CORPORATE PARTNERSHIP OF LIAISON OFFICER AND EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY OF THE MULTINATIONAL OIL COMPANIES IN THE NIGER DELTA, NIGERIA

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Abstract

Organisations can only flourish when the communities and ecosystems in which they operate are healthy. The paper discussed corporate partnership of the liaison officer and the effects of the Corporate Social Responsibility (CSR) of the multinational oil companies on the Niger Delta. The work is historical in nature, utilized content analysis by using mainly secondary materials as its source. The work found that the neglect of host communities coupled with the failure of multinational oil companies in their CSR snowballed into crisis. Through the efforts of Community Liaison Officer (CLO), the oil companies carried out developmental projects such as social and basic infrastructures, education, empowerment and healthcare among others as way of improving the already strained relationships. The study concluded by recommending unity of purpose between oil companies and stakeholders, clearly stated community annual budgets and carefully management of community perceptions by government. Strong participation of host community in the developmental projects is also appropriate for sustainable peace.

Keywords: Corporate Social Responsibility, Host Communities, Multinational Oil Companies, Community Development and Stakeholder

1. INTRODUCTION

The Niger Delta region is the Nigeria's economic pillar, located at the south of the country. The region is rich with natural resources of crude oil, gas, hydrocarbon and water, this has made her to be recognised as the mainstay of the Nigeria economy. Nevertheless, these have not manifested into economic development of the region. Rather, she has a list of infrastructural deficits which have been left unattended to at the expenses of its resource's exploitation. Reactionary, the region become very violently to Multinational Oil Corporations and have witnessed increased aggression as a result of suffering melted on the region by oil companies. These multinational oil corporations are perceived by the region to represent imperial terror (Darah, 2001).

There is an indication that the region is becoming more enlightened of their constitutional rights as citizens of the region who are been neglected despite the enormous amount of money that is deriving from their God's given resources as oil revenues for both the government and the oil corporations operate in the Niger Delta (Niger Delta Environmental Survey, 1992). To this development, their present pity situation of development cannot be justified (Efemini, 2002). This has led to the increasing demands by the people for control of their resources and this has taken metamorphosis from non-violent agitations to violent actions.

The response of the oil corporations to the agitation of its host community should more of a creative expression of social responsibility coupled with welfarism. Their approach to social responsibility should be anticipatory in nature within the limit of social justice, morality and values that impacts the multinational oil corporation decision towards its host community.

Statement of the Problem

In the beginning, the Nigerian economy was solely dependent on agriculture and exploitation of non-renewable natural resources. Subsequently, the discovery of crude oil in 1958 and oil boom in the 1970s led to the gradual decline in agricultural production. The aftermath effect of this is the mono-economy of crude oil. Oil wealth enriches Nigeria, however, it has not impact positively on the economy of the oil-bearing communities of the Niger Delta.

Lack of cooperation to tackle the problem of the region and the ability to raise the standard of living of the occupant on one side, lack of infrastructures and social amenities in the host communities of on the other side by the federal government and oil companies became source of concern to the leader of thought of the region. This gave birth to corporate partnership of the community liaison officers to bring peace and security to the host community in attempt to increase the production of oil.

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Thus, this study attempts to critically appraise the roles of Community Liaison Officers (CLO) in bringing peace and security between the Host Communities and the Multinational Oil Companies in the Niger Delta Region of Nigeria, and the subsequently effects of Community Liaison Offices' efforts to improve stakeholder relationships in the region

Aim of the Study

The specific aim of the study is to critically analyse the effects of multinational oil companies' corporate social responsibility as influenced by community liaison officers in restoration of peace in the Niger Delta.

