are to the local people what ‘taxes are to federal governments’. This he continues, is because the “Mangroves provide coastal communities with about 46 ecosystem goods (seafood, fuel wood, dye, stakes, and so on) and 9 ecological services to other productive ecosystems (such as coral reef)” (p. 5) and all these are facing extinction.

This chapter establishes the goal of this research, inherent challenges, and outlines the methodology used and theoretical frameworks. Chapter 2 considers the limitations of EIA standards and environmental sustainability in the Nigerian context with specific focus on CNL. This is discussed further in relation to the degree of CNL’s adherence to the spirit and letter of Environmental Guidelines and Standards of the Petroleum Industry in Nigeria (EGASPIN). EGASPIN is a handbook from the Nigeria Department of Petroleum Resources (DPR) that lays out all the environmental laws that guide the Nigeria PI. The third chapter discusses transparency initiatives as relevant to CNL and the Petroleum Industry. It analyzes the Nigeria Extractive Industry Initiative (NEITI), the local branch of the Extractive Industry Transparency Initiative (EITI), the DPR and the Nigerian government. The fourth chapter analyzes CNL’s flagship CSR initiative, the GMoU and its potential and perceived impact in the overall development impact in the region. The concluding chapter gives an overview of the study, conclusion, recommendation and lastly, provision for further study. Together these chapters dovetail into the broader

Chapter one

argument of this narrative to deconstruct the factors that have contributed to the underdevelopment of this oil rich region of Nigeria.

Case study profile



Figure 3: Chevron Nigeria limited 13 concessions – Areas of interest Source: Google Maps.

CNL through its partner at that time, American Overseas Petroleum Limited (later known as Texaco Petroleum Company), found oil at the Koluama Field, offshore Nigeria, in 1963. That same year, CNL started drilling near the Escravos River and found the Okan Field in Delta state

Chapter one

(Chevron: the Nigeria Fact Sheet, 2013). CNL is a ⁴subsidiary of Chevron Africa and Latin America Exploration and Production (CALEP). In Nigeria, Chevron operates its business through its subsidiary CNL headquartered in Lagos, Nigeria. The company operates and holds a 40 percent interest in 13 oil concessions including: the Abiteye, Makaraba, Utonana, Opuekeba, Benin River, Gbokoda and Dibi fields; Olero creek, and Ekura well, under a JV agreement with the NNPC.

CNL is the third largest IOC in Nigeria (Shell and ExxonMobil are first and second respectively). It is one of the country's largest investors, spending annually over USD\$3 billion (Chevron, 2013). In 2012, the company's net daily production in Nigeria averaged 238,000 barrels of crude oil, 165 million cubic feet of natural gas, and 4,000 barrels of LPG (Chevron, 2013). According to CNL's own data, it has assets on land, swamp and near-offshore concessions spread across an estimated 2.2 million acres (8,900 square kilometers) in the ND. The company also reports a large interest in Deepwater Nigeria (one of Nigeria's largest Deepwater discoveries), the Agbami Field, and Usan project (Chevron, 2013). Chevron provides career opportunities for Nigerians hired as employees and workers who are under contract (Chevron Corporate Responsibility Report, 2012; Chevron: Nigeria Fact Sheet, 2013).

The international oil market desires Nigeria's crude oil (Ross 2003, p. 3), and Nigeria's PI has success stories of extraction and production of its high value, sweet and light crude oil, such

⁴ The shareholders of Chevron and Texaco Oil Corporation both agreed and voted for a merger on October 9th, 2001. They had both been rivals and competitors in the United States of America energy market. Upon the merger, Chevron changed its company name to ChevronTexaco Corporation. However, on May 9th, 2005, Chevron changed its name from ChevronTexaco to Chevron corp.

<http://www.chevron.com/about/history/1980/>
<http://www.chevron.com/about/history/2002/>.

Chapter one

as Antan Blend, Bonny Light, Bonny Medium, Brass Blend, Escravos Light, Forcados Blend, IMA, Odudu Blend, Pennington Light, Qua-Iboe Light and Ukpokiti (NNPC, 2014). Nigeria's oil is easily refined and transported due to its lightness (O'Neill, 2007, p. 1). Thus Nigeria oil is unlike Athabasca oil in Alberta Canada and Orinoco heavy oil in Venezuela, which are heavy and very costly to refine and transport (Dusseault, 2001; Baynard, 2011). This raises legitimate questions as to why Nigeria does not have more leverage from crude oil resources, considering the global economic importance of the product. It has neither optimally utilized the revenue from oil to elevate the standard of living of its citizens, nor has it invested in non-oil revenue sources. According to information gathered from sources listed below, Nigeria's economic gains from its sweet crude oil, derived from a maximum daily production capacity of 2.5 million barrels, ranks the country as Africa's largest producer of oil, ranks in the top 15 largest oil producing countries in the world and the fourth largest exporter of liquefied natural gas (LNG) in the world in 2012 (NNPC, 2014; Ogunmupe, 2012; U.S Energy Information Administration, 2013). Figure 1 shows the map of Nigeria showing the nine oil producing states that make up the Niger Delta. These states are marked out in different color shades below the map.

As one of the few oil exporting countries in Africa and a member of the Organization of the Petroleum Exporting Countries (OPEC) since 1971, it would be predicted that Nigeria would have potential for development (O'Neil, 2007; Karl, 1997). At this time, Nigeria could be expected to manifest blazing affluence and abundance of quality social infrastructures, promising employment opportunities, better standard of living, and zero incidence (although sounds unrealistic) of poverty in the population. Unfortunately, Nigeria ranks amongst the poorest in the world (World Bank, 2013). The 'petro dollar' or 'oil wealth' as is often interchangeably used has

Chapter one

not been properly managed. The Niger Delta people have perhaps suffered the most (Yang, 2010).

According to the former General Manager of CNL's Policy, Governance and Public Affairs (PGPA) department, Mr. Femi Odumabo:

Currently oil production capacity is less than 90 million barrels per day, leaving global market with very little flexibility in the event of a disruption. The World Bank expects the global economy to double between 2005 and 2030, from about \$35 trillion to \$70 trillion. . . That economic growth is expected to increase global energy demand by 50 percent in the same time period. Most will come from the developing world like Nigeria as its economies continue to expand (This Day Live, Aug. 2011).

It is logical therefore to infer that for CNL to be an active provider of this global energy, it has to get involved in CSR-community development projects, to guarantee continuity in their areas of operation. In this light, we will now discuss CSR and Chevron's current CSR model.

Evolution of CSR in the extractive industry

CSR was invented by the oil industry (notably Shell/Royal Dutch) at the global level in part response to the Brent spar incident – the Brent Spar incident was outrage from the public over the dumping of Shell's floating oil platform buoy in the North Sea; and also the Movement for the Survival of Ogoni People's (MOSOP) protests in Nigeria (see Frynas 2003, p. 275; Frynas 2005, p. 253), and later to seek to reduce pressures from indigenous self-determination groups fighting for stake in the control of their natural resources. The implementation of CSR aims to improve the corporate reputation of the firm in order to enhance its global share value and to respond to international calls for improved corporate behavior. The unequal distribution of

Chapter one

oil revenues in Nigeria, the struggle for resource control and the sustained deprivation of economic and human rights by the oil companies with the tacit approval of the ruling elite has generated furor among the ND communities. This frustration led to the emergence of economic and environmental rights activists groups. The pioneers, MOSOP, led by the late poet and activist Ken Saro-Wiwa published the Ogoni Bill of Rights in 1990 (see Adodo, 2000). Other ethnic nationalities like the Itsekiris, Ijaws and Urhobos formed their own movements which set conditions for oil companies operating on their lands. Armed youth movements emerged after 2003, some of them calling for outright control of the natural resources domiciled in their ancestral land. By 2004 several of these groups armed themselves into an insurgent movement. Prior to the armed movements, most violence in the region was inflicted by the state to deter frequent oil exploration disruption by the ND's angry communities.

At the height of this youth restiveness in the last decade, groups like Movement for the Emancipation of Niger Delta peoples (MEND) and Niger Delta Volunteer Force engaged in oil installation vandalization, kidnapping of expatriate workers and other violent practices to drive home their demand for stoppage of environmental pollution (Abraham, 2011; Afinotan, and Ojakorotu, 2009; Ikelegbe, 2001; Ogundiya, 2009; Okonta, 2008; Watts, 2008). As a result of these agitations and destruction of operations, oil companies CSR allowed the firms to appear comparatively benign while community youths were portrayed as the villains.

Thus, conceptions of CSR is geared towards maximizing financial returns for businesses - business case (see Smith, 2003; Blowfield, 2005; Frynas, 2005; Idemudia, 2009; Ojo, 2012; Porter and Kramer, (2006); Amaeshi et al (2006); and Hohnen and Potts, (2007) and at the same time creating social good for the society - development case, (Amaeshi, et al 2006; Idemudia, 2009). Ideally, CSR is what a corporate entity is doing to show that they are part of a society, for

Chapter one

instance, contributing a major part of their profit to help the society. However, because in practice CSR appear as a ‘misguided virtue’ with little or no emphasis and or support for corporate regulation (Henderson, 2001; Macleod and Lewis, 2004, p. 78), it is paramount then to signalize that for CSR to be successfully implemented in developing countries with rich natural resources, there must be an integration of the environment to social as well as economic good. According to the International Standard for Organization ISO 26000⁵ Working Group on Social responsibility, CSR is:

responsibility of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization. (Working definition, ISO 26000 Working Group on Social Responsibility, Sydney, February 2007 in Hohnen and Potts 2007).

A greater percentage of companies’ CSR reports according to Smith, (2003), “do not seem to be reflective of a deep commitment to CSR or, at least, they suffer from a failure to identify the issues that matter most for measurement, management and reporting” (p. 27). A company should not focus on one aspect (social or economic) of importance, but has to also consider the aspect that would be more beneficial to the recipients as well. Besides complaints about disconnection from the environment, most of the oil communities need urgent assistance in

⁵ International Standard for Organizations ISO 26000 is a CSR implementation guide for businesses. It lays out the principles and expectations for businesses on CSR terms and principles.

Chapter one

food and other basic necessities, these reasons are known to be behind the two sets of invasion of CNL operation sites in Delta state. The first was at the firm's Escravos Tank Farm by 200 hundred Itsekiri women which lasted for 10 days; and in another attack, about 1000 Ijaw women invaded four of CNL's operation sites at Gbaramatu community which also lasted 10 days (Branigan and Vidal, 2002:8; Okpowo and Adebayo, 2002:1-4). Both protests were due to the excruciating social and economic hardship as revealed by the women and CNL's broken promises. Within this context, however, new CSR models were put into place that aimed at improving upon the previous models which were seen as fostering divisions between neighboring groups. Chevron started to implement its CSR program in form of the GMoU model in 2005 (GMoU handbook, n.d). As further background to the current context, we now turn to the CNL's CSR flagship model in Nigeria, the GMoU.

Chevron Nigeria GMoU.

In 2005, CNL in partnership with NNPC adopted a new flagship model to community engagement and relations in the ND geared towards establishing a Participatory Partnership Community Development (PPCD) process, to attend to the needs of the local communities surrounding CNL's areas of operations (Chevron GMoU handbook, n.d). Information gathered from Nigeria states Chevron as the pioneer of GMoU. With the rate of success stories (according to Chevron) from the GMoU, CNL encouraged other IOCs to adopt the same model (Oral interview 2013) also see Aaron, 2012. This is because, the new model grants that, "development is in the hands of the locals" (Field work data, August 2013) because it allows and encourages participatory partnerships among key stakeholders. The 'developmental' approach of CNL's (GMoU) would require innovative partnerships with communities that would allow/ensure the ability to create maximum sustainable development benefits the ND

Chapter one

communities can have through local content policies, with linkages to domestic economies. CNL stresses that it has invested in and completed several community projects worth more than \$6.3 million to enhance the quality of life in these clusters of communities (Chevron: Nigeria Fact Sheet, 2013; Chevron Corporate Responsibility Report, 2012).

CSR Bill in Nigeria

The Nigerian CSR Bill is intended to create a CSR commission to manage and monitor activities of corporate entities in Nigeria. The Bill was introduced by Senator Uche Chukwumerije, a senator in Nigeria's National Assembly in 2008, and it is still in the National Assembly for scrutiny. Objectives of the bill are to ensure that corporations:

- a) Support and provide environmental, social, and economic achievements geared towards sustainable development in affected communities,
- b) Encourage participatory engagement of corporations and communities
- c) Improve the regulatory practices, confidence and management system
- d) Deviate from improper engagement in political activities (Amao, 2008; Mordi et al 2012).

The enactment of Nigeria's CSR Bill, experts argue, should be such that it does not substitute for the social responsibility of the FGN to its citizens. Rather, they argue that IOCs' efforts should be complimentary. CSR should complement government's provision of social services and welfare for its people, and not as shift away from government's responsibility in reducing poverty and promoting development to corporations (see Bessley and Evans, 1978; Idemudia, 2008; Blowfield, 2004, 2005; Jenkins, 2005). This is because "if the state government weakens

Chapter one

the ability for businesses to operate productively . . . the wealth that pays taxes and supports non-profit contributions evaporates” (Porter and Kramer, 2006, p. 5). Nigeria’s government is a major culprit in the prolonged plight of the ND people. Although CNL (the subject of this study) and other IOCs receive the brunt of criticism, much of this criticism should also be directed at the FGN which has set a poor example in lending and providing social welfare services and development to benefit its citizens. The FGN should make efforts to increase its potential to achieve sustainable growth. Such efforts should start from a progression and shift from CSR to corporate social integration (Porter and Kramer, 2006) where corporations actually partner with the state to create social and economic support for the people. With that it is important to acknowledge that no business can solve all of societies’ problems or bear the cost for it (Porter, 2006, p. 6; Lewis and Macleod, 2004, p. 83). Likewise, it is also important that businesses address social issues that may constrain their effective competition in the international oil market, by creating economic and social value for the region from which they operate. (Porter and Kramer, argue that there should be a “shift from defensive posture to affirmative approach, from emphasis on image to emphasis on substance” (p. 13) for an effective CSR implementation.

Effect of oil extraction in the Niger Delta

Environmental degradation is a contentious issue in the ND and has led to conflict between the FGN, oil industry’s host communities and IOCs. Some of the problematic issues cited as causative factors are oil exploration, production, refining and distribution of crude and refined oil, as well as the intentional siphoning of oil from wells to sell on local markets. Oil pollution in the ND is mainly caused by negligence in the activities of oil companies such as spills from corroded oil pipelines, excessive gas flaring, dumping of crude oil waste, and willful vandalization of oil installations by angry youths.

Chapter one

The major cause of environmental degradation onshore in this region is the long-standing oil exploration and production. Pollution offshore is more difficult to detect and highlight because it occurs in non-inhabited areas and may be dispersed tidally so that it cannot be easily monitored by fishing residents and boats. Pollution offshore involves contamination of seawater, which invariably affects fishery and marine life. This is elaborated upon utilizing the EGASPIN regulatory guideline in chapter two. Indigenes of the ND blame CNL, FGN and other IOCs for negligence and insensitivity to their plight, while the government and IOCs accuse the indigenes of economic sabotage when they do not allow them access to contain oil spill sites until a ransom has been paid. In response to a rise in cases of sabotage against oil installations, the oil industry and federal government passed a formal regulation preventing compensation to communities in spills where sabotage was deemed to be the case. As a facet of sabotage, the IOCs alongside various oil industry analysis, maintain that illegal oil bunkering (that is, oil theft) is a major contributor to environmental damage. In its 2012 Corporate Responsibility Report, CNL stated that one of its core values is to protect people and the environment. Notwithstanding, its EIA process and CSR measures and implementation is not explicit on the issue of brownfields and the environment. What this study found was that they talk more about new technologies and safer production models (future models) and less on environmental remediation. They tend not to have long term or medium term plans on how the ecosystem of brown fields continues long after oil exploration is done.

Natural resource curse paradigm

The 'resource curse is understood as "negative growth and development outcomes associated with minerals and petroleum-led development" (Karl, 2007, p. 661). Since the Industrial Revolution, consistent growth in international trade brought with it numerous

Chapter one

challenges. Human dependency on natural resources has skyrocketed, leading to scramble for dwindling supplies or the pursuit of more supplies. The resource curse is a problem viewed as typifying countries which export high-valued natural resources (Auty 2002, p. 1; Karl 2007, p. 662). The Niger Delta and Nigerian paradox clearly reflect this. Since the discovery of crude oil in commercial quantities, Nigerian government has largely neglected other revenue earners like cocoa, groundnuts and gum Arabic production. Other solid mineral resources like Zinc, Lead and Precious stones have been largely ignored due to the large income received in the form of petrodollars. The concept of the resource curse is used to explain a complex web of events and relationships that start with the euphoria of this new found resource wealth, leading to an unfounded sense of invincibility, ultimately fueling corruption and over-reliance on the resource to the exclusion of exploring other revenue generation options. This is largely sustained by the greed of the ruling elite through subtle and sometimes not so subtle manipulation of state institutions. The effect is a reshuffling of societal values and priorities towards productivity. For example, Auty (2004), explains that because the economies of natural resource rich countries is sustained by revenue from one export product, diversifying to more competitive manufacturing sectors is delayed or neglected. On the other hand, developed countries with poor natural resource, are able to plan, nurture and sustain thriving economic growth based on resource imports (p. 34).

Rentier State: Nigeria's dependence on oil rents. What effect?

The 'Rentier State' is related to the concept of the resource curse. The dynamics of the appropriation of oil revenues over time have shaped Nigeria as a 'rentier' state, institutionally dependent on funds from oil revenues rather than taxes generated across industries and populations. Nigeria's economy largely depends on 'rents, royalties, and taxes from its PI since

Chapter one

the discovery of crude oil in commercial quantity in 1958 (Ross, 2001; Alabi and Ntukekpo, 2012). Revenue generated from Nigeria's crude oil made up about 75% of the federal government's income and 95% percent of exports in 2012 (IMF, 2013). In the first half of 2013, it is reported that the nation's revenue from crude oil exports reached N6.7 trillion Naira – (Nigeria's currency), or USD\$42 billion. Also, in the year 2012, the United States Energy Information Administration placed the country's revenue from crude oil at USD\$93 billion (N14.8 trillion Naira) (US EIA, July 2013, p. 2).

