

SUSTAINABLE DEVELOPMENT GOALS AND CORPORATE SOCIAL RESPONSIBILITY IN RIVERS STATE

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Abstract

The attainment of Sustainable Development Goals (SDG's) has put to task the ingenuity of world leaders at the political and economic spheres. There is the high expectation that Oil and Gas Companies (OGC's) would enhance the process through supportive Corporate Social Responsibility (CSR). This article explores the role of OGC's like Nigeria Liquefied Natural Gas (NLNG) Company in the attainment of SDG's through the CSR in Rivers State using Bonny as case study. The General Assembly of the United nations, in the September 2015 summit, adopted the 2030 Agenda for Sustainable Development designed to carry everybody along. The Agenda has 17 goals including fundamental issues such as provision of good health, quality education, clean water, light, decent employment and eradication of poverty and hunger. The study is guided by the following research questions: (1) What is the nexus between SDG's and CSR's (2) In what ways can the CSR's of OGC's be a veritable vehicle to SDG's (3) What are the practical demonstrations of CSR's by OGC's in their host communities. The study is predicated on the modernization theoretical framework. The quantitative research method wherein data was derived from primary and secondary sources was adopted. The study recommends that OGC's should consciously embark on CSR's that are people oriented and in line with SDG's. Also, there should be clearly enshrined legislation to encourage robust and proactive CSR's. The article concludes that the CSR's of OGC's in Rivers State could enhance the realization of SDG's as exemplified by NLNG. These companies have embarked on some sustainable development project but it is grossly inadequate. This very low score card can be radically improved in line with the 2030 global vision.

Introduction

There is a cross point between Sustainable Development Goals (SDG) and Corporate Social Responsibility (CSR) with regards to Oil and Gas Companies (OGC's) operating in Rivers State. The United Nations General Assembly adopted the Sustainable Development Goals (SDG's) in September, 25 2015. SDG's were designed to substitute the Millennium Development Goals (MDGs) which elapsed in 2015 - hence a Post-2015 Development Agenda. The SDG's became operational in 2016 – which is the first year of implementation with a 15-year lifespan. The process was coordinated by the United Nations and endorsed by its 193 Member States as well as the global civil society. There are 17 SDG's and the year 2030 is set aside for the realization of the agenda.

Fundamentally, the initiative was that of Ban Ki-moon, when he was the Secretary General of the United Nations (2007 – 2016) who stated that: "We don't have plan B because there is no planet B." (UN Secretary General) The motivating principles is leaving no one behind" in "the future we want" These goals are enshrined in Paragraph 54 of United Nations General Assembly Resolution A/RES/70/1 of 25 September 2015. There are 17 SDG Goals and

they broadly cover social and economic development issues including poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, urbanization, environment and social justice (UN Press Release). Oil and Gas Companies can enhance the achievement of these goals through conscientious Corporate Social Responsibility. The CSR of NLNG, Agip and SPDC in host communities of Rivers State buttresses this assertion. We would at this point list the goals and evaluate the nexus.

Modernization Theory is said to be the foundation stone of the evolutionary prescription for development. It assumes that, with assistance, underdeveloped or developing countries can attain development status in the same manner more developed countries have. More so, the path is now charted and for this reason underdeveloped countries can avoid the mistakes made by developed countries in their evolutionary process to development. The Modernization theory was propounded by Walt W. Rostow and Barbara Ward. The book *The Stages of Economic Growth: A Non-Communist Manifesto* by Walt W. Rostow was the great catalyst that generated the theory. Modernization theory streamlines the factors responsible for underdevelopment and the measures that can counter it. Factors responsible for underdevelopment from the perspective of the modernization theory are: (a) attitude of the population (b) illiteracy (c) traditional agrarian structure (d) lack of infrastructure (e) lack of technical know-how. Conversely Measures to counter underdevelopment and become developed are: (1) acquiring technical knowhow (2) modernization of the production apparatus (3) industrialization (4) increasing productivity and economic growth (5) foreign trade (6) encouraging capital inflow (7) knowledge (8) managerial skills (9) intensive entrepreneurship (10) stimulating competition (11) foreign investment and aid (Rostow 1960).