2. CONCEPTUAL ANALYSIS

There has been series of definitions of concept of Corporate Social Responsibility (CSR), however, there is yet to be an agreement to a universally accepted meaning of the concept. Pedersen (2006) regard it as "one of the technical jargons of the millennium" based on its popularity over the years, despite the more firms and individuals are becoming aware of it. Strangely, the concept still lacking coherence and therefore unclear. This is making it a concept that means different thing to different people. It is also perceived that the lack of acceptable definition has led to the absence of a well-developed consensus that can give a basis for action (Henderson, 2001). Nevertheless, Walton (1967) emphasised that CSR concerns the intimate relationships between societies and the corporations that operate within them, which is something that managers of firms must consider as their bid to achieve organisational goals and objectives.

According to Maak (2007), there will only be CSR when enduring and mutually beneficial relationships with relevant stakeholders are built. The World Bank (2005) maintained that Corporate Social Responsibility should be voluntarily undertaken by organisation as long as it can meet its primary financial obligations. It should also be undertaken to result in mutual benefits for both the firm and the stakeholders. Companies' relationships with the stakeholders must be a long-lasting one as well as beneficial to all parties involved.

Community Liaison Officer (CLO) is an intermediary between the host communities and the multinational oil companies who provide technical support in the planning and implementation of community-facility linkages, stigma reduction and adherence psychosocial support (Gérard, 2007). It can also be defined as cooperation between firm and society in ensuring that the right actions to protect and improve the welfare of all parties involved are taken (Eweje, 2006). CLO responsibility is with both the firms and the societies within which they operate. CLO designed to work in unity to get the best outcomes for both parties. CLO supervised the peace process between the host community and oil companies, as well as the development of the community been financed by the oil community.

Host Communities and Multinational Companies Relations

Host communities and Multinational Companies relations are practice of modern public relations that involves positive relationship between a firm, its staff and members of the host community. It has to do with the building of mutual understanding between company and its host community. It also involves sharing in the joy and problems of the community. The host communities and multinational companies' relation is part of major concern of the community liaison officers as an avenue to bring peace and security between the communities and the companies. According to Amula (2012), the basic objectives of host communities and multinational companies' relations are to:

- reveal to the community the operation of the firm, its product and the support to community;

- right any misunderstanding, response to criticism and elimination of doubts that may exist among community neigbours;

- gain favourable opinion of the community;

- establish a personal relationship between the management and the stakeholders;

- promote cultural activities; and

- inform employees and families about companies' activities and development.

Historical Background of Liaison Officers

Liaison Officers (Los) may be traced to the legendary Marathon Run of 490 BC, which to deliver messages between headquarters and the frontline (and vice versa) (Gérard, 2007). The establishment of liaison offices between one agency and another has a similar mission which is to provide a mutually agreed upon, regular and permanent channel to facilitate communication. The European-based specialized agencies first set up LOs in New York during the 1940s, while in the following decades, the United Nations funds and programmes established offices in Geneva as well as some semi-autonomous offices of the United Nations Secretariat (Gérard, 2007).

Beyond mere reporting, LOs have as much as the military liaison officer, to answer questions and to comment on situations of interest for their headquarters. In addition, some regional offices, such as the United Nations Children's Fund (UNICEF) and the United Nations Office for Project Services (UNOPS) offices in Geneva, do perform functions normally attributed to a liaison office. The following are the key objectives of community liaison officers:

- Assist the local communities in improving their way of life in a sustainable manner;

- Ensure smooth progress of community developmental work and interact with the local communities peacefully;

- Acknowledge and treat the community members and their environment with respect;

- Add measurable value to host community as well as the neighbouring community in a bid to foster the general nation building objectives;

▪ Ensure conflict is settled amicably through dialogue in a peaceful meeting between the host communities and the multinational companies;

One of Community Liaison Officers stated ambitions is to act and be recognized as a partner in the sustainable economic and social development of host communities. In line with the vision of corporate responsibility, this initiative is a key part of host community engagement policy designed to meet the ever-growing expectations of host countries, international NGOs, lenders and shareholders.