Karl (2007) sees rent seeking behavior as “efforts, both legal and illegal, to acquire access to or control over opportunities for earning rents” (p. 661). She explains further that the economic and political strength and sustenance of rentier states derive from their ability to extract rents and royalties from external players (IOCs) and then distribute those rents internally among those elites and cartels that are supportive of the state's economic and political policies (Karl, 2007). The FGN primarily has the responsibility to ensure that the business environment is conducive for foreign oil companies to remain, because the country is dependent on oil rents. However, as Omeje (2005) succinctly states, Nigeria's rulers are more engaged in revenues generated from oil exploration and ways of stopping disruption in oil flow and less bothered about the complaints of the ND people (p. 322). In recent years, pressures have grown to diversify the nation's economy away from the oil industry. In order to address the range of revenue management problems associated with Nigeria's oil industry, new national regulation has been introduced, to which we now turn.

Chapter one

The Petroleum Industry Bill.

The revamping of Nigeria's PI started in 2008 after a Presidential Committee recommended the need to overhaul the nation's oil and gas industry. A Bill was created to this effect, called the Petroleum Industry Bill or PIB as it is popularly known (NEITI, 2014). Nigeria's Petroleum Industry is suffused with challenges of funding of appropriate regulatory and monitoring agencies; issues with accountability; transparency; and efficiency, which the PIB intends to address (This day Newspaper, August, 2013). The PIB has generated a lot of intense public debate, as various stakeholders in the industry want to make contributions and recommendations before the Bill is passed. Initially proposed in 2008, the PIB has been under intense review since it was sent to the National Assembly for consideration. The aim of the Bill is outlined and discussed in chapter three.

Methodology

This Major Paper (MP) builds on analysis from fieldwork- a qualitative survey, interviews and ethnographic observations I carried out in Nigeria during my 2013 internship with Chevron Nigeria Limited (CNL). These include the author's attendance at a joint CNL/DPR Environmental Impact Assessment review workshop for CNL's SONAM Non Associated Well development project; review of minutes of weekly meetings at the department of Policy Governance and Public Affairs (PGPA), CSR department at CNL, and information gathered from a visit to CNL's Escravos Tank Farm in Delta State, August 2013. Interviews were conducted with managers and staff of CNL in the Facility Engineering/Major Capital Projects unit, (FE/MCP), Public Policy, Governance and Public Affairs (PGPA) and Health, Environment

Chapter one

and Safety (HES) departments. Further interviews were conducted with the Environment and Safety officers from the Department of Petroleum Resources (DPR) and the liaison officers between CNL and the National Petroleum Investment Management Services (NAPIMS), a division of the NNPC. CNL staffs interviewed were selected to include both indigenes of the Niger Delta and also people from non-oil producing states. These profiles helped in getting balanced responses based on an observed pattern of Chevron-community relationship, including what has changed over time, and what type of relationship exists between CNL and its cluster of communities. This design aimed to achieve a broad perspective and range of opinions. Most interviewees had worked at CNL for a minimum period of 10 years. They were also mostly male based on the masculine nature of the offshore and onshore activities.

As envisioned, the staff from the ND displayed marked disenchantment at some of CNL's activities, despite the company being their employer. Those from non-oil producing states were more detached and pragmatic in their approach and convictions. The interview questions focused on CNL and its CSR measures in relation to environmental sustainability, adherence to environmental laws and the relationship with the host communities. Although there were structured questions, the interviewees were given a platform to express their own views about the PI and CNL's involvement with the communities. Secondary data used for this study were sourced from published reports and presentations, CSR articles and programs models and environmental stewardship procedure documents of CNL. Information was also gathered from books, government documents and websites, newspapers, and journals. This study, it is hoped, will add to the body of work on this subject that aims to effect social change through creating public awareness and further pressuring policy makers to make changes or create new policies.

Chapter one

Theoretical framework: Dependency theory

Addressing development in Nigeria's oil producing states (Niger Delta), calls for analysis of theories that examine economic, social and environmental aspects. Dependency theory is a Marxist approach examining the unequal relationship between developed economies and least developed economies in terms of longer term imperial relations that structure continued ownership and access to natural resources in the interests of Northern states to which these goods are exported. Dependency theory emerged as a critique of the modernization theory in the late 1950s, under the direction of Raul Prebisch, the Director of United Nations Economic Commission for Latin America (Ferraro, 2008). In his paper, *The Structure of Dependency*, Theotonio Dos Santos (1971) emphasized the importance of history to his definition of dependency. He defines Dependency as

An historical condition which shapes a certain structure of the world economy such that it favors some countries to the detriment of others and limits the development possibilities of the subordinate economics...a situation in which the economy of a certain group of countries is conditioned by the development and expansion of another economy, to which their own is subjected. (p. 226).

This study adopts this theory to look at the ND environmental, economic and social problems as the historical result of colonialism and dependency. One of these is the dependence of developed economies on so called less- developed economies to access natural resources with minimal interest in reinvesting the proceeds from such relationships in the source countries. In the Niger Delta region, pre-colonial and post-colonial histories are manifested in organizational behavior

Chapter one

of international oil corporations. This is discussed below in relation to oil extraction in Nigeria and the extractive activities of international oil corporations (IOCs), dissecting the causative factors of these lingering environmental and social challenges in the Niger Delta. Frank (1966) argues that developed economies got rich and continue to maintain and sustain their development standards. At the same time, the developmental status of the developing countries remain stagnant from constant draining of their human and natural resources.

Resource Dependency Theory

Resource Dependency theory emerged in 1978 in Jeffery Pfeffer and Gerald R. Salancik's book *The External Control of Organizations*. The book argues that for a business to survive it has to depend on its external environment for the necessary raw materials needed. The use of Resource Dependency Theory (RDT) in this study reinforces the assertion that oil resource is the basis of power for the community and the object of the JV partnership between NNPC and IOCs. Therefore, a region where crude oil is found in abundance should also wield power (Nienhüser, 2008, p. 12). This makes it logical that if CNL wants to give back to its cluster of communities in the ND, it should start by carrying out a comprehensive EIA procedure, strive for safer extractive practices, and investing in human and economic development. These steps should constitute CNL's GMoU. The GMoU is discussed extensively in chapter four of this study.

What results in different relationships of dependency in natural resources, according Pfeffer and Salancik (2003), is the power and influence of actors who control the natural resources and those actors who need these resources. Omeje (2005) points out that crude oil is the life bone of Nigeria's economy since it depends almost entirely on the rents, taxes, and royalties IOCs in the ND remit from oil exploration and also, from its share in the JV agreement

Chapter one

with the IOCs (p. 321). As a result, the FGN indirectly gives CNL and other IOCs leeway in its operations focusing more on deliverables rather than on environmental sustainability and nation building. This study adopts the Resource dependence theory to explore the uneven power relations between the IOCs and host communities on fair implementation of EIA on one hand and the regulatory agencies on the other hand. This is based on the influence of IOCs on EIA studies and its project decision-making. The regulatory agencies (DPR) do not seem to have enough funding and operational independence to carry out their statutory functions (Field trip evidence). A third concept of choice for this study is the double standard, to which we now turn.

Double Standard Concept

The issue of foreign oil companies' application of different standards in their extractive operations in Nigeria, when compared to what is obtainable elsewhere in developed economies, appears a double standard and indicates a need for attention to issue of global environmental justice. Double standards appear in the operations of CNL and other IOCs in the manner gas are flared; the importance and urgency for oil spill containment and also the cleanup process. Rather than attending to these problems, IOCs' are distancing from the environmental damage while claiming that they are applying international best practices. Yet recent studies, including the UNEP 2011⁶ study on Shells activities in the Ogoni area of Nigeria, indicate this is not so. The

⁶ The United Nations Environment Program (UNEP) was established in 1972 as an agency within the United Nations (UN). It is saddled with the responsibility as a facilitator, "catalyst, advocate" (UNEP, 2014) who assist developing countries in addressing and promoting measures at sustaining the environment. They sometimes assist in carrying out independent studies. In 2011, the UNEP team presented a report from its finding after a 14 months assessment of the extent of pollution in the Ogoni land axis of the Niger Delta oil producing region (UNEP, 2014). The outcome of the report was that the damage caused to the ND environment (land and water) is graver than believed. They continued that it would take between 25 – 30 years and an initial fund of USD\$ 1 billion to start off the cleanup in the region.

Chapter one

double standard by definition is “a set of principles that applies differently and usually more rigorously to one group of people or circumstances than to another” (Merriam Webster Dictionary, 2014). Notably, Richard Steiner (2010), an environmentalist consultant and a former environmental policy and marine conservation professor at the University of Alaska, who has worked globally on and extensively published write ups on oil and environment for decades had this to say about the double standard concept. International corporations’, employ higher operational and environmental standards in industrialized countries than in non-industrialized countries, (p. 6). Friends of the Earth International⁷, (FoEI), also underline similar double standards to that of Steiner. The explosion of British Petroleum (BP) Deepwater Horizon drilling rig April 2010, brought the discussion of the international oil companies’ double standard application based on ‘location’, to the front burner. The attention given to the BP incidence versus the ND nightmare indicates whose issue was worth more at the international level. There was consistent media coverage and public outrage, in response to Deepwater Horizon. There was an estimation of impact to humans and animals. In particular, there was massive attack and pressures on BP to compensate all those affected, and to immediately start cleanup exercises. And lastly, BP took responsibility for the incident and apologized to the public, especially to

During my visit to the Department of Petroleum Resources, I sought for an insight into UNEP’s independent EIA study and it was very revealing. The response was that “UNEP’s independent EIA study and findings of Ogoni land, clean up and UN’s projection are out of scope and mandate of DPR.” He continued that there was zero participation of DPR in UNEP’s findings. The report, he concluded had “a political ring to it” (Oral interview conducted, August 2013).

⁷ FoEI is one of the world’s largest not for profit grassroots environmental network, connecting several national groups and local environmental activist groups in every continent. The group has huge global support. They continue to spread the urgency for corporate bodies to address environmental issues resulting from their business operations and the social ills that comes with it. They call on corporate bodies to embrace social justice and environmental sustainability (FoEI, 2014) by using the same international standards in every country they operate despite the location.

Chapter one

those affected. All these sustained efforts at addressing BP's Deepwater rig explosion stirred up anger among many international environmental activists groups. Bad as the BP Deepwater explosion was (BP does not operate in Nigeria), it is a tip of the iceberg compared to what the people of the Niger Delta have been accustomed to over decades. On the basis of this background, we now proceed to Chapter two to examine EIA process in Nigeria's PI focusing on CNL's in-house environmental stewardship process.

Chapter two

Contesting Environmental Impact Assessment in Nigeria: A case study of Chevron Nigeria

Limited's EIA Process

Introduction

It is common knowledge that oil exploration and production processes pollute and disrupt the environment, which in turn drastically alters a community's ecosystem, socio-economic balance and cultural orientation. In areas dependent on agrarian lifestyles the destruction of the green vegetation that predated extractive activities denies the indigenes of their economic mainstay. Forced relocation of populations and human rights infringements also affect the societal culture and psyche. In principle, the formal environmental assessment undertaken before extractive activities begin is intended to restrict or compensate for these impacts. In practice, however, socio-economic displacement with minimal mitigation is the norm in many industrial sites. Oil exploration and extraction lead to several negative environmental impacts. Economic globalization, both under colonialism and in post-colonial times, has contributed to oil majors circumventing their responsibilities for ecological damages at the site of crude oil extractions. IOCs capitalize on weak regulatory institutions and corrupt governments to operate below the standards acceptable in their home countries. These negative social, economic and environmental lapses are primarily borne by the host communities and the larger society without due recompense from the defaulting firms. EIA processes have been developed and standardized internationally to address and prevent such problems, but IOCs still exploit loopholes to reduce their costs and increase their profit margin. I argue that best responsible business practices under

Chapter two

the umbrella of 'CSR' programs should require extensive and rigorous environmental assessment (EA) for all projects (Field work data, August 2013).

This chapter examines the limitations of EIA standards and environmental sustainability in the ND, Nigeria- through the lens of CNL in- house Environmental Stewardship process. The findings reveal that CNL's EIA procedure and scope falls short of the standards they maintain in developed economies where they are held to greater account. This inference is drawn from observations made during an EIA review workshop as well as interviews conducted within CNL and the regulatory agencies. Through this research I observed a sense of apathy towards regeneration of brownfields from oil exploration and production in the ND on the part of IOC's and FGN. Information gathered, showed a pattern suggesting that this problem is industry wide. Shell Nigeria for instance was barred from operating in Ogoni land for many years, with the caveat that they might come back only after cleaning the pollution they caused and paying adequate compensation to the community. Shell is still not operating in Ogoni land (see UNEP Ogoni report, August 2011). The process of environmental remediation and restitution cost Shell billions of dollars. CNL and other IOCs operating in this region tend to put cost before the environment during EIA deliberations. CNL insists that it follows the same international standards as other Chevron subsidiaries internationally and also stresses that its in-house EIA standard (ESHIA), is more effective than those mapped in DPR environmental handbook EGASPIN (which will be discussed later). Evidence from the EIA review workshop I attended indicated that this might not be entirely so, based on the reaction of CNL staff when confronted with the apparent omission of a core EIA component.

EGASPIN is the environmental regulatory handbook compiled by DPR. The document was first compiled in 1991 and later reviewed in 2002. In compiling EGASPIN, DPR extracted

Chapter two

all the environmental laws and the various Mineral laws governing the PI. The handbook lays out all the environmental laws with legal requirements and guides all environmental liabilities and regulations of Nigeria's PI. The handbook is reviewed and updated every ten years to incorporate more effective regulations for the industry. The lack of effective environmental regulations in Nigeria's oil and gas industry leads to environmental pollution, which is discussed next.

Common causes of environmental pollution

Environmental degradation studies have established verifiable negative results from continuous human activities on the environment. In the ND, oil exploration, production and transportation are known to cause most environmental pollution. This generally affects the land, soil and air of the region. Johnson, Ambrose and Bassett (1997) define environmental degradation as; "any change or disturbance to the environment perceived to be deleterious or undesirable" (p. 584). Environmental degradation resulting from oil extraction in the ND happens in the remote villages and communities. These clusters of communities are far removed from the cities where decisions that impact them and their environment are taken. The Nigerian elite in the big cities do not have firsthand knowledge of the grave environmental pollution from oil spills, gas flaring and waste dumping from oil exploration, and therefore are disinclined to mount political pressure for legislative action. Indeed, Kakonge (2006) emphasizes that the absence of active participation of the political class in addressing environmental issues in developing countries is because it does not directly affect them. This according to Kagonge indicates why the environment is not regarded as top priority, unless "other pressing needs for economic development are addressed" (p .18). This paper however is of the opinion that a blueprint for the environment must involve short term and long term plans on how to address the incidences of environmental damage and a course of action for remediation.

Chapter two

Oil Spillages

A major contributor to environmental pollution is oil spillage. The ND is one of the most polluted regions in the world, with more than 6,800 recorded oil spills excluding unreported spills, amounting to about nine million to thirteen million barrels of spilled oil (CNN World, 2010). These spills are mainly from corroded aging oil pipelines, vandalized pipes, oil bunkering and extractive activities including transportation of the product (Meredith, 2005; Omeje 2006; Edoho, 2008; Steiner, 2010). Oil spill in the ND is a common phenomenon. In fact, Edoho, (2008) indicates that the intensity and gravity of oil spills in the ND by IOCs is close to “ecocide” (p. 214). The magnitude of these spills in the region results in land depletion, destruction of mangroves and wetlands, displacement of communities, disruption of ecological, social, cultural and religious attachments to the environment. Edoho concludes that oil extraction and production is a perilous project (p. 214). Environmental damage resulting from oil spills has been known to trigger violent strife between the communities and oil firms. This strife has brought the emergence of both environmental NGOs and militant groups to the ND.

Chapter two



Figure 4: Images showing abandoned fishing boats due to oil spill in the Niger Delta.
Photo source: Pius Utomi Ekpei AFP/Getty Images

Oil Bunkering/Theft

Most recently, Oil bunkering has been labeled as the biggest cause of environmental pollution in the Niger Delta. Oil Bunkering is mostly carried out by organized cartels that sometimes include the elite, military and militants. Usually when syphoning or stealing the oil are done loading their ships and vessels, the oil pipelines are left open, releasing uncontrollable amount of crude oil to land and water (Data from field work, 2013). Oil bunkering is the stealing of crude oil from “criminally drilled holes on oil pipelines, and refining the crude oil” (Zabbey, 2009, p. 4). Bunkered crude is usually loaded to vessels for sale abroad while sometimes such crude is refined by the many illegal mini refineries scattered in the swamps of the region

Chapter two

Bunkering is also carried out by small time thieves, who operate in remote areas of the pipeline, siphoning the product and carting it away with trucks. In some instances, their activities have attracted the attention of indigenes that flock to the sites with jerry cans. Such cases are known to have led to explosions and loss of lives. One example of this occurred in Jessetown, a small community in Delta state where an oil pipeline explosion in the year 1998 claimed over 1000 lives (Whig 1998). CNL believes that communities sometimes do not report ruptured pipelines because of this practice of stealing the product. By the time the firm's attention is called, immense damage may have been done to the environment (Oral interview July, 2013). The communities on the other hand argue that CNL is slow to respond to ruptures because the firm is not required to deliver adequate compensation for damages caused by spillages.

This whole process of oil theft and crude refining method results in extensive and uncontrollable oil spills into the environment, adversely affecting plants and animals (Oral interviews conducted with CNL staffs, July 2013). Most CNL staffs interviewed were quick to point at oil bunkering as the main cause of the extensive environmental devastation in the region. This blame game however does not seem to convince skeptics who believe that IOCs are culpable for most of the damages caused the environment in the region. Oil theft and illegal trading of ND's refined oil started gradually in the 1980s and skyrocketed in the late 1990s – 2000, due to high price of oil in the global market (Ikelegbe, 2005, p. 221; Onuoha, 2008).

Chapter two

Willful Vandalism

Willful rupture of pipelines, or sabotage should not be viewed in isolation, but as a factor that also encourages oil bunkering⁸ (theft), serving as protest point for activists wishing to drastically attract the attention of the IOCs and the international community. Willful vandalism is an act of deliberately or intentionally destroying or damaging public or private property (the free Dictionary). In this context, it is the intentional act of destroying oil pipelines, as a protest to the perceived injustices by the oil majors. An example of willful vandalization of a CNL oil pipeline is a January 8th, 2010 attack by the prominent rebel group Movement for the Emancipation of the Niger Delta People (MEND) that led to the closure of its Makaraba - Utonana platform located around 100 kilometers from Warri Delta State (US Africa, 2010).