Sustainable Development Goals

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A 2030 vision of sustainable development is presented in the 17 goals with their 169 targets which is universally agreeable. It recognizes the interrelated nature of issues like poverty, decent work, inequality, gender equality and ecosystem conservation, as well as the necessity for all state actors to collectively tackle them (Le Blanc, 2015). In acknowledgement of the indispensable role that the private sector would play in it realization, they were for the first time, represented at the negotiation table. OGC's and other major stakeholders in the private

sector were thus involved in designing a global sustainable development agenda (Scheyvens and Hughes 2016).

The Concept of Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) encompasses the economic, ethical, legal and discretionary expectations that society has of organisations at a given point in time (Carroll 1979). This aspect of discretion depicts voluntary exercise or practice aimed at supporting the progress, development and growth of a community in every ramification (Wopara 2018).

Until very recently much premium was not attached on CSR. It was viewed mainly as a voluntary type of social engagement of corporations that is predicated on the principles of charity and stewardship (Van Marrewijk, 2003). Philanthropy from the perspective of Carrol (1991) is a cardinal pinnacle of Corporate Social Responsibility.

It has to do with responsible action on the part of companies. Invariably corporate social responsibility is deeds that take into consideration the economic, environmental and social implications of their business. Companies that setup their function in a sustainable style with the entire value chain will contribute to the wellbeing of their employees as society and the environment as well as improve their own financial stability (Kokemuller 2009). Oil and Gas companies play a vital role in the development of society in its entirety. They generate growth and create jobs on the one hand and have influence on the wellbeing of people on the other hand and this positively impact on the environment (Kokemuller 2009). Consequently, expectations are increasing for OGC's to address societal needs in their transactions and to effect positive influences for local communities (Edelman, 2017).

When community people have a favourable and positive perception of a corporation it creates an enabling environment of mutual understanding and assistance which is highly beneficial to the company. This is because the positive image of the company is projected by the host community and this is good business in every ramification. (Liu and Ko 2013) Additionally, international community relation is dependent on trust which should trigger social capital that is necessary to foster sustainable development. (Theodori 2008, Wopara 2018).

The Nexus between SDG's And CSR's

Oil and Gas Companies can enhance the achievement of sustainable development goals through conscientious corporate social responsibility. The CSR of NLNG in its host community of Bonny in Rivers State buttresses this assertion. We would at this point list the goals and evaluate the nexus.

Goal 1: No Poverty

This is achieved through job creation. These companies have provided jobs directly and indirectly to thousands of people. Each construction year for instance the Nigeria LNG provided more than 2,000 jobs. For the construction of the NLNG Base Project of Trains 1 and 2 the major sub-contractors employed about 18,000 Nigerians in technical jobs (Ajayi and Ovharhe 2012). There is also N500 million NLNG Micro Credit Scheme that was created in 2000 as a sustainable development initiative to reduce poverty and create new employment opportunities in the host communities by making micro loans available to, and building capacity

of, entrepreneurs (Ajayi and Ovharhe 2012). This is paving the way to the SDG Goal of "End poverty in all its forms everywhere" (UNDP Goal 1).

Goal 2: Zero Hunger

The creation of jobs through the CSR of OGC's such as NLNG and SPDC makes available money and resources for food which will drastically reduce hunger and pave the way to: "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture"(UNDP Goal 2).

Goal 3: Good Health and Well-Being for People

Material wealth through earnings in the jobs created enhances the good health and well-being of the people. More importantly, these companies have built hospitals and equipped them as part of their CSR. There is also the sponsorship of: (a) Mass Deworming Exercise (b) Roll Back Malaria Campaign and (c) Sponsorship of immunization campaigns. These measures facilitate the goal of ensuring healthy lives and promoting well-being for all at all ages. (UNDP Goal 3)

Goal 4: Quality Education

Oil and Gas Companies operating in Rivers State have renovated and equipped schools in and around their host communities to enhance quality education. Several scholarship schemes have also been made available. NLNG makes available (a) Post Primary Scholarship (b) Undergraduate Scholarship (c) Overseas Post Graduate Scholarship (d) Cadet Scholarship (e) Integrated Top-Up Scheme for host communities and (f) The Nigeria Prizes for Science and Literature (Ajayi and Ovharhe 2012). These measures: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all" (UNDP Goal 4).