In addition, participating in economic development programs in partnership with local players gives CLO another way to share the benefits and growth stemming its operations more equitably. The programs' success also helps improve multinational companies' relations with local communities, strengthen ties with local suppliers while building their capacity and, at a different level, reduce local suppliers' dependence on the oil industry. In this way, building small businesses' capacity becomes a strategic tool. Contemporarily, community liaison officers perform the following duties:

1. Providing technical guidance and support to the peace and security expert;

2. Assisting the communities and the companies charge with peace and security strategies as well as monitoring of its workability;

3. Working closely with the multinational companies, in training and sensitising host communities for participation in the formulation and implementation of the policy;

4. Assisting with the development of public relations programmes to educate the general public and multinational companies with the bid to support active community participation in the developmental projects of the oil companies in the community;

5. Assessing implemented project in the community and assisting with preparation of reports for communities' overall evaluation; and

6. Assisting relevant government agencies, host communities and multinational companies in monitoring the post-implementation evaluation of the social-economic impacts of the projects on host the communities (CLO, nd).

Essential Attributes/ Elements of Stakeholder

Stakeholders have been variously called different names not limited to influencers, claimants, constituents, interest groups (Freeman and Reed, 1983; Starik, 1994). Freeman and Gilbert (1988) cited in Starik, (1995) argued that stakeholders are partners whose futures and stakes are intertwined; hence they are more than just humans. There should be cordial relationship and interaction between the stakeholders and the firm in a bid to achieve companies' set goals and objectives, hence the former is very crucial to the existence of the latter. Accordingly, stakeholders can affect or be affected by the achievement of a firm's objectives (Freeman, 1984), thereby making the corporation and stakeholder depend on each other.

According to Clarkson (1994), stakeholder is any person or group that bears some form of risk or is placed at risk as a result of its investment in an organisation's activities. For the presence of stakeholder, there must be element of risk. The debate over generally acceptable definition of stakeholder has led to the discussion of attributes or elements of stakeholders (Jonker and Foster, 2002). The combinations of these attributes which are discussed below make a group or an individual a stakeholder:

1. Power: It is an ability to compel an actor to do what it requires of them even when they would not have ordinarily done (Pfeffer, 1981). There are three notable types of power namely coercive, utilitarian and normative power (Etzioni, 1964). Mitchell, Agle and Wood (1997) asserted that power is mostly recognize in action (practical) than it is define (theory). Proper use of power by stakeholder will definitely lead to positive and purposeful impact on firm attitude. Power cannot be hold on to forever as it can be acquired, so also it can be lost as a result of its transitory and dynamic nature. However, it is possible for a particular stakeholder to be in possession of more than one type of power at a period of time.

2. Legitimacy: This has been variously interchangeably and wrongly used with the concept of power. Mitchell, Agle and Wood (1997) pointed out that not all legitimate stakeholders are necessarily powerful nor all powerful stakeholders necessarily legitimate in their relationship with other. According to Weber (1947), legitimate implies what a stakeholder legally does as a member of society and deemed acceptable to such a society due to the legal (legitimate) position hold by such stakeholder; which will be based on a previously and clearly defined set of rules and norms peculiar to such a society. There are two types of legitimate, normative legitimacy which is the type possessed by stakeholders that have a direct relationship with a corporation. This is officially recognised by managers. In other way round, derivative legitimacy is mainly in the possession of stakeholders who do not have a direct or official relationship with the organisation, but can still affect the organisation (Phillips, 2003). This type usually results to violence to affect the organisation.

3. Rationality: It talks of need for mutual understanding between actors. This understanding clarifies individual positions, interests, and what is really regarded as common good. Any deliberations that will lead to rational decisions must be understanding of the actors. Jonker and Foster (2002) concluded that there can only be cooperation between actors when there is understanding of the reason and aim of been in the relationship. Any communicative action that is not pre-planned or predetermined usually come out with a high degree of originality, this is possible because the parties were interacting on a mutual trust level.

4. Proximity: Soukhanov (1984) defined proximity as "the state, quality or fact of being near or next in space, time or order". Driscoll and Starik (2004) argued that the closeness that exists between the organisation and people of an environment is an important factor which makes it worthy of attention in the recognition and interaction of stakeholders. In this regard, the greater the proximity, the greater the likelihood of the development of stakeholder relationships.