Evidence from this fieldwork showed that, ideally CNL's monitoring unit on a project site reports to the oil spill containment department as soon as there is a drop in pressure of an oil pipeline. This drop signifies a leaking oil pipeline, prompting the oil spill containment department to 'shut in' (stop) production. CNL duly points out that sometimes in cases where the pipelines are located in swampy sites; detection takes time because it requires the use of a helicopter to survey the site to identify the points where pressure dropped. In spite of these 'swift efforts' at containing oil spills, CNL complains that sometimes the communities hinder them from cleaning up a spill until crude oil has covered a large mass of land. The intention of the

⁸ Willful rupture of oil pipelines is premeditated vandalization of the pipelines as a form of protest against some exploitative tendencies by the IOCs operating in the ND. Oil bunkering on the other hand is an unauthorized forced access to the crude being transported by the oil pipelines, mainly by cartels, elites and restive youths.

Chapter two

communities here, CNL argues, is to gain press coverages to support environmental pollution claims and seek monetary compensation.

CNL, like most IOCs operating in Nigeria, has been accused by environmental rights activists of disregarding legal provisions of international environmental treaties to which Nigeria is signatory and to which, as they point out, ‘these companies’ adhere to in their operations elsewhere in the world’ (Omoweh, 2005). This trend of nonchalance towards environmental pollution, oil spills and cleanup from their operations clearly depicts the doctrine of ‘double standard’ (Steiner, 2010; Friends of the Earth International, 2010). Notably, Steiner (2010) made this conclusion following his extensive research on the ND and its environmental woes. As discussed in the opening chapter, Steiner compared the behavior of IOCs in the ND to that of their operations in advanced societies and called it a ‘Double Standard’. Such behavior he concludes is not commonly tolerated and/or acceptable in developed countries, because their strict environmental laws forbid it. For example, gas flaring; oil spill containment and cleanup are more strictly monitored in the Global North countries.

History of EIA

It is known that EIA faces similar challenges globally. However, with the lens of the double standard concept, EIA process in Nigeria’s PI suffers more extreme inadequacies. EIA is a rational, precautionary approach to creating policy for environmental sustainability. This precautionary measure emerged in the 1960s due to extensive environmental damage from human activities. Economists discovered for a century that human interaction with nature could disrupt the environment (Brooks, 1992, p. 402) and then effect economic activities and sustenance of the inhabitants who live and depend on it. The United State Congress under its

Chapter two

National Environmental Policy Act (NEPA) of 1969 first introduced the use of EIA in that country. This was as a result of public interest and outrage over the state of the environment (Jay, Jones, Slinn and Wood 2007). EIA is now seen and used as a vital environmental management instrument (Morgan, 2012), and widely used in over 100 countries, mostly in developing countries for major capital projects (Jay et al, 2007). However, this vital tool faces many criticisms for its lack of effectiveness in meeting and evaluating the necessary scopes therein (Morgan, 2012). DPR, one of the core regulatory bodies within the Nigeria's PI, defines EIA as a process that:

Documents the actual impacts in relationship to the predicted impacts of the project/activity/action. It potentially controls and manages the timing, location and levels of impacts and also provides the cause and effect data for the empirical verification or validation of various predictive models of action/impact relationships (EGASPIN 2002).

Similar to DPR's definition of EIA, Marzuki, (2009) indicates that ideally, EIA should "measure the benefit or cost from physical development to the public and community" (p. 126). Whereas it is arguable that oil production must involve some form of damage to the environment, it is common knowledge that "the environmental effects of extractive projects are influenced by the type of minerals extracted, the technology used, the scale of extraction activities and the location of the projects" (Janneh and Ping, 2011, p. 46). As I will discuss further below, at the joint CNL/DPR EIA review workshop I attended in 2013, the following project evaluation measures were undertaken: ranking of environmental aspects, impact identification, impact characterization, impact significance, impact categorization, consequences/likelihood evaluation and impacts significance ranking. This is intended to create a management plan and mitigation measures for possible impacts from a project.

Chapter two

The introduction of EIA in Nigeria.

EIA was introduced in Nigeria in 1992. This was after Nigeria's attendance at the United Nations Conference on Environment and Development (UNCED), which took place in Rio de Janeiro from third to fourteenth of June, 1992, (Nwoko, 2013). The EGASPIN handbook (2002) states that the decision to introduce this environmental sustainability policy was taken after a series of studies showing that the extractive activities from oil exploration were manifesting changes in the Niger Delta's aquatic and terrestrial ecosystem. And these changes appeared to be extending towards disrupting historical, economic, and cultural resources of the local communities (part V111: A). With the intention to protect the ecology (water courses, air and soil) given these growing negative changes to the environment, the government felt the urgent need to introduce EIA policy. The government intended the EIA process to enable protection, restoration and clean-up of oil-spilled sites during and after exploration. The EGASPIN handbook also showed that with the enactment of an EIA the DPR promised to "properly plan for and monitor new installations or projects to prevent degradation of the environment" (EGASPIN, 2002). However, this promise has not been met, based on the poor state of the ND environment and the government's helplessness at addressing the gravity of the issue.

It is noteworthy to express that challenges in EIA processes are not particular to developing countries alone (see Gibson, 2012; Mulhivill and Baker, 2001). Developed countries also face the various challenges to EIA process. The only obvious difference is that the magnitude of environmental damage evident in the ND, of which IOCs' are guilty, would not be allowed in any western country (Steiner, 2010). An example is the outrage and swift action during BP's oil spill in the Gulf of Mexico discussed above. The local communities blame CNL including (other IOCs) and the FGN for not implementing and /or innovating safer ways to

Chapter two

manage the deplorable state of the environment. According to EGASPIN (2002) handbook, an environmental management plan is vital for EIA. After assessing and prioritizing the key impact assessments, a management planning team is set up to arrange an aspect register to help identify and discuss the management and/or implementation of commitments to stakeholders. This contrasts with Cashmore et al (2004)'s opinion that the value an EIA brings to a project "both to consent decisions and to project design, is generally moderate rather than substantial" (p. 291); and that it is not surprising for "decision makers to circumvent EIA mechanisms where this is convenient... it is common for the findings of EIA to be marginalized in favor of other considerations, such as non-environmental objectives and political factors" (Wood, 2003, p. 239 as quoted in Jay et al, 2007, p. 291).

EIA is a mandatory requirement to be met before the issuance of oil drilling license in Nigeria for major capital projects (MCP). According to CNL, MCPs are projects in which the firm has a share value (the percentage in financial contribution and in revenue sharing in a project) of more than USD\$50 million in the CNL/NNPC Joint venture agreement. However it is obvious that despite CNL's in-house environmental management stewardship process ESHIA and the PI regulatory standards and guidelines, the environment is still ravaged by extractive activities. The question is therefore raised as per the veracity of these impact studies as well as the adherence and capacity of government to sanction firms when there are breaches. There appears ample evidence that DPR does not have strong oversight authority over CNL, mostly due to unavailability of the necessary tools to function effectively. For example a DPR officer told me during interview that the organization does not have a helicopter which is needed for on-spot inspection of IOCs operations. He said they sometimes have to wait on the IOCs to provide

Chapter two

one before they can visit them for inspection. The following section, examines effectiveness of CNL's ESHIA process towards environmental sustainability in the ND.

Chevron Nigeria Limited Environment, Social and Health Impact Assessment (ESHIA) process.

As outlined in the introduction to this paper, ESHIA is Chevron's in-house environmental management stewardship process geared towards achieving environmental sustainability and development through its environmental performance standards, known as Operational Excellence (OE) for all CNL Project Development and Execution Process (CPDEP) (Chevron, n.d). This process informs CNL's "business decision making" (Chevron, 2009) through a consistent identification and management of potentially significant environmental, social and health impacts over a project's duration. Chevron states that its ESHIA process is beyond compliance to local regulations and standards, that is, the firm's environmental management process is more effective than Nigeria PI (Interview data, August, 2013), but it "must be aligned with local regulations and requirement for impact assessment-type activities" (Chevron, 2009). CNL's ESHIA process runs through five phases. These are;

- a) Screening
- b) Scoping:
- c) Impact assessment
- d) Stakeholder engagement and
- e) ESHIA management plan.

Chapter two

There is, however, an additional phase, the pre-screening⁹ process, but CNL states that this process is not formally required by regulation (Chevron: NMA n.d). The goal of ESHIA is to discover and manage environmental impacts whether positive or negative, on the host communities and their environment that may result from the firm's operational activities. In CNL, the environmental studies unit, under the Health, Environment and Safety (HES) department, manages drilling, development projects and the planning and execution of new exploration projects.

ESHIA Scoping process

The Scoping procedure in the ESHIA framework is a crucial phase in Chevron Nigeria Limited's operations. This is because Scoping is based on more comprehensive particulars indicated from the Screening process. This phase entails meticulous explanation of the potential impacts from a project, and plans for management and mitigation (Chevron, 2009) and intends to "identify and confirm the issues to be addressed in the Impact Assessment on the most potentially significant environmental, social or health impacts associated with the project; and defines the proper scale; planning and execution of the Impact Assessment" (Chevron, Scoping Report Instructions and Excerpts, n.d). This phase maps out all the needed information and approximate estimation of the Impact Assessment process. ESHIA process is based on the value of CNL's capital share in a project based on the JV agreement with NNPC. The size of the project determines if an extensive EIA is required or just an in house pre-screening and

⁹ The pre-screening phase in CNL's environmental stewardship process helps to detect whether a project may generate destructive and harmful impacts to the locals around the proposed site (Chevron, 2009).

Chapter two

screening. Whichever is the case, CNL must follow the requirements and standards laid out in the EGASPIN manual.

Scope of Work in EIA approval

An interesting and all important aspect of ESHIA Scoping process is the “Scope of Work” (SOW). This is a report that is sent to the federal ministry of environment (FEMev) detailing the Impact Assessment from the Scoping (Chevron, 2013). The ‘Scope of Work’ (SOW) phase is widely accepted and seen as the most important in EIA in both developed and least developed economies (Bisset, 1992). This is because it gives a detailed description of Terms of Reference (TOR). The TOR usually contains identified and confirmed vital issues; proposed methodology for the EIA; details of assessments; a schedule reporting layout; and focuses the Impact Assessment on the agreed key issues (Chevron, 2009). ESHIA addresses the existing conditions of which potential project impact can be measured and managed. Conducting the baseline assessment for ESHIA study takes at least 6-12 months and sometimes longer due to seasonality factors (Chevron, 2009).

Even though CNL announces its ESHIA Scoping Report will address social and health issues that may result from their operations, it categorically states “Chevron may wish to consider carefully prior to making any public disclosure of the company’s intent or commitments” (Chevron, 2009). This makes it rather speculative the degree of fairness of the process as observations suggest that the cost factor usually trumps other considerations during decision-making. This chapter reflects the unwillingness of CNL to volunteer information, on the backdrop of the pervasive confidentiality clauses permeating their corporate space. This is more so, considering Bisset’s (1992) indication that EIA reports are held with excessive confidentiality

Chapter two

and secrecy in least developed economies. The ministry's DPR and FMEnv and IOCs will provide copies of the formal EIA reports, at least in some cases, although they are frequently poorly done (as in Canada). Evidence from this chapter however shows that there appears a conspiratorial silence between CNL and the Federal Government when some key environmental benchmarks are not met, especially when it is mutually beneficial to both, to the exclusion of the host communities. Examples I observed at a joint EIA review workshop between CNL and the DPR included (1) the limitation of the fishery survey for a Major Capital Project, and (2) narrowing of the Scope of Work in the EIA.

In the case of the fishery survey, a CNL representative suggested that they will use a previous fishery study from another project. In the face of this clear inadequacy in the assessment, the DPR representatives appeared helpless and reminded the firm's staff that each project should have its own extensive study including a fishery survey (field work data, July 2013). Hence employing a study from another project should not be contemplated. Also, on narrowing of the scope of work, DPR officers noticed that the 12 gas pipeline slots they initially approved for the SONAM Non Associated Well development project had been reduced to 9. They pointed out that since the project is a MCP, the initial number of gas pipelines approved should be developed for the project. Upon further interrogation by the DPR officers, the project engineer from CNL informed DPR that the Federal government is aware of the adjustment. The DPR officers told CNL team that for record-keepings purposes they would have to forward their department the emails to keep on file. After the workshop, this research sought further clarification on both the fishery study and the alteration of the scope of work from a CNL staff who informed that "normally CNL does not drill all the wells it states for projects. For the SONAM Gas well project, CNL intends to drill 9 and then drill the remaining 3 in the future,

Chapter two

although this was not disclosed in the scope of work. These three, they claim are buffers in case they encounter error during drilling as it will help mitigate cost of such errors. (Oral interview, 2013). The underlining reason for the non-disclosure this research however uncovers is that sometimes in the future CNL may drill the remaining 3 wells without recourse to DPR.

The scoping process of CNL ESHIA appears very organized with assumptions that the right thing will be done. That is, the impact assessment will be carried out and social, environmental and health impacts will be mitigated or minimized. Yet at the same time, CNL states that in expanding and analyzing various options for feasible alternative mitigation measures, it will select options that will raise the maximum economic value for the firm. It won't be surprising then, that in a bid to maximize profit they may be willing to avoid operational and sometimes environmental costs to achieve its business goal.

Contesting the Scope of CNLs EIA

A principal aspect of EIA credibility and acceptance is the broad spectrum of stakeholders that make input and are agreeable to not only the content of EIA report, but also the effectiveness. The primary victims of pollution are those domiciled in the ND, followed by the larger society, which in one way or another is affected by the consequences of environmental damage. It therefore behooves IOCs like CNL to inculcate the expectations of the greatest number of participants, as that gives legitimacy to the process. Public participation in EIA decision-making is a very important criterion for natural resource and environmental management (Booth and Halseth, 2011; Schusler et al, 2013; Webler et al, 2001). This is because it “encourages the promotion of deliberative and collaborative approaches to planning and decision making processes (Morgan, 2012, p.8). Part V111: section 7.1.4.2 of the EGASPIN

Chapter two

handbook states that “workshops and/or public forum by experts shall be conducted by the proponent to consider the EIA report prior to obtaining an approval or environmental permit at the discretion of the Director of Petroleum Resources”. Data gathered during field work showed that in the ESHIA process, a public hearing after an approved EIA report is not organized by the firm, but by the Federal Ministry of Environment (FEMev).

Upon completion of an EIA, the DPR sends copies of the approved report to the FEMev. The FEMev publishes the report for the public to read and make comments. This phase lasts for 21 working days after which a public hearing is organized. At the public hearing, all stakeholders including professionals and of course the communities are expected to attend. Based on data from interviews I conducted for this chapter with participants at a public hearing, I argue that apart from a few professionals in attendance, the average participant is not sufficiently literate or technically equipped to proffer alternative suggestions, because of costs involved in alternative research. This therefore creates the need for greater awareness as well as funding for organizations to conduct independent research on EIA for specific projects. CNL, on the other hand states that its ESHIA report is an “internal Chevron process and as such documents are not made available to the public, unless it specifically decided to do so” (Chevron, 2009) for comments. I find this rather ambiguous, because CLNs EIA assessments seem to be made with minimal public participation (PP) from the cluster of communities that bear the potential consequences of flawed EIA process. There have been extensive research findings (see Bravante and Holden, 2009; Kakonje, 2006; Olokesusi, 1992) on public participation as a procedural weakness in EIA processes in developing countries as well as in developed economies.

For EIA framework to be effective, all parties involved including the government, IOCs, Supervisory agencies, indigenous communities and social movements must work in tandem

Chapter two

towards the overall success of the process. This means that the process must be seen to be transparent and inclusive. The regulatory agencies must be adequately equipped to monitor the process from inception to the period when the exploration and production is done. As such, they should be the party that is held liable if the process is flawed, and should therefore be constitutionally empowered to sanction the IOC when necessary, independent from political interference. The qualification and integrity of the consulting firms chosen to conduct EIA studies must not be in doubt. The EGASPIN handbook states that, “EIA consultants and reviewers shall be competent and shall have attended prescribed courses in principles and practice of EIA process and Environmental Management, relating to the determination of the feasibility of projects” (Part V111: 3.3.2). Yet on the contrary, evidence from the joint CNL/DPR EIA review workshop attended during my fieldwork showcased an inefficient EIA consulting firm. For example, after presentations of the EIA report from CNL project engineer and the consulting firm, DPR officials asked the consulting firm which EIA Evaluation Model and Metrics was used to arrive at their decision, to which he could not name one. EIA evaluation metrics and models are measures and/or techniques used to describe, review, summarize and explain the impacts of the proposed project to health, social, cultural and environmental aspects of the communities living within and around the project sites (Interview at DPR, August 2013). The lack of response to this crucial question made the DPR officials question the authenticity of the interdisciplinary team listed on the report. One of the DPR officials asked the consultants if actually those ‘subject matter experts’ listed truly conducted the EIA study. My observations here square with the work of Akpomuvre (2011) who states that IOCs influence the Environmental Impact Assessment (EIA) system by awarding EIA studies to inefficient but

Chapter two

influential consultants, who turn in poor and unsatisfactory reports to fulfill DPR requirements (p. 205).

Another troubling observation was that CNL's environmental studies team could not answer the above question that had been posed to the consulting team. Normally one would expect that when an EIA study is contracted out, the firm should inspect the project to be sure all standards and measures be met. Rather they seemed more concerned for the DPR to approve the EIA report for the next level of action. Here I noted a conflict of interest in the environmental consulting companies that carry out environmental assessments EA. The hiring process of EIA consultants must be above board. IOCs are known to always look out for quick fix ways to address environmental issues rather than dealing with the main cause. They sometimes hire environmental consulting firms whom they fund. To show reciprocal favor these consulting firms often do the bidding of their benefactors. At the end of such EIA outcomes, they make public disclosures that appear transparent, when actually they may not be. As a result, Slack (2012) mentions that these EA consulting firms should be properly trained in EA process. He concludes that such reciprocal behavior from EIA consultants often save costs for corporations that use them and also assures the agencies of more jobs and also referral to other firms (p. 181).

At this EIA workshop, I also observed that costing of the project was shrouded in secrecy. Though the Scoping report is supposed to have a cost estimation stated, the project's estimated cost was not divulged in the review workshop. The firm's representative stated they could not do so because no estimated amount has been agreed upon internally within the firm's management as yet. They alluded to the fact that it is a MCP (Ethnographic observation, 2013) and presumably, cost estimation information is included in negotiations with government based on the JV agreement. To indicate the significance of this, Slack, (2005) contends that IOCs

Chapter two

frequently trivialize or avoid explaining the costs of their operations and their impact on the host communities and their environment, while exaggerating the opportunities the project will generate (p. 180).

Another limitation of EIA is that it does not seem to achieve the desired effect for which it is carried out. To most observers, the process is not effective because pollution is still pervasive and IOCs seem helpless in restoring explored sites to their original form (Jay et al, 2007). The challenges of environmental restoration are not only addressed through direct clean-up, but might necessitate the planting of enzymes that will initiate the restoration of the ecology. These processes are very expensive and time consuming to carry out, making it imperative that IOCs carry out credible studies that will alleviate or prevent environmental damage.

In the case of CNL's EIA, the efficiency of the survey tends to be defined by the scope of the study. A project's importance must be relative to how it benefits all parties involved and not be predicated on financial considerations alone. This is a view shared by Jay et al (2007), when they state that sometimes EIA might result in the stoppage of a project, as the effectiveness of an EIA should prove how much cost versus benefit it has for the environment and on the lives of those living around the proximity (p. 288-290). As revealed during interviews for this chapter, when there is a foreseen major impact from a project to communities or marine life, such projects are rerouted. That is, the firm would avoid impacts if possible or come up with safer and lesser impactful alternatives. For instance, CNL may re-channel an oil pipeline that would have initially gone through residential or water courses via a safer route (Oral conversation, with a CNL staff, September, 2013). In practice, this is not always so, because CNL and other IOCs exert influence to get their way, if a project is crucial to their corporate interest. Suffice it to say

Chapter two

that for Chevron, scoping EIA appears an administrative requirement, rather than a procedurally mandatory or meaningfully-fulfilled requirement for the approval of projects.

In analyzing government's oversight of environmental assessment, this section takes into account the overwhelming influence of the company both locally and globally. Considering DPR is set up to act and take decisions on behalf of the government concerning environmental regulations in the oil and gas industry, data gathered during field-work shows the agency does not seem to practically wield the autonomy to take certain decisions when the need arises. As such, do the regulatory agencies such as DPR have the authority to enforce the regulations associated with EIA that the state officially assumes? An example of how the DPR's work is being reinforced is the creation of two new regulatory bodies in 2007 to monitor oil companies following pressure from the general public, and the oil communities. The two new regulatory agencies are the National Oil Spillage Detection and Rapid Response (NOSDRA) and the National Environmental Standards and Regulations Enforcement Agency (NESREA) (Ojo, 2012). These are independent agencies under the Nigeria Federal Ministry of environment. However, like the DPR these two new agencies face the same challenge of not having the financial and technological capability to carry out the tasks they are set up to do (Ojo, 2012, p. 15).

These new agencies are meant to carry out independent studies through their agencies to ascertain the integrity of environmental assessments (EA) carried out by IOCs. But I would argue that the duplication of this function which should normally be that of the DPR is an indictment on the political class. It will appear more expedient, if host communities are statutorily mandated to carry out their own survey, with an independent body set up to audit the surveys for major capital projects. Organizations such as Environmental Rights Action (ERA)

Chapter two

and other environmental NGOs do occasionally carry out independent studies it must be pointed out.

Political interference from elites and political class in Nigeria is another challenge facing effective implementation of the EIA process in the ND. Many politicians, private business entrepreneurs and traditional rulers have high stakes in the Nigerian oil industry, with some owning oil blocs. Nwajiaku-Dahou (2012) bemoans that revenue from the owning of oil blocs, a new form of acquiring contracts, is the new money making platform for politicians, business men and women and top military personnel (p. 298). This opportunity to directly access oil money is a disincentive to the above listed elites of the country to fight for redress for local ND communities demanding for amelioration of their suffering and for environmental justice. Consistent with this fact, the influential elites in Nigeria perpetuate these acts of exploitation for their selfish ends. All these behaviors support the “functioning of an intensive machinery of rent seeking and political patronage (p. 119). It is pertinent to stress at this point that political influence in EIA process, as posited by Broad (1995), is not necessarily a display of failure in policy and decision making in both the state and IOCs, rather it is an evidence of political influence in the management of natural resources for the benefit of those who control the state (p. 331). But this underlines a key point revealed in this chapter: most decisions taken by government are not motivated by the common good of society, but by embedded economic and political interests.

Conclusion

My observations of the CNL/DPR EIA review workshop indicated that there are limitations in the scope of work of CNL’s ESHIA process. Also problematic is the firm’s use of

Chapter two

inefficient for - profit environmental consultancies for EIA studies. EIA studies, this chapter argues, appear more as an obligatory and administrative procedure and neglect key points that need more attention and study. CNL has to prove by its actions and decision making, and not just by statement, that it does not operate double standards in its business dealing in Nigeria. Instead, CNL tends to influence the effectiveness and scope of coverage of EIAs they commission, as evidences from this study support. Comprehensive EIA of a green field (new oil fields) should involve demonstrating how the input from EIA is incorporated into projects design, methodology and philosophy. This chapter however argues that beyond the issue of cost, a refusal to carry out a fishery study should affect the approval of the project by the regulatory body. In the example I observed, this flaw – the lack of a fishery study- diminishes the integrity of CNL’s ESHIA and contradicts the claim in its handbook that the advantage of ESHIA in EIA is to help avoid accusations of “inflicted harm on the environment, public health or socioeconomics ... by documenting Chevron’s reasonable and best efforts to ascertain and mitigate potentially significant impacts” (Chevron, 2010).

This chapter shows that in order to minimize spillages, the life cycle of pipelines should be reviewed, as that would be more beneficial in the long term than having to shut in and incur huge production downtime. The life span of pipelines should be inculcated in EIA reports, and should factor in varied terrains and propensity for willful rupture. Considering the capital outlay required for laying new pipelines, reciprocal contributions between the IOCs and Nigerian state is recommended.

Chapter three

Implementing transparency and accountability in Nigeria's Petroleum Industry

Introduction

It is impossible to engage the realities of poverty, environmental depletion, and inequitable distribution of 'petro dollars' in the Niger Delta of Nigeria, without tackling the issue of deep seated corruption, inefficiency, and mismanagement of natural resource revenues by government officials. There is an overriding consensus that the tendency within capitalism to pursue profit under globalization has been exploited by Chevron Nigeria and other IOCs, especially in countries with weak state structures like Nigeria. Corruption in Nigeria many believe should be viewed from the historical perspective of governance post-independence (Karl, 1997). The atmosphere of impunity of the political class is a hangover of successive despotic regimes that ruled the country through military coups. I argue in this chapter that although Nigeria is a member of Organization of Petroleum Exporting Countries (OPEC), generating huge revenue from the venture, it unfortunately has failed to utilize its crude oil revenue as an engine for sustainable development. The fixation of Nigeria elites on 'oil', to the exclusion of other economic resources, has negatively affected the potentials of the country. The groundnut pyramids of the Northern region and the cocoa produce of the western region were neglected with the discovery of crude oil in commercial quantity.

This chapter identifies two challenges facing the achievement of sustainable development in Nigeria. The first includes corruption of government officials, weak democratic regimes, mismanagement of funds, and dysfunctional state institutions that foster deficiencies in policy guidelines and their implementation. The second concerns how foreign dominated oil companies operating in the Niger Delta capitalize on and take advantage of the vulnerabilities in the system

Chapter three

deepened by the first challenge. For example, Chevron Nigeria complains that the failure of the Nigeria State to cater for its citizens, especially in the Niger Delta, is why its corporate social responsibility (CSR) efforts are seen as inadequate and incommensurate. This chapter argues that the government has not created an enabling environment for CSR to flourish in the ND.

Government's lack of political will shapes conditions that make corporate social responsibility programs ineffective. The chapter concludes that commitment to sustainable development in Nigeria and the Niger Delta particularly has to come from integration of both state government and IOCs.

The disparity in the scale of development in OPEC member countries seems very huge, based on each country's Gross Domestic Product (GDP). Merriam Webster online dictionary defines Gross Domestic Product (GDP) as the "total value of the goods and services produced by the people of a nation during a year not including the value of income earned in foreign countries" (Merriam Webster Dictionary, 2014). From OPEC data, here's a look at the Gross Domestic Product (GDP) per capita of some OPEC member countries- Algeria's GDP is \$ 5,204; Libya \$12,777; Venezuela \$12,956; Saudi Arabia \$24,911; Iran \$7,173, Qatar \$108,458, and United Arab Emirates (UAE) \$45,726. The GDP per capita of Nigeria is \$1,535 (OPEC 2014). This is low, primarily due to corruption and mismanagement of resources. A small percentage of the country controls the nation's economy while the greater majority wallows in poverty. With this in mind, in the following section, discussions are centered on how crude oil has become ruinous to Nigeria especially to the ND. Focus is given explicitly to how corruption, dysfunctional institutions, and weak economic and political policies have played a pivotal role in the poor development and insufficient availability of basic social services for Nigerians, despite the amount of revenue generated from oil trade.

Chapter three

Part one of the discussion explores three factors responsible for Nigeria's failure to utilize its crude oil revenue as an engine for sustainable development. The first is the consideration of Nigeria as a rentier state and its inability to maximize the power and opportunities that come with the oil industry. This consideration takes into account, the influence of colonialism/imperialism. Second, is the examination of how corruption has become endemic in the nation's PI, resulting in stifled development. Thirdly, I analyze the following measures towards revamping the Nation's oil and gas industry, a) Nigeria Extractive Transparency Initiative (NEITI), and (b) the proposed Petroleum Industry Bill (PIB).

Methodology

This chapter is centered on critical review of a number of websites and relevant documents cited, including; International Monetary Fund (IMF), Nigeria National Petroleum Corporation (NNPC), Nigeria Extractive Industry Transparency Initiative (NEITI), Publish What You Pay (PWYP), Sahara Reporters, Transparency International, United States Energy Information Administration (US EIA.gov) and Environmental Guidelines and Standards of the Petroleum Industry in Nigeria (EGASPIN). This is supported with structured interviews and personal communication with Chevron Nigeria Limited staff, the Department of Petroleum Resources staff and CNL's liaison officers with National Petroleum Investment Management Services (NAPIMS).

Colonialism/Imperialism. What role?

As per the insights of dependency theory in chapter one, the systemic influence of colonialism and imperialism have festered in the affairs of Nigeria. Ojakorotu (2008) states that, "colonial legacies lurk at the background of the crises in the Niger Delta: specifically we are

Chapter three

alluding to the inability or unwillingness (or both) of the colonial administration authorities to address satisfactorily the issues of the Nigerian minorities” (p. 94). Colonization had a huge effect on leadership in African countries. As a matter of fact, Botchway (2011) points out that not only were colonial administrations in Africa concerned about having access to Africa’s natural resource with no intention of reinvesting the income in Africa, they also survived on these rents and didn’t take lightly any opposition to this fact (p.11), a problem that lives on in contemporary ‘corruption and inefficiency’. Whereas inefficiency in participating in local commerce during the colonial era is not an acceptable excuse, it is indisputable that European colonizers did not prepare early African leaders or their successors for the proper handling of political, economic, insecurities and other issues of state governance. This type of oppressive and inadequate governance is what Nigeria leaders was exposed to prior to independence and the type of leadership they understand (Botchway, 2011).

The nation’s oil is very important to both the state and the IOCs. They both rely on maintaining the flow of income and undisrupted access to the crude oil and are willing to sever any obstructions. At the same time, they shy away from reinvesting the oil wealth to the detriment of the area’s development. The dependence on oil gives both state and corporations’ hegemonic power and influence that ultimately fuels unchallenged domination. Pfiffer and Salancik (1978, p. 26), proponents of the Resource Dependency theory, believe that for an organization to sustain itself, it needs to preserve and guard its partnership with the relevant group(s) that grant it adequate assistance and raw material (resources) for its continuous survival. In this context, CNL and the Nigerian government create loopholes to ensure that each other’s goals can be achieved via the JV agreement.

Chapter three

Colonization left unsustainable impacts in colonized states, specifically in their environment. One of such in Nigeria is the aspect of disjuncture of the ND people from their environment. CNL's alterations of the environment corollary to advancement of their Western ideals and principles, and their double standard dynamics that marginalize indigenous communities, is still ongoing. Considering the weak internal democratic composition and domination by one political party, the president and his cabal are prone to be autocratic, even in addressing the environmental and socioeconomic issues of the ND. Nigeria, being one of the periphery (least developed economy) countries, is "vulnerable to capricious executive decisions and corruption unchecked by other branches of government" (Wermuth 2003, p. 148). In Nigeria's oil and gas industry, Crawford (2006, p. 402) grants that since government officials, politicians and the IOCs are often held liable by the public if they act contrary to promises they've made to them, they should be held accountable for misuse of state. This does not seem to be the case in Nigeria, considering the recent media coverage over missing funds from oil revenue. An atmosphere of pervasive hopelessness, seem to be the lot of the majority of the population at the lower end of the economic spectrum.

Despite over fifty years of oil exploration, exportation, trade and contact with developed countries, there is not much to show for it. Dependency theory considers how imperialism and international expansion by powerful developed countries maintain underdevelopment in less-powerful countries (Wermut, 2003 p. 47). Elements of this theory classify countries in the World System as periphery, core and semi-periphery (Wermut, 2003). In its initial incarnation, Nigeria as many former colonized states, was classified as periphery. This classification reflects a country's socio-economic situation, which in turn affects their quality of living standard and development. Nigeria is usually classified as a portion of the 'periphery'. Political instability,

Chapter three

poverty and insecurity are the major problems that many formerly colonized states experience. Nigeria today exhibits major dependence on one industry, the oil and gas sector, a low standard of living for a majority of its citizens, high potential for ethnic and class conflict, lack of basic social services such as: clean drinking water, constant electricity, good educational systems, adequate health care delivery and security. This is thanks to repressive and corrupt politicians and governing agencies (interview data, 2013).

Corruption: An obstacle towards sustainable development in Nigeria

Corruption and mismanagement of funds have been noted as the main obstacle towards¹⁰ sustainable development in Nigeria (Obi, 2010; Okogbule, 2006, p. 93, Oko, 2002). Accordingly, the Supreme Court of Nigeria unequivocally admits that it is a

Notorious fact, that one of the ills which have plagued and are still plaguing the Nigerian nation is corruption in all facets of our national life. It is an incontrovertible fact that the present economic morass and or quagmire in which the country finds itself is largely attributable to the notorious virus, which is known as corruption (quoted in Amao, 2008, p.86)

In recent times there have been instances of missing oil revenue funds. The ongoing altercation between the Central Bank of Nigeria (CBN) and Nigeria National Petroleum Corporation (NNPC) has brought to the national consciousness the endemic nature of corruption. Oil revenue is remitted into the Federal Government's accounts via the Central Bank of Nigeria (CBN). Various sources reveal that the current feud between these institutions is premised on the

¹⁰ The Central Bank of Nigeria Act of 2007 has the mandate for the entire management and administration of the “monetary and financial sector policy” of the Nigeria federal government (CBN, 2006 – 2011).

Chapter three

Governor of Central Bank of Nigeria (CBN) noting that about \$20 billion out of \$67 billion of the nation's oil revenue from January 2012 to July 2013 was unaccounted for (for more details see- This Day Newspaper, June 2014; Business Day, June 2014; Sahara reporters, February). Behaviors such as this have shaped Nigeria's economy and politics, reflecting how a state's economy shapes its governance institutions. Transparency and corruption indices which assess the performance of the indexes in oil and gas industries, like the EITI and those produced by Transparency International, incorporate factors like political interference, accountability, information disclosure from companies', as well as adherence to the legislation or corporate best practice into their analyses.

Efforts towards transparency and accountability in Nigeria's Petroleum Industry.

In a bid to intensify the management, regulation and monitoring of Nigeria's Petroleum Industry and revenue generated, this section discusses measures the Nigeria government employs to responsibly manage challenges and address mismanagement of funds associated with the PI. These are; the Nigeria Extractive Industry Initiative (NEITI), the Petroleum Industry Bill, and Corporate Social Responsibility Bill. According to the Extractive Industry Transparency Initiative (EITI source book 2005), the EITI was announced by former UK Prime Minister Tony Blair at the World Summit on Sustainable Development in Johannesburg, September 2002. The initiative is to encourage IOCs and host oil rich countries to practice a high level of transparency and accountability (publish what they pay for oil exploration contracts, and the government publish receipts of oil funds) in the contractual and financial exchange they are involved in. This is to allow sustainable development and in the long run reduce poverty.

Chapter three

Nigeria Extractive Industry Transparency Initiative (NEITI)

NEITI is one of the main anti-corruption strategies adopted towards reforming Nigeria's Oil and Gas industry. It is Nigeria's version of the Extractive Industries Transparency Initiative (EITI), a global undertaking steered towards guaranteeing oil wealth advances sustainable development in the nation especially in the oil rich regions (NEITI, 2014). The National Stakeholder Working Group within NEITI makes policy guiding NEITI as a contribution toward sustainable national economic development (NEITI Strategic Plan 2013-2016). The agency has both national and global mandates (Ahmed, 2012). Information gathered from the agency's database shows that on the National level, NEITI is mandated by law to promote transparency, due process and accountability in the management of Nigeria's oil, gas and mining revenues. On, while on the Global level, it is mandated on a regular basis to balance and publicly release payments and government receipts from transactions between governments and IOCs (Ahmed, 2012). NEITI was initiated in February 2004, and legalized through the passing of a NEITI bill upon approval by both legislative arms of the Nigeria government. The Bill was signed into law by former President Olusegun Obasanjo on May 28th, 2007. This made Nigeria the first EITI implementing nation with a legal framework for its operations (NEITI, 2014).