5. Urgency: It is defined as the degree to which claims call for immediate attention (Mitchell, Agle and Wood, 1997). For the claims to have urgency, it must be time sensitivity and criticality. Time sensitivity is the degree to which the delay by management in attending to the claim or needs of a stakeholder is unacceptable, while criticality refers to the point the stakeholder regards its claim to be important. The combination of the two attributes of urgency contribute to the way a stakeholder's claims are regarded as being urgent by managers. Jonker and Foster (2002) argued that there is a particular issue that calls for a certain level of urgency in interactions between organisations and their stakeholders, even as most issues may seem to attract attention all the time.

Reasons for the Neglection of Corporate Social Responsibilities in the Niger Delta, Nigeria

Series of factors responsible for the obvious neglect of social responsibilities by multinational companies and Nigerian companies as well, these include, but not limited to:

1. Lack of Political Will: Companies obey law in Nigeria at will because the laws in Nigeria are not seriously enforced. Sadly, persuasion remains the only effective device that the government employed to obtain compliances. \

2. Lack of Professionalism in Management Style: Due to ignorance, many managers do not perceive social responsibility as one of the key functions of management. They have not been exposed to the consciousness of social responsibility through their training and experience. To many, it is a noble or bests an informal and testing managerial function.

3. Relatively Small Size of Nigeria Business Enterprises: Many Nigerian enterprises are very small in size which relatively affect their financial responsibility as a task that must be accomplished. Beyond, they believe that social responsibility should be undertaken by the government assisted by large and successful organizations. Hence, they are not shown sufficient interest to their social responsibility.

4. Too Much Emphasis on Publicly Owned Enterprises: Majority of companies in Nigeria are either owned by the government or foreign companies. Since, these large enterprises belong to the government; it is perceived that they engaged in social welfare redistribution.

5. Ownership of Large Enterprise: Large enterprise in Nigeria is majorly owned by foreign firms whose profit maximization is their goal, and hence see social responsibility as patriotic gesture to be undertaken by indigenous firm to help their country. There is consciousness for social responsibility in their home and the practice is at best.

Community Liaison Officer: A Pivotal Role at the Heart of the Corporate Process

As a point of contact between local populations and the group, the CLO's primary role is to establish and maintain dialogue. He or she explains the industrial activities in an easily comprehensible manner, discusses the positive and negative effects of this process, and forwards questions, suggestions or concerns from the communities or individuals concerned to the affiliate managers. In specific terms, according to Gérard (2007), he performs the following roles:

1. Peacebuilder Role: Community Liaison Officer's involvement is a strategy that will bring lasting peace to the community which will positively affect the oil production.

2. Intelligent Role: He acts as intelligent eyes, ears and brain of its parent organization to many diverse partners, in this it collects, examines, assesses and reports on selected information fitted to be of interest to its authorities.

3. Speaking Role: He acts as its organization's mouth, as he uses both public and private opportunities to explain the mandate and activities of his organization, its current and planned activities. He as well demonstrates how the needs of the stakeholders can be met. He always trying to emphathise and understand their point of view.

4. Public Information and Advocacy Role: They operate documentation centres, which is run with support staff that adequately and accurately respond to requests from individual or group. He also does a press release. CLOs do perform and facilitate fund-raising role through advocacy. He does this through creative events, such as yearly football "match against poverty", lecture, symposium.

5. Psychological Role: He reduces stigma from infected people within the community through psychosocial therapy and retention activities, this is done in collaboration with the Ministry of Health.

Multinational Oil Companies' Efforts to Improve Stakeholder Relationships

Recently, through the influence of the Community Liaison Officer, the multinational oil companies have made attempts at effecting a positive change in the strained relationships between them and the host community. This is through engagement in Corporate Social Responsibility (CSR) projects aimed at reducing conflict, and thereby improve the relationships. These CSR projects have been undertaken at various points in time with little or no impact; it made the community to depend on the

companies, and the company in the position of philanthropist. Community Development approach was later adopted through the effort of CLO in attempt to get better synergy and partnership between the oil companies and a broader range of stakeholders, and this was to make developmental projects more sustainable. It achieved better results due proper coordination and structuring of the various projects agreed on by the partners making it more sustainable. A range of these initiatives are identified and briefly discussed below.