NEITI's mandate is carried out through reporting of financial audits of Oil Corporations; simplifying audit reports for easy viewing and assimilation and widely distributing them for public awareness. The agency also proffers solutions on how to address gaps and flaws detected in the management and administrative sectors of the PI (Ahmed, 2012). Corrupt practices intensified the urgency for improved transparency and accountability and the need to encourage

Chapter three

foreign oil corporations and NNPC on behalf of the state, to be socially and economically explicit in their contributions to the host nation's economy. Even though NEITI expresses its efforts at addressing corruption, publishing financial audits of extractive industries and NNPC, its involvement in promoting and encouraging governance and transparency in oil revenue among oil producing companies needs to be reinforced.

In Nigeria for instance, until recently, the revenue accruable to government from oil sales and from taxes paid by CNL and other IOCs was shrouded in secrecy. Not only is the federal government involved in mismanagement of funds and lack of accountability, but also CNL (Banwo, 2013). According to Kolawole Banwo of News Diary Online.com (2013) in 2006 former President Obasanjo ordered “the recovery of \$340 million in short falls from data extracted from Tax returns filed with the Federal Inland Service from . . . Chevron Nigeria, Mobil, Nigeria Agip Oil Company. . .” Likewise, a tax study carried out by Publish What You Pay Norway, showed that Chevron is the most opaque company in the world, with 62% -47 out of 77 of its subsidiaries - in ‘secrecy jurisdiction’ (PWYP Norway, 2011. p . 25). Though Nigeria is not one of Chevron's subsidiaries registered in what are called ‘secrecy jurisdictions’¹¹, the report underlines that “Chevron's role as a major actor in sub-Saharan Africa is a cause for concern . . . given its status as the most opaque major EIC” (PWYO Norway, 2011) in the study.

NEITI data is based on financial and physical audits carried out by Hart Group, United Kingdom (U.K), alongside other local Nigerian auditing firms. These audits reconcile details of

¹¹ Secrecy jurisdictions provide facilities that enable people or entities to escape (and frequently undermine) the laws, rules and regulations of other jurisdictions elsewhere, using secrecy as a prime tool.

<http://www.financialsecrecyindex.com/faq/whatisasj>

Chapter three

corporate payments and government receipts. These measure the actual flow of oil, gas and refined products for accuracy (Ahmed, 2012). Nevertheless, in her presentation to the International Monetary Fund Mission in 2012, NEITI Executive Secretary, Zainab Ahmed outlines the following findings from audits carried out in Nigeria's oil and gas industry:

- a) The actual quantity of oil produced in Nigeria is not known
- b) Some sections of Nigeria's Petroleum Profit Tax (PPT) are not made known.
- c) Interpretation differences exist between NNPC and the Production Sharing Contract (PSC) agreement between the state and individual IOCs
- d) A conflict of interest exists in NNPC's position as both the buyer and seller of the nation's oil, which results in loss and unaccounted funds.
- e) Because the government does not fund its agencies adequately, the agencies lack skilled personnel, advanced information technology equipment, and the capacity to operate on the same level with the highly sophisticated IOCs.
- f) There is discrepancy when accounting for Signature bonuses receipts – that is, payments made by the IOC to the FGN upon initial signing of an oil exploration contract (Ahmed 2012, p. 23-24).

These revealing institutionalized flaws seem to have contributed to the in depth challenges faced by the state in its efforts to promote economic growth and development. Based on these reasons, it is important that the international body (EITI) supports and enables NEITI through global regulations and laws, so it is better equipped in its investigative and monitoring prowess. It is assumed that shortfalls such as the aforementioned breed Secrecy Jurisdiction

Chapter three

centers that are known to “provide financial environments that allow lower tax regimes, offer anonymous bank accounts, keep records and beneficial owners of commercial activities secret and criminalize the divulging of information related to financial transaction involving individuals and foreign companies” (News Diary Online .com, March, 2013). This makes accountability difficult, as secrecy capacitates “commercial trade mis-pricing and tax evasion” (ibid). By implication, evidence gathered during my interview session with the liaison officers between CNL and NAPIMS revealed that although CNL’s value share (the amount CNL contributes to a project and what it gets in revenue sharing) is 40%, and NNPC’s is 60%, in reality, CNL ends up having off paper 80% value at the end of a project, that is hidden profits. One of the interviewees said “these guys” referring to CNL “are very smart during weighing and loading of the product for export” (interview, August, 2013).

Although there are several positive efforts from NEITI in addressing transparency and accountability in the industry, there are also cases of inefficiencies. Prominent among them is the huge political interference; inability to divulge IOCs’ “transparency clauses, cost of all investments (including those relating to exploration and) . . . the total sum actually paid in respect of the taxes” (Banwo, NewsDiary online, March, 2013). It is important to realize that revisiting the historical emergence and creation of Nigeria’s leadership regimes is crucial in arriving at the best means to revamp the nation’s oil and gas industry. This is because various governing bodies, regulatory agencies and institutions commenced in such manner that the government has a great influence in their decision making. For instance Karl (1997) explains that when “historical origins of institutions” are ignored, it “reduces the range of decision making, rewards some forms of behavior more than others, and shapes the preference of policy makers in the future” (p. 9). The decision making process of Nigeria’s governing body seem not

Chapter three

to be considerate of the basic needs of the average citizen. To address the challenges and shortcomings in revenue management and investment associated with Nigeria's Petroleum Industry, the PIB, a new state regulation, was created.

Nigeria petroleum Industry Bill

The idea to overhaul Nigeria's oil and gas industry through the Petroleum Industry Bill (PIB) started towards the end of 2008, after a recommendation from a presidential committee set up by late president Umaru Musa Yar'Adua. The restructuring of the country's major source of revenue, the oil and gas industry, - is meant to boost Nigeria's chances of becoming one of the most industrialized economies by 2020 (NEITI, 2014). The Bill intends to increase the chances of actualizing this dream by improving on the industry's capability to be more efficient, transparent in all its dealings (revenues, investments) and to demonstrate greater increase accountability and corporate governance. The proposed Bill also intends to boost chances for its local oil and gas companies to rival the foreign oil companies that currently dominate the industry. The Bill has been under intense review since it was sent to the National Assembly for consideration (Daily Independent, May 2014). The aim of the PIB Bill as outlined in the proposed Act is to increase chances for sustainable development in the country. It is noteworthy to point out that however laudable this Bill appears, issues of political interference have to be addressed if the envisaged outcome is to be achieved. Are the industry and its officials ready to be accountable, transparent and sincere in achieving the set goals of the PIB? What do they intend to do differently, and will it have broad acceptance, considering ethnicity and other vested interests? There have been several reports of IOCs complaining that if this Bill is passed into law, it will cause more harm than good as the firms are especially opposed to tax increases and increased control by the Presidency and Minister of Petroleum (OilPrice.com, August 2013).

Chapter three

Due to ongoing deliberations on PIB, foreign oil majors are “loath to inject cash; because they do not know how much tax they will have to pay” (This Day Newspaper, August, 2013). The argument is that it will be a case of Nigeria “shooting itself in the foot” (OilPrice.com, August 2013), since the Bill will increase oil taxes and rents, deter new investors and frustrate existing firms (OilPrice.com, August 2013). Such threats from the oil industry are common in jurisdictions that seek to increase royalties, including Venezuela and indeed Canada. This challenge is also premised on institutionalized decision making processes that have a strong capacity to determine individual or group decisions at all times (Freeman and Hannan, 1977; Stouder and Newbert, 2007). In order to propagate the development led projects expected from PIB, “the government should acknowledge and take responsibility of its failure in managing the country’s wealth and development policies” (Cash 2012, p. 146). The objectives of the Bill include:

- a) Creating conducive business environment for petroleum operations;
- b) Protect health, safety and the environment in the course of petroleum operations
- c) Enhancing exploration and exploitation of petroleum resources for the benefit of Nigerians;
- d) Creating efficient and effective regulatory agencies;
- e) Promoting openness and transparency in the industry; and
- f) Encouraging the development of Nigerian content.

This Bill aims at ensuring the country has an upper hand in the management of its natural resources utilizes revenue generated from those resources for human and capital development,

Chapter three

and proceeds in developing other parts of the economy., e.g. agriculture, timber, solid mineral etc. The situation of Nigeria's reputation for corruption is employed by IOCs to critique its regulatory function and question the bill. To improve on transparency in Nigeria's PI, the Bill will ensure the industry observes and comply with the NEITI Act 2007.

PIB, NEITI, and Transparency issues: Is it feasible?

This section chronicles some public criticisms and concerns regarding the PIB and the potential challenges should the Bill be passed. NEITI states that its main areas of concern and which it hopes the PIB would improve upon are areas of National development, "protection of the operational environment, transparency, accountability and inter-generational equity" (NEITI, 2014). While agreeing with the intentions of the Bill, Uche Igwe, a visiting scholar at the Africa Program at John Hopkins University and a Public Policy Scholar at Woodrow Wilson institution, points out that in the NEITI Act (2007), a clause on transparency shows that "Section 14(a) of the NEITI Act states that disclosure of audit information will only happen if such information is not prejudicial to the proprietary interest and contractual obligations of the audited entity". With this clause in place, it seems the issue of confidentiality and transparency is not completely addressed by NEITI, if it gives room for loopholes it is supposed to address.

Next, some law makers from the Northern part of the country are against the 'Petroleum Host Community Fund' (PHC Fund), a clause in the Bill that "benefits oil producing areas" (Aidaghese, 2014) in the Niger Delta. The Host Community Fund if passed, will decree oil companies operating in the Niger Delta must remit an additional 10% funding for the development of the ND communities. The Northern region law makers and some analysts are of the opinion that the additional 10% funding allocation to the oil producing region is not fair to

Chapter three

all. This is because the ND already receives a 13% derivation formula allocation which is not being effectively managed and utilized (Diminas 2013; Aidaghese, 2014). The ND indigenes argue that the environmental, social and economic damage they endure due to oil exploration activities warrants such a clause in their favor. Another area of concern is that the PHC fund bill would award more discretionary and decision making power to the President and the Minister of Petroleum (Diminas, 2013 p. 3). This they argue will give room for continuous embezzlement of oil revenue.

Another crucial area of concern pointed out by critics of the Bill is omitting “improving on metering” (Igwe, 2010). A metering pump is “an instrument for measuring, especially one that automatically measures and records the quantity of something, as of gas, water...when it is activated” (Dictionary.com). If refer back to the NEITI audit mentioned above,¹² Zainab Ahmed, NEITI Executive Secretary pointed out Secretary of NEITI during her presentation to the IMF Mission in 2010 that Nigeria does not know the exact quantity of oil it produces. Accordingly, in restructuring the oil and gas industry, it would make sense for the PIB to make an improved metering system one of its core priorities, so as to address the findings of NEITI auditors. In order to propagate the development-led projects expected from the PIB, “the government should acknowledge and take responsibility of its failure in managing the country’s wealth and development policies” (Cash 2012, p. 146). The underdevelopment of the ND feeds into the notion of oil as a resource curse. Resource Curse from the perspective of sub optimization of national potentials in the Nigeria context is apparent here.

¹² Igwe U. 2010, points out that the Government of Norway had suggested technical support to the Nigerian government on acquiring and installing metering pumps at the nation’s flow stations. But IOCs have steadily repudiated this recommendation and good gesture.

Chapter three

Conclusion:

Linking corruption and challenges in effective implementation of CSR in the ND.

Mismanagement of funds and corruption this chapter demonstrates are contributory factors in the unavailability of appropriate social and economic services for Nigerians. The challenges of oil development in Nigeria, however, emerge from politicization centered on revenue management, allocation and control and the monitoring of crude oil resources. These challenges have shaped Nigeria's economy and politics, thereby buttressing the obvious that a state's economy shapes its institutions. This chapter also argues that the JV relationship allows Chevron Nigeria Limited (and other IOCs) and the Nigeria government whose responsibility it is to provide social services to evade their responsibilities for the ND people. There is a JV agreement between these two and they both try to protect each other's common interest in the partnership (Soremekun, 2011, p. 101 in Obi and Rustaad, 2011). CNL extracts oil that provides funds that run the state's affairs and these funds are used in part to oppress those outside of the circle of the ruling elite. The government, for its part continues to directly or indirectly defend IOCs through its weak environmental policies and militarization of the ND (Soremekun, 2011). This partnership has however, not allowed for the creation of an enabling environment for growth and development.

An enabling environment for the institutions, regulatory agencies and IOCs in Nigeria's PI is most crucial for sustainable development in the Niger Delta and in the nation at large (Ite, 2004; 2007). The enabling environment, in the context of this chapter, is a "policy environment that encourages (or mandates) business activity that minimizes environmental and /or social costs and impacts while at the same time maintaining or maximizing economic gains" (Fox et al, 2002,

Chapter three

p. 1). During data collection for this study, CNL reiterated that it is not its responsibility to provide social services for Nigerians, especially the ND people (Interview data, August, 2013). However, they've had to assume this position considering the weak role of the state toward sustainable development; and to be assured of the 'social license to operate' from the communities, following a series of disruptions to their facilities by the communities. It is to CNL's attempts to address this problem that we turn in the next chapter.

CNL's Global Memorandum of Understanding (GMOU): A critique

Introduction

This chapter argues that in contrast to the current approach adopted by Chevron Nigeria Limited (CNL), an all encompassing and effective approach to (CSR) would link CNLs (CSR) and environmental sustainability initiatives, since they work in tandem towards an effective developmental agenda of it's cluster of communities. In examining the effectiveness of CSR practice of Chevron Nigeria Limited, this chapter explores CNL's implementation of the Global Memorandum of Understanding (GMOU), following the firm's statement that 'funding is a function of Chevron's operation in a region' and that sponsorship and donor support activities are based on strict thematic focus and identified business goals (business case). That is, if it's not operating in a region it would not typically carry out community type projects (CSR) there. Chevron is the third-largest oil producer in Nigeria. It is one of the country's largest investors spending more than \$3 billion annually. However it is a fact that what is invested in the region does not justify the sometimes irreversible environmental damage caused to flora and fauna. Neither are projects transformational, considering the crumbling human and social development evident in the region. This chapter adds to the body of literature on developmental expectations of the ND; partnership-building; and policy blueprints for environmental restoration and economic empowerment.

To analyze the impact of CSR in the ND, this chapter examines Chevron's GMOU. Outlined in brief earlier in this paper, the GMOU is the firm's newest CSR initiative. I analyze the GMOU as implemented from its Stakeholder Engagement phase through the firm's Environmental, Social and Health Impact Assessment (ESHIA) process. This is to balance

Chapter four

attention to social and ecological impacts of oil extraction. The chapter is divided into three integrated areas- CSR/ social sustainability; environmental assessment; and the business case/license to operate, in analyzing CNL's corporate strategy on social sustainability and its Participatory Partnership for Community Development (PPCD). This is based on the following measures: equitable distribution of projects or programs, how it empowers the communities, influence in conflict resolution, dissemination and information sharing; creating knowledge and awareness, protection of the region's biodiversity and sustainable resource utilization of resources in a sustainable manner. The powerful influence of business interests and inequitable power/income distribution on resource exploitation and 'development' in the Niger Delta must also be recognized.

The argument in this chapter is based on qualitative research in three phases:

- a) Information on Chevron Nigeria Limited GMoU gathered through qualitative methods, including ethnographic observation and a weekly meeting with the department of Policy, Governance and Public Affairs unit of Chevron (the department that interfaces between CNL and the communities) over a space of two months in 2013; and also with inferences from structured interviews conducted within CNL.
- b) Content analysis of empirical documentation of CNL's GMoU reports and handbook.
- c) A literature review of GMoU in the Niger Delta.

The field work was carried out in Chevron Nigeria Limited in Lagos – Nigeria, from July – September 2013. It focused on the following questions:

- a) What are the dynamics around Chevron Nigeria Limited's GMoU structure
- b) How is CNL's GMoU utilized and distributed in the Niger Delta?

Chapter four

- c) What is the expectation (role) of CNL's GMoU consultants?
- d) What is the perception of the clustered communities of CNL concerning the GMoU, as their perception of this initiative will determine the long-term or short-term sustenance and effect of the model.

Chevron Nigeria's Stakeholder Engagement Process

In examining the GMoU, this section will first analyze CNL's Stakeholder Engagement process. Stakeholders often comprise a company's business partners, investors, employees, product suppliers, customers, governments, Non- governmental Organizations (NGOs) and the 'communities'. In the context of this chapter, the use of stakeholder refers to the Niger Delta communities from whose land/environment crude oil is extracted by Chevron Nigeria. CNL defines its stakeholders "as individuals or groups who can affect, or are affected by, or have a legitimate interest in the company's performance" (Chevron Stakeholder Engagement Guide, 2008, p. 1). Chevron states that the above mentioned agencies and entities also fall in its stakeholders group.

Chevron operates in five states (Delta, Ondo, Bayelsa, Imo, and Rivers) out of the nine states of the ND. It refers to the communities in these five states as 'clusters of communities'. The firm has two clusters of communities in Delta state, one in Ondo state, two in Bayelsa state, one in Imo state and two in Rivers state (data from weekly meeting at PGPA unit). Stakeholder Engagement is a vital part of the CNL's (ESHIA) process. The diagram below explains the engagement process.

Chevron Engagement Process

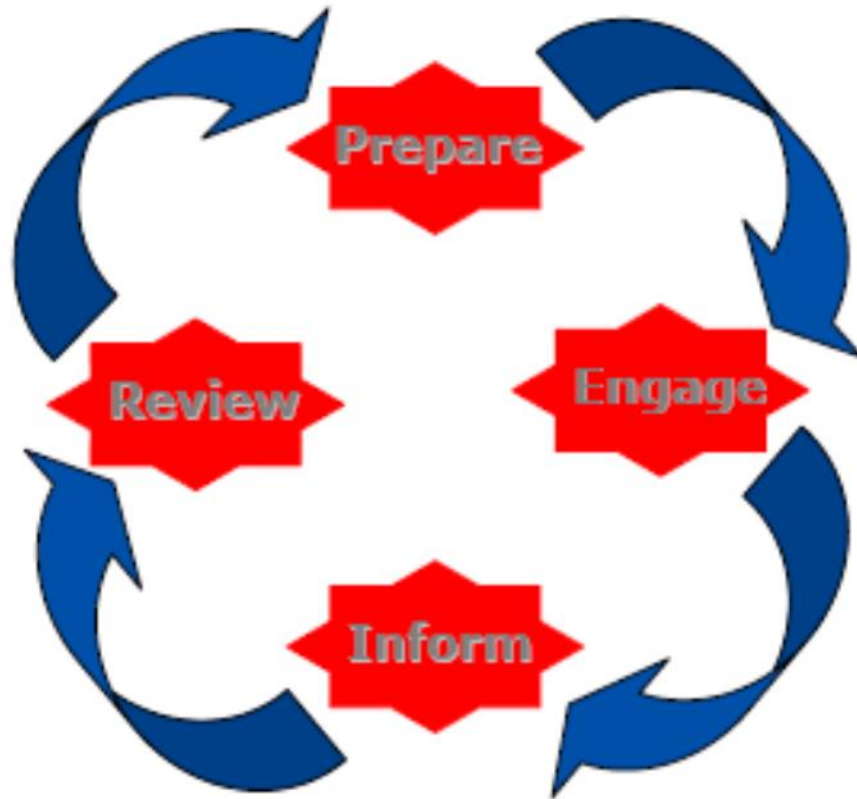


Figure 4: Chevron Nigeria Engagement process Source: Chevron Nigeria Limited 2008

The above diagram explains the four stages of CNLs *stakeholder engagement planning process*, which is the firm’s strategizing phase before it actually engages with a community. The first process (clock wise) is to prepare. At this stage the company considers and aligns the business gains (engagement objectives) with the objectives of the project. Then it considers the necessary resources the project would entail. These include ‘money, man power, training and expertise’ (Chevron, 2008). Once these are in place it gets to the second stage where it actually

Chapter four

prepares to engage. In this phase, the engagement team analyzes possible challenges such as cultural differences, identifies problems and examines possible management plans (Chevron, 2008). The third stage is to inform the stakeholders of the findings from analyses carried out. The result sometimes “could involve altering plans, introducing new proposals, or initiating another round of discussion” (Chevron, 2008, p. 8). The fourth and last stage is where the engagement is monitored and reviewed to ensure that the business objectives and project engagements set out at the first stage are being achieved (Chevron, 2008).

The department of Policy, Government and Public Affairs (PGPA) ¹³at CNL has the responsibility of interfacing with the communities. The department helps to integrate social ills, complaints from the communities, and opportunities into the operations, business activities and decision making of the firm. PGPA’s responsibilities are:

- (a) Striking an effective corporate-community relationship and creating trust through frequent meaningful communications with its cluster of communities (communities in and around CNL extractive operations states).
- (b) Supervising foreseen impacts that may arise from the firm’s extractive activities
- (c) Financing costly social projects, programs and partnering with the communities to encourage economic and social development in its cluster of communities

¹³CNL, through its Corporate Public Policy (CPP), reinforce the social impact/effect aspect during Environmental Impact Assessments and stakeholder/community engagement design for the firm’s major capital projects (MCP). Corporate Public Policy “builds the bridge between Chevron, stakeholders and communities”. Stakeholder engagement is an ongoing process from the onset of a project right through its completion (Chevron, 2008; 2009). This is because it allows the firm to negotiate with all interested parties in order to achieve its goal. This is, to carry out a successful and uninterrupted oil exploration and production.

Chapter four

(Chevron, Global Operations, n.d).

Examples of health and social concern that PGPA sometimes find challenging to address include: the emission of Hydrogen Sulphide (H₂S- a very poisonous flammable gas) during oil drilling, which can cause detrimental health damage. Other social concerns may arise for example due to water contamination during oil exploration, or high demand for water with the influx of people and business activities for the establishment of a project site. With that said the firm states that any specified orders from the state are mainly based on a 'project by project' basis, and that most of Stakeholder Engagement plan or design is recorded in the Scoping phase (Chevron, 2009, p. 11).

CNL's Global Memorandum of Understanding (GMOU) and issues of partnership:

Difficulties in community relations and participatory partnership in CSR community related development caused a shift from traditional corporate philanthropy to social investment (see Zalik, 2004; Macleod and Lewis, 2004; Ite, 2007; Idemudia, 2008). Zalik, (2004) identifies the shifts - from Community Assistance CA (1960-1997) to Community Development CD (1998-2003) and then, Sustainable Community Development SCD (2004) all under the banner of CSR. These engagements were not successful because there was no CNL- 'community relations' (Onabanjo, 2005, quoted in Alabi and Ntukepo, 2012), the communities did not trust CNL and there was no community participatory engagement in previous measures. Onabanjo, defines community relations as a "problem solving process and this involves strategic analysis of the problem, planning, taking action, and evaluating program effectiveness, inadequacies, or outright failures" (p. 44 quoted in Alabi and Ntukepo, 2012). CNL argues that the GMOU, has produced more success stories than its previous corporate- community relationship (Field work data,

Chapter four

2013). The following are some examples of socio-economic development initiatives in Chevron's Regional Development Communities (RDC's) as listed in the company's GMoU handbook. These developments, the company insists, promote and support long term development goals:

- a) Social infrastructures -water bore-holes, construction of road networks and bridges, housing, cottage hospitals, electrification, transportation, building of town halls
- b) Economic empowerment -provision of micro-credit
- c) Education -awarding scholarships etc.
- d) Health programs – Tuberculosis and Malaria awareness and treatment, HIV and AIDs, Roll back Malaria programs
- e) Arts and culture
- f) Organizational sponsorship – traditional rulers support, music etc.

Since its inception in 2005, CNL continues, its GMoU has generated approximately 200 projects in more than 400 communities, villages and chiefdoms and benefited some 600,000 community members (Chevron: Nigeria Fact Sheet, 2014; Chevron Corporate Responsibility Report, 2012)in response to increasing violence in the ND though often with limited sustainable impacts. This is the crux of the frustration of the ND people.

The implementation of the GMoU has its strong points (according to) Andrew Fawthrop, Chairman and Managing Director of Chevron Nigeria Limited (CNL). In his message in the company's 2012 Corporate Social Responsibility report, he highlighted key achievements of the company in the areas listed above. While to some of the communities these projects/programs

Chapter four

appear laudable, to others they remain uncompleted and are a band-aid solution. With these achievements in mind, CNL, hopeful that the GMoU represents a positive vision that is sustainable, felt the model should be more universal. They sold the idea to other oil companies including Shell, (Aaron, 2012; Zalik, 2011; 2012), Nigeria Liquefied Natural Gas NLNG (field work data, August 2013) and others.

Using data from Nigeria, some CNL staff from the ND expressed their anger and disappointment at the standard of the company's GMoU projects. According to one staff, "the company does not give sizable compensation, no viable infrastructure, and small amounts as scholarships funds The latter consist of 50, 000 Naira- Nigeria currency, (approx. USD \$300) for secondary school students (High school), and 150,000 Naira (approx. USD \$900), for University students" (Oral interview conducted 29th August, 2013). Therefore, this chapter buttresses one of the broader points of this paper, while CNL like most IOCs can play an important role in partnering with state government for the development of the ND.

Objectives of CNL's GMoU

Below are some of the objectives for the creation of the GMoU as listed on CNL's GMoU handbook guide:

- a) To build community capacity and ownership through high impact and sustainable community development projects that promotes social and economic growth
- b) To jointly promote a safe and secure environment within the community in which they can fulfill their development potentials and CNL can fulfill its business goals.

Chapter four

- c) To cultivate transparency and accountability into the governance of projects and programs by encouraging stakeholders to operate within the framework of the GMoU processes.
- d) To promote a harmonious relationship between communities and CNL
- e) To support the Regional Development Committees (RDCs) in their efforts to pursue peace and stability through effective conflict resolution processes.

(CNL GMoU handbook, n. d)

The GMoU Management Process.

For a smooth and integrated PPCD management plan CNL entered into agreement with eight RDCs, representing CNL's eight communities near the company's on-shore and off-shore areas of operation. The RDCs, work in alliance with the Project Review Committee (PRC) in planning and managing community development projects in their geographical areas, which is also rooted in a "sustainable livelihood assessment and project prioritization done at the outset" (CNL GMoU handbook, n.d). There is also the Peace review Committee who are on hand to ensure the communities maintain peace and harmony throughout the duration of any GMoU. This is explained further below.

Data gathered from field work revealed that CNL must have a business vested interest and the financial resources to determine which proposal should receive funds in any RDC. The issue of approving projects based on prioritization is a reflection of CNL's previous community assistance model. In previous community development assistance, CNL funded projects it felt the communities would prefer knowing that as providers of funds for CSR projects they also have the power to determine which project is funded. Therefore, CNL's CSR conduct aligns with

Chapter four

the notion that “the CSR philosophy is convenient for corporations as the approach shifts focus away from regulation” (Amao, 2008, p. 75). It is more cosmetic than effective, especially in the absence of proper environmental diligence in its assessment processes, as demonstrate in chapter two.

The stakeholders in this GMoU model are CNL, non-governmental organizations (NGOs), the Niger Delta Development Commission (NDDC), local and state governments and the communities. The state government is said to be there as an arbiter and umpire for fair play. This is rather curious as most of the development agencies and commissions set up by the FGN to address development in the ND have not been successful due to fraud, corruption and politicization of projects. Information gathered during field work reveals that budgets for GMoU projects for a particular period are generally negotiated and agreed upon by the participating communities. The funds are paid into an account of which all stakeholders are signatories. All stakeholders are then given Mandate Cards with specimen signatures which confirms they are signatory to the account. This (according to CNL) is said to ensure transparency and accountability (field work data, August 2013). The question worth asking is ‘does it? Additionally, through a clause ‘financial support is dependent on the communities not obstructing or blockading projects due to grievances’, means that recipients are constrained from using collective action to demand redress for pollution or other concerns. As such, to ensure ‘uninterrupted operations’, CNL releases ninety percent of the agreed fund at the outset of the project; the remaining ten percent is released at the completion of CNL’s operation in the area without disruption from the communities (oral interview at CNL, August, 21st, 2013). This according to CNL is used to checkmate the communities.

Environmental Assessment/sustainability

One of the measures I set out to analyze in CNL's GMoU is how it plans to protect the biodiversity of its areas of operation. So far, the environment remains on the backburner of the model. For example in the firm's Stakeholder Engagement Guide 2008 it states that in some or most cases while stakeholder needs may concern the "environment" or other pressing problems, those in charge of the engagement (CNL staff) should recognize that issues raised by community stakeholders "may not hold the same importance for the company" (Chevron Stakeholder Engagement Guide 2008, p. 4). Although CNL tries to portray a high level of compliance and credibility in its operations, its decisions and actions sometimes appears contradictory and self serving. A CNL staff interviewed accepted that "the greatest challenges facing the company, IOCs and the Nigerian government is environmental sustainability". He added that the company should "do more fishery studies, and that there are a lot of things CNL can do to manage strategic issues such as doing more on cleaning up and restoring legacy sites" (Oral interview, August 23, 2013). Since IOCs initiated CSR, it is unsurprising that they intentionally exclude the environment as it would cost far more to ensure environmental clean-up and preservation than it does to make the relatively small social investment (Darlsrud, 2006, p. 5) included its CSR policy.

Gains for CNL

As a business venture, CNL's core business objective laid out for the adoption of the GMoU is to gain and retain the 'social license to operate'. Hence the implementation, funding and sponsoring of community style projects is based on identified business goals (business case)

Chapter four

and social value to the communities. This it tries to achieve, by strategic and intentional corporate social investment notch in strong economic enhancement and self-sustaining engagements since employment rate is very low. For example, when a project is undertaken, CNL only supervises the contractors to ensure performance standards for the project. All other services that are needed (e.g. welding, fitting, rigging, logistics, provision of diesel, food supply, security, security boats, water supply etc.) are locally contracted to the three major ethnic groups (Ijaws, Ulaje's and the Itsekiris) by the Local Community Contractors (LCC) (field work data, 2013). The LCC is a part of the GMoU committee, and negotiates with third party service providers for any of CNL's project. While on my visit to CNL's Escravos Tank Farm in Delta state in August, 2013, I noticed the Farm's restaurant was serviced by local caterers from the communities around. Also, I met with a couple of community members working at the Escravos Tank Farm waste dump yard. These are some of the various income generating and effective local projects that provide employment for the communities (Field work data, 2013). Most staffs interviewed were of the opinion that since its inception in 2005, the GMoU, has been able to diffuse ethnic clashes, through equitable and mandatory awarding of social service provision contracts as mentioned above to the three dominant ethnic groups in each community.

GMoU: foreseen challenges

Difficulties related to the practical implication and implementation of the GMoU model pose a huge threat to its success. This is because of the powerful influence of business interests and inequitable power/income distribution related to resource exploitation and "development". For example, CNL's own documents reveal that while it values this community-corporate relation, "Chevron employees should be clear about the company's interests yet be willing to listen without making commitments when stakeholders focus on unanticipated or seemingly

Chapter four

extraneous issues” (Chevron Stakeholder Engagement Guide, 2008; p. 4). This cold business position appears at variance with how flexible the firm says it is willing to be in its stakeholder engagement.

Lack of information sharing, knowledge and awareness of signed GMoU projects, many local news reports have pointed out, are a major problem associated with CNL’s GMoU. Dissemination of information allows meaningful dialogue and negotiation. Therefore, for GMoU to be perceived as inclusive, it must provide widespread information on its projects in the communities, so they are equipped to make meaningful contributions at every stage of projects. Every group in a community should be respected and consulted. Most youths accuse the RDCs and community heads of not fully disclosing or sharing information about projects with them. They also blame the community elders of selling or awarding scholarships slots provided by CNL to their family members or friends (Interview conducted August, 29th, 2013).

Information gathered during my field work showed that many ND local chiefs and the chairman of the Regional Development Committee (RDC) are very excited and appreciative of CNL’s GMoU. They see the model as a promising channel for sustainable development for the region, encouraging the ND youths to stop oil pipelines vandalization and oil theft. On the contrary, Jike (2004) succinctly indicates that because oil in the ND now shapes the ‘traditional authority’, the ND youths have little or no respect and/or trust for the elders. The elders are seen as the “epitome of colossal failure” (p. 696). Oil in the ND has shaped traditional authority through formal and informal payments and initial negotiations with communities’ governing councils. Not only did Jike fault the influence of oil on ND traditional authority, but also Ikelegbe (2005), who maintains that ND community heads, chiefs and decision makers receive awards and gifts and as such their integrity have been compromised (p. 215). With this in mind,

Chapter four

the youths do not believe in any GMoU negotiations or agreements the elders or traditional authority reach on their behalf, due partly to lack of information sharing and awareness of most of these projects.

Similar to Jike's point, one of the prominent features during colonial rule was the use of traditional authority (chiefs, elders and community heads) as intermediaries. This method was employed to aid penetration and conviction of the communities in order for the colonizers to gain access to natural resources and other treasures they sought. Meanwhile, up to this present time it seems like the same access method is still in use indirectly by CNL through its GMoU RDC members. This method, according to, Faleti (2014) and Zalik (2012) appears to be strategically and deliberately chosen to allow them to pursue their own objectives and dictates while appearing sympathetic to local and environmental needs.

Recommendation and Conclusion

I believe that the GMoU has helped in reducing community related destruction as well as promoting proactive advocacy with relevant stakeholders in the ND. Although the GMoU program can be viewed as a hopeful and positive approach to sustainable development, it is important for CNL to reevaluate their operational standards in their host countries and host communities (Bhagwati, 2012, p. 5). CNL should understand the implications of being truly socially responsible. Linking funding to corporate operations in a region creates uncertainty and constraints in monitoring.

In my view, the GMoU should be designed to look beyond traditional philanthropy and lead to inter-organizational collaborations in adding value for sustainable development. This way Chevron can collaborate with research companies in areas of environmental restoration, public

Chapter four

health, etc. for a sustainable impact. This sort of proposed investment would be for much long term than the current community focused model. One suggestion would be that CNL should modify its GMoU implementation method by establishing and enforcing long and short term development agenda. It should expand its self-sustaining targeted investment at benefitting a larger number of people and encouraging transparency and engendering confidence in the process. It should review and improve the model towards greater accountability, encouraging creativity and research. The government should take responsibility of investing the country's petro dollars in human and capital development, giving grounds for GMoU to be effective and successful. Then it can make CSR a part of the industry law. Finally, environmental restoration and regeneration should be made mandatory components of CSR.

Nigeria's dependence on oil rents to the exclusion of other potential revenue sources, breeds corruption in the industry. The fixation on crude oil as the major revenue earner by the Nigerian government is not lost on the IOCs, who capitalize on it to circumvent certain aspects of the law with tacit approval of the government. This tends to frustrate efforts at the creation and implementation of effective measures for tackling the endemic poverty and lack of development in the ND. Economic and social commentators have argued that the best way to avoid grave economic imbalance and corruption in Nigeria is for the government to invest oil resource revenues in agriculture, manufacturing and solid mineral sectors. The GMoU has potential for collaboration, quality enhancement, and technology transfer if all stakeholders are genuinely engaged and there is fairness and continuity in sustainable projects. There should be a conscious move away from corporate image redemption towards corporate substance through ethical behavior in private and in public.

Chapter four

On a final note, CNL should work in partnership with government (as they already work in a Joint Venture agreement for oil extraction, production, and revenue sharing) to ensure that their CSR contribution is reflected in the overall plans for development in the region. Sustainable development should be anchored on the tripod of environmental sustainability, sound business practices and social responsibility.

Conclusion

This study set out to examine the lack of environmental sustainability measures in CNL's GMoU. The study identified the business objective (business case) of CNL and government's priority (mono economic dependence) on oil in Nigeria. The disjuncture from the environment, inadequate reciprocal contribution by the Nigerian government, and the clamor by the communities, has culminated in an insecure, polluted and underdeveloped ND today. The study has also tried to assess the capacity of Chevron Nigeria's GMoU to empower its cluster of communities, reduce communal and ethnic rivalry and conflicts and address or at a minimum create a plan on environmental regeneration.

This study tries to elicit the importance of transparency and accountability as factors in deconstructing why Nigeria's Petroleum Industry has stunted the growth of the region where the resource is domiciled. It is important to locate the contentious issue of environmental degradation in the region, since every party – Chevron Nigeria, other international oil companies, oil communities, the regulatory agencies (DPR, FEMev, other monitoring agencies) - and the Nigeria government all claim they are meeting the required expectations and standards. The study also examines whether the PIB and NEITI can effectively restructure the industry by instilling ethical and good business practices. The study also addresses why Nigeria as an OPEC member has not utilized the dividends to optimally develop the nation's economy.