1. Education: Provision of funds was made to pay teachers who are under direct payment of the companies, scholarships awarded to students, and building of classrooms (Eweje, 2007). The gesture was also extended to the donation of science equipment to the schools as well as incentives in financial form to encourage teachers who agree to do their teaching career in the rural areas (Idemudia, 2009).

2. Capacity Building: This aspect can be linked to social capital, and very crucial to make developmental effort permanent. It entails building of human resources as well development of the human factor. It is a necessity and crucial because of the involvement of man. It is effort of a trained or equipped man that every other aspect of community development can be sustained and maintained. The initiative is designed at making the host communities have the required attitude and skills to be successful in their endeavour.

3. Healthcare: It is generally said that health is wealth, and this commendable. MNOCs has put in a lot reformation to improve health care delivery of the host communities. This includes partnerships with international organisations to help improve the health services delivery, renovation and construction of dilapidated and new health centres and clinics respectively, and donation of medicines and equipment to boost the services of the various health centres in the community (Idemudia, 2007). Ojo (2009) also added the provision of land and swamp mobile clinics and ambulances. They, with the aid government and civil society also engage in sensitising the host communities about reducing the spread of diseases like malaria and HIV-Aids.

4. Empowerment: This is covered skills acquisition and development which is perceived for empowering the people of the communities as well as given them the economic capacity to meet their need. This is mostly area of training of women in soap and pomade making, sewing, hairdressing and catering skills acquisition (Eweje, 2007). Micro credit and business development schemes were also added as the empowerment programme, which is to enhance self-employment. The micro credit scheme is usually in the form of loan at lower interest rate to get them set up after completion of their skills acquisition programmes. The fund is expected to be paid after a period of time.

5. Social and Basic Infrastructures: This is not limited to the construction of roads, provision of water, construction of market stalls and provision of electricity, building and equipping of community halls and civic centres (Ojo, 2009).

6. Sports: There is also a particular focused on youth development in the host community by the oil companies. Ojo (2009) sees it as a strategy to discourage youth restiveness in the region. The initiative will as well encourage the youth to combine their athletic skills with their education, and by so doing become useful to their families, the community and the nation at large.

3.   CONCLUSION

The neglect of host communities by the multinational oil companies led to the agitation which eventually snowballed into crisis as a result of the use of force to keep the people down and exploit the oil and gas resources. The real threat as a result of host community violence action, to the nation's economic survival and national security was one of the most important factors that encourage the involvement of community liaison officers to bring peace to the community and the oil companies. The study reveals that the relative peace experienced in the Niger Delta area was as a result of the dogged efforts of CLO, hence significant improvement has noticed in revenue generation from the sector.

4.   RECOMMENDATIONS

In the light of the foregoing findings, the following recommendations were put forward for policy implementation:

1. Multi-national Oil Companies in collaboration with governments and host communities need to work together to alleviate the ill effects of oil exploration on the environment and health of all stakeholders and also to sustain profitability of the business, this is expected to be facilitated by the community liaison officer. Strong participation of host community in the developmental projects is also apt for sustainable peace

2. There is need for the oil companies to clearly state the annual budgets of community and this must be communicated to the host communities by the community liaison officer, so that the community will know exactly what to expect.

3. The community liaison officer needs to educate the host communities about the role of the government and the oil companies. This must be effectively done in a peaceful environment

4. Effective and efficient management of community perceptions by the government is sine qua non. The success of this move will be made possible through regular town hall meetings of stakeholders coordinated by community liaison officer.

5. Above all, without prejudice to whatever solutions that key stakeholders may proffer to the restiveness of the host communities, it is important for the multinational oil companies

ginger up their efforts in performing their corporate social responsibility in the region.

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