The ND environmental issue is placed at the backburner of CNL's CSR model and the government's plan at restructuring the PI. Empirical findings from CNL show that the business case is a determinant for investing in a community project. Holding back part of the agreed funds is used as a measure to ensure the communities keep to their part of the GMoU agreement. This

Chapter five

stick and carrot approach is meant to checkmate or deter any form(s) of ethnic or communal disruption of CNL's operations and facilities. Findings from my field study also revealed that CNL tries to always minimize cost during Environmental Assessment procedures, thus ensuring that business objectives and gains are expressly protected.

The framework for governance and how it impacts the PI in Nigeria needs revisiting. This will elucidate the dynamics of weak regulations and government policies, corruption, mismanagement of funds and a high rate of inefficiency that have stifled efforts at leveraging the Nation's membership in OPEC. The use of force and coercion, an overarching characteristic of colonial rule, is still dominant in the ND today. The relationship between capitalism, colonialism and development plays out through the double standard of IOCs, and militarization which the Nigeria government have employed in the past prior to the amnesty measures. The State is complicit in creating loopholes for embezzlement of oil revenue, thereby tacitly enabling IOCs to manipulate regulatory laws. The government's hesitance in addressing the absence or lack of accurate metering pump system (since the exact amount/quantity of oil the nation produces is not known) is an example of perpetuating graft in the industry. The underdevelopment of the ND is a culmination of corrupt leadership and opportunistic corporate entities. It is not an issue of restructuring the PI; it is an issue of rehabilitating the corrupt minds of the nation's decision makers. It is not a case of detecting the problem but a case of actually addressing the root causes of the problem. It is not a case of apportioning blame to the communities for economic sabotage; it is a case of understanding their dilemma and creating an opportunity for survival. The resource dependency framework allows organizations to continue their business activities despite not addressing the resulting environment and social issues (Pfiffer and Salanciks, 2003). CSR therefore does not necessarily address the pressing

Chapter five

development needs of the ND people as argued by Frynas, (2005) and this study, even though it creates temporal satisfaction for a lucky few.

The effects of the NEITI, the proposed PIB and the CNL;s GMoU, are welcomed and seen as major leaps towards more effective restructuring of Nigeria's oil and gas industry. Nevertheless, findings from several studies, including Faleti (2014), Aaron (2010) and this study concur that these restructuring measures are all deliberative, strategic and self-serving. These initiatives prescribe issues but do not meaningfully address them. For example, The PIB which is under intense scrutiny to restructure the oil and gas sector, does not have plans in place to address the metering pump system contained in the NEITI findings. Issues of lack of accountability and transparency associated with the Industry must be strategically addressed before there can be meaningful sustainable development from oil revenue. This study's justification for these arguments is that the proposed policy review should address properly all the pressing issues associated with the nation's oil and gas sector. For effective CSR, NEITI and government policy towards regenerating the ND environment, there is need for further research on how the environment could be better located in CSR programs.

This study has given an evaluative perspective on Chevron Nigeria's Environmental Assessment process and it's CSR: GMoU model. The study was conducted in CNL's head office in Lagos Nigeria through weekly meetings at the CSR department and environmental studies unit. Data was also gathered through attendance at an EIA Review Workshop between CNL and the DPR; a visit to CNL's Escravos Tank Farm in Delta State, and interviews conducted with staff of both organizations.

Chapter five

In spite of the development case for CSR as portrayed by CNL's GMoU, the business case seems to be of utmost priority. Although the firm has invested through the GMoU in the communities and businesses must maximize their profit margin in any business venture, the case of the ND needs rethinking as double standard measure of policy implementation have been seen to be at play in most crucial decisions making and actions. CNL's GMoU and other CSR measures seem to not be effective and sustainable in the long run. A verifiable percentage of IOCs profit should be devoted to community project development. To help create a balance between profit maximization and environmental preservation, CNL should be compelled to abide by the environmental ordinances, and the supervisory agencies should be equipped to carry out their statutory functions.

Reference

- Aaron, K. (2012). New corporate social responsibility models for oil companies in Nigeria's Delta region: What challenges for sustainability? *Progress in Development Studies*, 12(4), 259-273. doi:10.1177/146499341201200401
- Abraham, N. M. (2011). Functional education, militancy and youth restiveness in Nigeria's Niger delta: The place of multi-national oil corporations (MNOCs). *African Journal of Political Science and International Relations*, 5(10), 442-447.
doi:<http://dx.doi.org.ezproxy.library.yorku.ca/10.5897/AJPSIR10.026>
- Adeola, F. O. (2009). From Colonialism to Internal Colonialism and Crude Socio environmental Injustice. *Environmental Justice in the New Millennium: Global Perspectives on Race, Ethnicity, and Human Rights*, 135.
- Adodo, I. M. (2000). The cry for justice in Nigeria: A look at MOSOP and the effectiveness of its nonviolent tactics. (M.A., Duquesne University). ProQuest Dissertations and Thesis, (250809158).
- Afinotan, L. A., & Ojakorotu, V. (2009). The Niger delta crisis: Issues, challenges and prospects. *African Journal of Political Science and International Relations*, 3(5), 191-198.
- Ahmed, Z. (2012, March, 21st) NEITI: the prospects, issues and challenges. Presentation to the IMF mission p. 1-34
- Aidaghese, E. (2014, April 04). The Petroleum Industry Bill (PIB): Balancing Host Community Fund with perverted indignation. Retrieved from Nigeria Village Square:
<http://www.nigeriavillagesquare.com/articles/the-petroleum-industry-bill-pib-balancing-host-community-fund-with-perverted-indignation.html>

Reference

- Aiyede E. R. 2004. Global civil society, social justice and oil exploitation in Nigeria: a risk analysis approach. In Berlin Workshop on Transnationality: Transnational Activism since RIO-Natural Resources, Global Conflicts and Civil Society, 2004.
- Akpomuvie, O. B., PhD. (2011). Tragedy of commons: Analysis of oil spillage, gas flaring and sustainable development of the Niger delta of Nigeria. *Journal of Sustainable Development*, 4(2), 200-210.
- Alabi, O. F., & Ntukekpo, S. S. (2012). Oil Companies and Corporate Social Responsibility in Nigeria: An Empirical Assessment of Chevron's Community Development Projects in the Niger Delta. *British Journal of Arts & Social Sciences*, 4(2).
- Amaeshi, K. M., & Crane, A. (2006). Stakeholder engagement: a mechanism for sustainable aviation. *Corporate social responsibility and environmental management*, 13(5), 245-260
- Amaeshi, K., & Amao, O. O. (2009). Corporate social responsibility in transnational spaces: Exploring influences of varieties of capitalism on expressions of corporate codes of conduct in Nigeria. *Journal of Business Ethics*, 86, 225-239. doi:10.2307/27749686
- Amao, O. (2008). Mandating corporate social responsibility: Emerging trends in Nigeria. *Journal of Commonwealth Law and Legal Education*, 6(1), 75-95. doi:10.1080/14760400802547615
- Auty, R. (2002). *Sustaining development in mineral economies: the resource curse thesis*. Routledge.
- Auty, R. (2004). Natural resources and civil strife: A two-stage process. *Geopolitics*, 9(1), 29-49.

Reference

- Awosika, L. F. (1995). Impacts of global climate change and sea level rise on coastal resources and energy development in Nigeria.(ed. JC Umolu) Global Climate Change: Impact on Energy Development DAM TECH Nigeria Limited.
- Bakan, J. (c2004). The corporation: The pathological pursuit of profit and power. Toronto: Viking Canada.
- Bakura, U. (2014 June 7th). Sanusi and His Missing \$20bn Charade. Retrieved from ThisDay Live. <http://www.thisdaylive.com/articles/sanusi-and-his-missing-20bn-charade/180351/>
- Banwo, K., (2013, March, 31). Confronting the New Trends in Extractive Revenue Leakage. Nigeria Diary Online.com.
[http://newsdiaryonline.com/confronting-the-new-trends-in-extractive-revenue-leakage by kolawole-banwo](http://newsdiaryonline.com/confronting-the-new-trends-in-extractive-revenue-leakage-by-kolawole-banwo)
- Baynard, C. W. (2011). The landscape infrastructure footprint of oil development: Venezuela's heavy oil belt. *Ecological Indicators*, 11(3), 789-810.
- Beesley, M. E., & Evans, T. (1978). Corporate social responsibility: a reassessment. London: Croom Helm.
- Bhagwati, J. N. (2012). Multinational corporations and development: Friends or foes. *Institutional theory in international business and management*, 25, 5-14. Blowfield, M., &
- Branigan, T., & Vidal, J. (2002). Women: Hands up or strip!. *The Guardian*, Manchester (UK) p, 8.
- Bravante, M. A., & Holden, W. N. (2009). Going through the motions: The environmental impact assessment of nonferrous metals mining projects in the Philippines. *Pacific*

Reference

- Review, 22(4), 523-547.
doi:<http://dx.doi.org.ezproxy.library.yorku.ca/10.1080/09512740903128034>
- Broad, R. (1995). The political economy of natural resources: Case studies of the Indonesian and Philippine forest sectors. *The Journal of Developing Areas*, 29(3), 317-340.
- Bisset, R. (1992), 'Devising an effective environmental assessment system for a developing country: the case of the Turks and Caicos Islands', in A. K. Biswas and S. B. C. Agarwala (eds.) *Environmental Impact Assessment for Developing Countries*, Oxford, Butterworth-Heinemann.
- Bisset, R. (2000), 'Methods of consultation and public participation', in N. Lee and C. George (eds.) *Environmental Assessment in Developing and Transitional Countries*, Chichester, John Wiley and Sons
- Blowfield, M. (2004). CSR and development: is business appropriating global justice?. *Development*, 47(3), 61-68.
- Blowfield, M. (2005). Corporate social responsibility: reinventing the meaning of development?. *International Affairs*, 81(3), 515-524.
- Blowfield, M., & Frynas, J. G. (2005). Setting new agendas: Critical perspectives on corporate social responsibility in the developing world. *International Affairs (Royal Institute of International Affairs 1944-)*, 81(3), 499-513. doi:10.2307/3569630
- Boele, R., Fabig, H., & Wheeler, D. (2001). Shell, Nigeria and the Ogoni. A study in unsustainable development: II. Corporate social responsibility and 'stakeholder management' versus a rights-based approach to sustainable development. *Sustainable*

Reference

- Development, 9(3), 121-135
- Booth, A., & Halseth, G. (2011). Why the public thinks natural resources public participation processes fail: A case study of British Columbia communities. *Land Use Policy*, 28(4), 898-906.
- Botchway, F. N. (Ed.). (2011). *Natural Resource Investment and Africa's Development*. Edward Elgar Publishing.
- Branigan T, and Vidal J (2002). Women: Hands up or strip! *The Guardian*, Manchester (UK), July 22.
- Bravante, M. A., & Holden, W. N. (2009). Going through the motions: The environmental impact assessment of nonferrous metals mining projects in the Philippines. *Pacific Review*, 22(4), 523-547. doi:<http://dx.doi.org.ezproxy.library.yorku.ca/10.1080/09512740903128034>
- Brooks, D. B. (1992). The challenge of sustainability: Is integrating environment and economy enough?. *Policy Sciences*, 25(4), 401-408.
- Broad, R. (1995). The political economy of natural resources: Case studies of the Indonesian and Philippine forest sectors. *The Journal of Developing Areas*, 29(3), 317-340.
- Cash, A. C. (2012). *Corporate social responsibility and petroleum development in sub-Saharan Africa: The case of chad* Elsevier. doi:10.1016/j.resourpol.2011.08.001
- Cashmore, M., Gwilliam, R., Richard Morgan, D. C., & Bond, A. (2004). The interminable issue of effectiveness: Substantive purposes, outcomes and research challenges in the advancement of environmental impact assessment theory. *Impact Assessment and Project*

Reference

- Appraisal, 22(4), 295-310.
- Cayford, S. (1996). The Ogoni uprising: Oil, human rights, and a democratic alternative in Nigeria. *Africa Today*, 43(2), 183. Collier, P., & Hoeffler, A. (2005). Resource rents, governance, and conflict. *Journal of Conflict Resolution*, 49(4), 625-633.
- Chevron, (n.d). Global Operations, One approach.
- Chevron (n.d) Global memorandum of Understanding handbook
- Chevron, (n.d) Scoping report instructions and excerpt: Preface to ESHIA scoping document template
- Chevron, (2010). Environmental Stewardship Corporate. Standardized OE process.
- Chevron (2008). Stakeholder engagement guide: Community engagement. 1-80
- Chevron (2009). NMA-ESHIA Regulatory Comparison. 1-12
- Chevron, (2012). 2012 Corporate responsibility report: Chevron in Nigeria. Retrieved from: http://www.chevron.com/documents/pdf/2012_NigeriaCR_Report.pdf
- Chevron (2013 April). Nigeria fact sheet. Highlights of operations. Retrieved from: <http://www.scribd.com/doc/171223812/Nigeria-Fact-Sheet>
- Chevron (2014, May). Nigeria fact sheet. Retrieved from: <http://www.chevron.com/documents/pdf/nigeriafactsheet.pdf>
- Collier, P., & Hoeffler, A. (2005). Resource rents, governance, and conflict. *Journal of Conflict Resolution*, 49(4), 625-633.
- Craig, & Kielburger, M. (2010, Aug 16, 2010). Unlike the gulf, Niger delta oil spills have no end in sight; crops, fish stock decimated by oil-saturated water. *The Vancouver Sun*, pp. B.4.

Reference

- Crawford, J. R. (2006). *The creation of states in international law*. Oxford University Press.
- Dahlsrud, A. (2008). How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate social responsibility and environmental management*, 15(1), 1-13.
- De Jonge, A. (2011). Transnational corporations and international law: Bringing TNCs out of the accountability vacuum. *Critical Perspectives on International Business*, 7(1), 66-89.
doi:<http://dx.doi.org.ezproxy.library.yorku.ca/10.1108/17422041111103840>
- Department of Petroleum Resources (2002). Environmental guidelines and standards of the petroleum industry in Nigeria EGASPIN p. 1-320
- Diminas, S. (2013). An Analysis of the Nigerian Petroleum Industry Bill 2012. Vol 1. Retrieved from: http://www.westpaq.com/wp-content/uploads/2013/05/An-Analysis-of-the-Nigerian-Petroleum-Industry-Bill-2012_WESTPAQ_v1_FINAL.pdf
- Dusseault, M. B. (2001, June). Comparing Venezuelan and Canadian heavy oil and tar sands. In Canadian International Petroleum Conference, Calgary, Alberta, Canada (pp. 2001-061).
- Edoho, F. M. (2008). Oil transnational corporations: corporate social responsibility and environmental sustainability. *Corporate Social Responsibility and Environmental Management*, 15(4), 210-222.
- Extractive Industry Transparency Initiative EITI (2005). Source book. Retrieved from: <http://eiti.org/document/sourcebook>
- Emoyan, O. O., Akporhonor, E. E., & Akpoborie, I. A. (2008). Environmental risk assessment of River Ijana, Ekpan, Delta State Nigeria. *Chemical Speciation and Bioavailability*, 20(1), 23-32.
- Eweje, G. (2006). Environmental costs and responsibilities resulting from oil exploitation in

Reference

- developing countries: The case of the Niger delta of Nigeria. *Journal of Business Ethics*, 69(1), 27-56. doi:<http://dx.doi.org.ezproxy.library.yorku.ca/10.1007/s10551-006-9067-8>
- Eweje, G. (2007). Multinational oil companies' CSR initiatives in Nigeria. *Managerial Law*, 49(5/6), 218-235. doi:<http://dx.doi.org/10.1108/03090550710841340>
- Eze, J. (2013, December, 17th). PIB: Why Nigeria Must Act Fast. Retrieved from ThisDay Newspaper. <http://www.thisdaylive.com/articles/pib-why-nigeria-must-act-fast/166756/>
- Faleti, S. A. (2014). Challenges of Chevron's GMOU Implementation in Itsekiri Communities of Western Niger Delta.
- Ferraro, V. (2008). Dependency Theory: An Introduction, in the *Development Economics Reader*, ed. Giorgio Secondi London: Routledge. p. 58-64
- Fox, T., Ward, H., & Howard, B. (2002). Public sector roles in strengthening corporate social responsibility: a baseline study. Washington, DC: World Bank.
- Frank, A. G. (1966). *The development of underdevelopment*. New England Free Press.
- Frank, A. G. (1978). *Dependent accumulation and underdevelopment /*. London: Macmillan.
- Friends of the Earth International (2010 November, 1st). Double standards. Friends of the Earth International. Retrieved from: <http://www.foei.org/resources/publications/publications-by-subject/economic-justice-resisting-neoliberalism-publications/double-standard/>
- Friedman, M. (2009). *Capitalism and freedom*. University of Chicago press.
- Frynas, J. G. (2003). Royal Dutch/Shell. *New Political Economy*, 8(2), 275.
- Frynas, J. G. (2005). The false developmental promise of corporate social responsibility: Evidence from multinational oil companies. *International Affairs*, 81(3), 581-598.

Reference

doi:<http://dx.doi.org.ezproxy.library.yorku.ca/10.1111/j.1468-2346.2005.00470.x>

- Gelb, A. H. (1988). *Oil windfalls: Blessing or curse?*. Oxford University Press.
- Gibson, R. B. (2012). In full retreat: the Canadian government's new environmental assessment law undoes decades of progress. *Impact Assessment and Project Appraisal*, 30(3), 179-188.
- Hannan, M. T., & Freeman, J. (1977). The population ecology of organizations. *American journal of sociology*, 929-964.
- Henderson, D. (2001). *Misguided virtue*. New Zealand Business Roundtable.
- Hohnen, P., & Potts, J. (2007). *Corporate Social Responsibility. An Implementation Guide for Business*, International Institute for Sustainable Development
- Hydén, G. (1983). *No shortcuts to progress: African development management in perspective*. Univ of California Press.
- Ibeanu, O. (2000). *Oiling the friction: Environmental conflict management in the Niger Delta, Nigeria*. Environmental change and security project report, 6, 19-32.
- Idemudia, U. (2008). Conceptualizing the CSR and Development Debate. *Journal of Corporate Citizenship*, (29).
- Idemudia, U. (2009). Assessing corporate–community involvement strategies in the Nigerian oil industry: An empirical analysis. *Resources Policy*, 34(3), 133-141.
- Idemudia, U., & Ite, U. E. (2006). Corporate–community relations in Nigeria's oil industry: challenges and imperatives. *Corporate Social Responsibility and Environmental Management*, 13(4), 194-206.

Reference

Ighomwenghian, K. (2014, May 12th). FG to liaise with NASS over phased passage of PIB.

Retrieved from: <http://dailyindependentnig.com/2014/05/fg-liaise-nass-phased-passage-pib/> Daily Independent.

Igwe, C. (2010). Tea n' d pot: Nigeria's Petroleum industry Bill. Issue 505 Retrieved from:

Panbazuka News Pan Africa Voices for freedom and justice:

<http://www.pambazuka.org/en/category/comment/68811/print>

Ikelegbe, A. (2001). Civil society, oil and conflict in the Niger delta region of Nigeria:

Ramifications of civil society for a regional resource struggle. *Journal of Modern African Studies*, 39(3), 437-469.

Ikelegbe, A. (2005). The economy of conflict in the oil rich Niger Delta region of Nigeria.

Nordic Journal of African Studies, 14(2), 208-234.

Ikelegbe, A. (2006). The economy of conflict in the oil rich Niger delta region of Nigeria.

African and Asian Studies, 5(1), 23-55.

International Monetary Fund (2013, May). Nigeria 2012 Article IV consultation. Retrieved from:

<http://www.imf.org/external/pubs/ft/scr/2013/cr13116.pdf>

Ite, U. E. (2004). Multinationals and corporate social responsibility in developing countries: A

case study of Nigeria. *Corporate Social - Responsibility and Environmental Management*, 11(1), 1-11.

Ite, U. E. (2007). Partnering with the state for sustainable development: Shell's experience in the

Niger delta, Nigeria. *Sustainable Development*, 15(4), 216.

Ivanaj, V., & McIntyre, J. (2006). Multinational enterprises and sustainable development: a

Reference

- review of strategy process research.
- Iyayi, F. (2004). An integrated approach to development in the Niger Delta. A paper prepared for the Centre for Democracy and Development (CDD).
- Janneh, A., & Ping, J. (2011). Minerals and Africa's Development: The International Study Group Report on Africa's Mineral Regimes. Economic Commission for Africa, Addis Ababa.
- Jay, S., Jones, C., Slinn, P., & Wood, C. (2007). Environmental impact assessment: Retrospect and prospect. *Environmental Impact Assessment Review*, 27(4), 287-300.
doi:<http://dx.doi.org.ezproxy.library.yorku.ca/10.1016/j.eiar.2006.12.001>
- Jenkins, R. (2005). Globalization, corporate social responsibility and poverty. *International Affairs*, 81(3), 525. doi:<http://dx.doi.org.ezproxy.library.yorku.ca/10.1111/j.1468-2346.2005.00467.x>
- Jike, V. T. (2004). Environmental degradation, social disequilibrium, and the dilemma of sustainable development in the Niger-Delta of Nigeria. *Journal of Black Studies*, 34(5), 686-701.
- Johnson, D. L., Ambrose, S. H., Bassett, T. J., Bowen, M. L., Crummey, D. E., Isaacson, J. S., ... & Winter-Nelson, A. E. (1997). Meanings of environmental terms. *Journal of Environmental Quality*, 26(3), 581-589.
- Kakonge, J. O. (2006). Environmental planning in Sub-Saharan Africa: Environmental impact assessment at the crossroads. Yale School of Forestry & Environmental Studies.
- Karl, T. L., (c1997). *The paradox of plenty: Oil booms and petro-states*. Berkeley, Calif.:

Reference

University of California Press

Karl, T. L. (2007). Oil-led development: social, political, and economic consequences.

Encyclopedia of energy, 4, 661-672.

Kennedy, C. (2013, August, 25th). Nigeria's oil industry threatened by Petroleum Industry Bill.

Retrieved from OilPrice.com: <http://oilprice.com/Latest-Energy-News/World>

[News/Nigerias-Oil-Industry-Threatened-by-Petroleum-Industry-Bill.html](http://oilprice.com/Latest-Energy-News/World/News/Nigerias-Oil-Industry-Threatened-by-Petroleum-Industry-Bill.html)

Lovins, A. B., Lovins, L. H., & Hawken, P. (2007). A road map for natural capitalism. Harvard

Business Review, 85(7/8), 172.

Macleod, S., & Lewis, D. (2004). Transnational Corporations Power, Influence and

Responsibility. Global Social Policy, 4(1), 77-98.

Mathiason, N. (2011, September, 19). Piping profits. Publish What You Pay Norway. Retrieved

from. <http://www.publishwhatyoupay.org/sites/publishwhatyoupay.org/files/FIN>

[L%20p%20norway.pdf](http://www.publishwhatyoupay.org/sites/publishwhatyoupay.org/files/FIN)

Marzuki, A. (2009). A review on public participation in environmental impact assessment in

Malaysia. Theoretical and Empirical Researches in Urban Management, (12), 126-136.

Meredith, M (2005). The State of Africa: A History of Fifty Years of Independence, London:

Free Press

Merriam Webster Encyclopedia (2014) Double standard. Retrieved from

<http://www.merriam-webster.com/dictionary/double%20standard>

Merriam Webster Encyclopedia (2014). Gross Domestic product. Retrieved from:

<http://www.merriam-webster.com/dictionary/gross%20domestic%20product>

Reference

- Mordi, C., Opeyemi, I. S., Tonbara, M., & Ojo, S. (2012). Corporate Social Responsibility and the Legal Regulation in Nigeria. *Petroleum-Gas University of Ploiesti Bulletin, Technical Series*, 64(1).
- Morgan, R. K. (2012). Environmental impact assessment: The state of the art. *Impact Assessment and Project Appraisal*, 30(1), 5.
- Muchlinski, P. T. (2007). *Multinational enterprises & the law*. Oxford University Press.
- Mulvihill, P. R., & Baker, D. C. (2001). Ambitious and restrictive scoping: Case studies from northern Canada. *Environmental Impact Assessment Review*, 21(4), 363-384.
- Nandy, S. and Mitra, S. (2004). Features of Indian Sundarbans Mangrove Swamp
Natural resource investment and Africa's development (c2011). In Botchway F. N. (Ed.),
Cheltenham, UK ;: Edward Elgar.
- NEITI (n.d) Strategic plan (2013-2016) "From Transparency to Accountability" Retrieved from:
<http://www.neiti.org.ng/sites/default/files/page/uploads/neiti-4-year-strategic-plan.pdf>
- Newell, P., & Frynas, J. G. (2007). Beyond CSR? Business, poverty and social justice: an introduction. *Third World Quarterly*, 28(4), 669-681.
- Nienhüser, W. (2008). Resource dependence theory-How well does it explain behavior of organizations?. *Management revue*, 9-32.
- Niger Delta Regional Development Plan, (2006) 1-58
- Nigeria National Petroleum Corporation. (2010). Oil production
<http://www.nnpcgroup.com/NNPCBusiness/UpstreamVentures/OilProductin.aspx> d.
Garki Abuja.

Reference

- Nwachukwu, C. A. (2011, August 30th). Niger Delta: Chevron Lists Gains of GMoU Model. Retrieved from ThisDay Live. <http://www.thisdaylive.com/articles/niger-delta-chevron-lists-gainsof-gmou-model/97381>
- Nwachukwu, O. (2014, February 5th). CBN, NNPC contest unremitted \$20 bn revenue. Retrieved from BusinessDay. <http://businessdayonline.com/2014/02/cbn-nnpc-contest-unremitted-20-bn-revenue/#.VA7ywxajuSo>
- Nwajiaku-Dahou, K. (2012). The political economy of oil and ‘rebellion ‘in Nigeria's Niger Delta. *Review of African Political Economy*, 39(132), 295-313.
- Nwoko, C. O. (2013). Evaluation of Environmental Impact Assessment System in Nigeria. *Greener Journal of Environmental Management and Public Safety*. 2 (1), pp. 022-031.
- Obi, C. I. (2000). Oil minority rights and the question of democratic stability in Nigeria. *Journal of Cultural Studies*, 2(1), 75-95.
- Obi, C. I. (2010). The petroleum industry: A paradox or (sp)oilier of development? *Journal of Contemporary African Studies*, 28(4), 443-457. doi:10.1080/02589001.2010.512740
- Ogundiya, I. S. (2009). Domestic terrorism and security threats in the Niger delta region of Nigeria. *Journal of Social Sciences*, 20(1), 31-42.
- Ogunmupe, B. (2012, October 23rd). Salvaging Nigeria from oil curse. Retrieved from: <http://ogunmupe.blogspot.ca/2012/10/salvaging-nigeria-from-oil-curse.html>
- Oil and insurgency in the Niger delta: Managing the complex politics of petro-violence (c2011). In Obi C. I., Rustad S. A. (Eds.), London ;: Zed Books Ltd.
- Ojajorotu, V. (2008). The internationalization of oil violence in the Niger delta of Nigeria.

Reference

- Alternatives: Turkish Journal of International Relations, 7(1), 92-118.
- Ojo, G. U. (2012). Community perception and oil companies' corporate social responsibility initiative in the Niger delta. *Studies in Sociology of Science*, 3(4), 11-21.
- Okafor, C. (2013, March, 25th). PIB: NEITI seeks N'Assembly intervention on Crude oil. *This Day Live*. Retrieved from: <http://www.thisdaylive.com/articles/pib-neiti-seeks-n-assembly-intervention-on-crude-oil-metering/143115/>
- Oko, O. (2001). Subverting the scourge of corruption in Nigeria: A reform prospectus. *NYUJ Int'l L. & Pol.*, 34, 397.
- Okogbule, N. S. (2006). An appraisal of the legal and institutional framework for combating corruption in Nigeria. *Journal of Financial Crime*, 13(1), 92-106
- Okonta, I. (2000). *The Lingering Crisis in Nigeria's Niger Delta and Suggestions for a Peaceful Resolution*. Centre for Democracy & Development.
- Okonta, I. (c2008). *When citizens revolt : Nigerian elites, big oil, and the ogoni struggle for self determination*. Trenton, NJ: Africa World Press.
- Okpowo B, & Adebayo S (2002). —Itsekiri, Ijaw women seize Shell, Chevron Delta facilities, Vanguard (Lagos) News, August 9. Online:<http://www.waado.org/>
- Olokesusi, F. (1992). Environmental impact assessment in Nigeria: Current situation and directions for the future. *Journal of Environmental Management*, 35(3), 163-171.
- Omeje, K. (2005). Oil conflict in Nigeria: Contending issues and perspectives of the local Niger Delta people. *New Political Economy*, 10(3), 321-334.
- Omeje, K. (2006). The rentier state: Oil-related legislation and conflict in the Niger delta,

Reference

- Nigeria: Analysis. *Conflict, Security & Development*, 6(2), 211-230.
- Omoweh, D. A. (c2005). Shell Petroleum Development Company, the state and underdevelopment of Nigeria's Niger delta : A study in environmental degradation. Trenton, NJ: Africa World Press.
- O'Neill, T. (2007, Feb 2007). Curse of the black gold hope and betrayal in the Niger delta. *National Geographic*, 211, 89-103,105-106,108-113,115-117.
- Onishi, N. (2000, Aug 27, 2000). Death by fire for petty theft: Nigerian tragedy: Poor villagers stole leaking pipeline fuel... suddenly a spark and explosion left more than 300 dead. *Edmonton Journal*, pp. E.4-E4.
- Onuoha, J. I. (2008). Beyond diplomacy: contemporary issues in international relations. Great AP Express Publishers Ltd.
- Organization of the Petroleum Exporting Countries OPEC. (2014). Country facts and figures. Retrieved from http://www.opec.org/opec_web/en/about_us/167.htm
- Orji, O.O. (2014). NEITI and the Petroleum Bill. Retrieved from: The Nigeria Extractive Industry Transparency Initiative. file:///C:/Users/Owner/Desktop/MRP%20articles/NEITI%20and%20the%20Petroleum%20Industry%20Bill%20_%20Nigerian%20Extractive%20Industries%20Transparency%20Initiative.htm
- Osuji, L. C. (2001). Total hydrocarbon content of soils, fifteen months after Eneka and Isiokpo oil Spills. *J. Appl. Sci. Environ. Manage*, 5(2), 35-38.
- Paki, F. A., & Kimiebi Imomotimi Ebienfa. (2011). Oil and development deficit in Africa: The

Reference

- failure of intervention agencies in Nigeria's Niger delta. *International Journal of Business and Social Science*, 2(8), n/a.
- Pfeffer, J. (c1978). In Salancik G. R., (Ed.), *The external control of organizations: A resource dependence perspective*. New York: Harper & Row.
- Pfeffer, J. (2003). In Salancik G. R. (Ed.), *The external control of organizations: A resource dependence perspective*. Stanford, Calif.: Stanford Business Books.
- Porter, M. E., & Kramer, M. R. (2006). *Strategy & society: The link between competitive advantage and corporate social responsibility*. *Harvard Business Review*, 84(12), 78-92.
- Purefoy, C (2010, June 30th). *Nigerians angry at oil pollution double standards*. Cable News Network (CNN world). Retrieved from:
<http://www.cnn.com/2010/WORLD/africa/06/29/nigeria.oil/>
- Ross, M. L (1999). *The Political Economy of the Resource Curse*, *World Politics* 51.2: 297–322
- Ross, M. L. (2001). *Does oil hinder democracy?* *World politics*, 53(03), 325-361.
- Ross, M. L. (2003). *Nigeria's oil sector and the poor*. Position Paper for DFID-Nigeria, UCLA, Los Angeles.
- Sahara Reporters (2014, February 5). *How NNPC illegally diverted \$20 billion from the federation account -CBN Governor Sanusi*. Sahara reporters.
<http://saharareporters.com/report/how-nnpc-illegally-diverted-20-billion-federation-account-CBN-Governor-Sanusi>.
- Sagay, I. E. (2001). *The extraction industry in the Niger Delta and the environment*. Fourth Annual Lecture of the ANPEZ Centre for Environment and Development, Port Harcourt,

Reference

- Rivers state, November, 15.
- Santos, T. D. (1971). The Structure of Dependence in K.T. Fann and Donald C. Hodges, eds.,
Readings in U.S. Imperialism. Boston: Porter Sargent
- Schusler, T. M., Decker, D. J., & Pfeffer, M. J. (2003). Social learning for collaborative natural
resource management. *Society & Natural Resources*, 16(4), 309-326.
- Slack, K. (2012). Mission impossible? Adopting a CSR-based business model for extractive
industries in developing countries Elsevier. doi:10.1016/j.resourpol.2011.02.003
- Smith, N. C. (2003). Corporate social responsibility: not whether, but how. Center for
Marketing Working Paper, 03-701.
- Steiner, R. (2010). Double standard: Shell practices in Nigeria compared with
international standards to prevent and control pipeline oil spills and the Deepwater
Horizon oil spill. Amsterdam, the Netherlands: Milieudefensie, 11-5.
- Stouder, M. D., & Newbert, S. L. (2007). Treating Stakeholders Fairly: The Golden Rule as a
Moral Guiding Principle for Entrepreneurs. *Business & Professional Ethics Journal*, 55
70.
- The Encyclopedia of Earth (September, 2008) <http://www.eoearth.org/view/article/151937/>
- The Free Dictionary (2014). Wilful vandalization. Retrieved from
<http://www.thefreedictionary.com/vandalism>
- United Nation Environment Program UNEP (2011). UNEP Ogoni Land oil assessment reveals
extent of environmental contamination and threats to human health. UNEP News Center.

Reference

- Retrieved from:
<http://www.unep.org/newscentre/default.aspx?ArticleID=8827&DocumentID=2649>
- U.S Africa (2010, January, 9th). Chevron's Plant attacked in Nigeria. U.S Africa. Retrieved from: <http://usafricaonline.com/2010/01/09/chevron-nigeria2010-attack/>
- United States, Energy Information Administration, (2013, December, 30th). Nigeria. Overview. Retrieved from: <http://www.eia.gov/countries/cab.cfm?fips=>
- Utting, P. (2005). Corporate responsibility and the movement of business. *Development in Practice*, 15(3-4), 375-388. doi:10.1080/09614520500075797
- Utting, P. (2008). The struggle for corporate accountability. *Development and Change*, 39(6), 959-975.
- Watts, M. (2008). Blood oil: The anatomy of a petro-insurgency in the Niger delta. *Focaal*, 2008(52), 18-38.
- Webler, T., Tuler, S., & Krueger, R. (2001). What is a good public participation process? Five perspectives from the public. *Environmental Management*, 27(3), 435-50.
doi:<http://dx.doi.org.ezproxy.library.yorku.ca/10.1007/s002670010160>
- Wermuth, L. A. (2003). *Global inequality and human needs: Health and illness in an increasingly unequal world*. Boston: Allyn and Bacon.
- Whig, k. (1998, October, 22nd) Town crier sent to bring hurt Nigerians back to hospital: *Standard*, p. 13.
- World Bank (2013). Nigeria overview. Economic overview and performance. Retrieved from: <http://www.worldbank.org/en/country/nigeria/overview>

Reference

- Yang, C. (2010). Less blood for oil: Nigeria's fragile amnesty. *Harvard International Review*, 31(4), 6-7.
- Yates, D. A. (1996). *The rentier state in Africa: Oil rent dependency & neocolonialism in the Republic of Gabon*. Trenton, NJ: Africa World Press
- Zabbey, N. (2008). Shrimp farming in Nigeria: implications for mangroves and rural livelihood in the Niger Delta. In: *ERAction* (quarterly magazine of Environmental Rights Action/Friends of the Earth Nigeria, ERA/FoEN), May – August, 2008 p. 1– 21.
- Zabbey, N. (2009). Pollution and poverty in the Niger Delta region – What is the responsibility of oil companies in Nigeria? 1 – 10.
- Zalik, A. (2004). The Niger delta: 'petro violence' and 'partnership development'. *Review of African Political Economy*, 31(101), 401-424.
- Zalik, A. (2011). Labelling oil, contesting governance: legaloil.com, the GMoU and profiteering in the Niger Delta. In Obi, C. I., & Rustad, S. A. (2011). *Oil and Insurgency in the Niger Delta: Managing the Complex Politics of Petro violence*.
- Zalik A. (2012). Duty to Consult or License to Operate? Corporate Social Practice and Industrial Conflict in the Alberta Tar Sands and the Nigerian Niger Delta p. 1-31.