Goal 5: Gender Equality

There is gender equality in the different empowerment schemes of the OGC's operating in Rivers State. The Youth Empowerment Scheme of NLNG is a good case in point. It has the inclination to: "Achieve gender equality and empower all women and girls" (UNDP Goal 5)

Goal 6: Clean Water and Sanitation

In 2012, a four hundred thousand (400,000) litre capacity overhead water storage tank was commissioned in Bonny by the Joint Industry Companies (JIC), funded by NLNG, SPDC and Exxon Mobil (Ajayi and Ovharhe 2012). Several projects for sinking of water boreholes were embarked upon. This is to "Ensure availability and sustainable management of water and sanitation for all" (UNDP Goal 6).

Goal 7: Affordable and Clean Energy

Bonny Utility Company (BUC) is in charge of the supplies of utilities – power and water – on Bonny Island. The activities of BUC are funded by NLNG 50%, SPDC 30%, and Exxon Mobil 20% and they altogether constitute the Joint Industry Companies (JIC). More than 10,416 homes are provided with electricity through the BUC grid, with an operation prepayment system. (Ajayi and Ovharhe 2012) This is to: "Ensure access to affordable, reliable, sustainable and modern energy for all" (UNDP Goal 7).

Goal 8: Decent Work and Economic Growth

The creation of lucrative job opportunities has provided decent works which enhances economic growth. This will: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" (UNDP Goal 8)

Goal 9: Industry, Innovation, and Infrastructure

The approach of NLNG to CSR is hinged on sustainable infrastructure and innovation. NLNG through its Community Relations and Development Department provides assistance to its host communities as part of its CSR. In specificity, NLNG supports the development of health facilities, educational facilities and general infrastructure in its host communities. At the moment, NLNG is the largest employer of Nigerian seafarers on board various directly owned carriers' ships. (Ajayi and Ovharhe 2012) This will "Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation"(UNDP Goal 9).

Goal 10: Reducing Inequalities

Oil and Gas companies like NLNG, have international salary scale which tends to: "Reduce income inequality and among countries." (UNDP Goal 10) There are also cross transfers to other parts of the world.

Goal 11: Sustainable Cities and Communities

The presence of these companies and the exercise of their Corporate Social Responsibility tend to: "Make cities and human settlements inclusive, safe, resilient, and sustainable." (UNDP Goal 10)

Goal 12: Responsible Consumption and Production

Commodities of these companies are now considered as one of the most important economic projects in Nigeria. This is buttressed by the fact that it has generated enormous revenues and foreign exchange for Nigeria (Ajayi and Ovharhe 2012). Commodities of these companies are not only the major income earners for the countries but are of high demand domestically. This will: "Ensure sustainable consumption and production patterns" (UNDP Goal 12).

Goal 13: Climate Action

By harnessing the vast natural gas reserves in the Niger Delta, the NLNG is not only providing tremendous income to Nigeria but also alleviating the hazards of gas flaring. [Ajayi] This is in line with Sustainable Development Goal 13: "Take urgent action to combat climate change and its impacts by regulating emission and promoting developments in renewable energy" (UNDP Goal 13).

Goal 14: Life Below Water

How to "Conserve and sustainably use the oceans, seas and marine resources for sustainable development" (UNDP Goal 14). To this end the NLNG is tremendously supporting the Maritime Academy of Nigeria (MAN), Oron in Akwa-Ibom State by way of training of personnel and provision of requisite equipment. Hundreds of sea-going personnel have been trained by NLNG in this regard. (Ajayi and Ovharhe 2012).

Goal 15: Life on Land lets

There are concerted remedial projects by the joint efforts of NLNG and SPDC to "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss" (UNDP Goal 15).

Goal 16: Peace, Justice and Strong Institutions

A hungry man is an angry man conversely a well-paid man is a happy man that would uphold peace, justice and strong institutions. This is in line with the goal to: "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels" (UNDP Goal 16).

Goal 17: Partnerships for the Goals

To "Strengthen the means of implementation and revitalize the global partnership for sustainable development" is the ultimate sustainable development goal. In sum the activities and actions of NLNG have contributed enormously to the development of Bonny and other host communities. They are partners in progress of host communities and the realization of sustainable development goals.

Conclusion and Recommendation

The attainment of Sustainable Development Goals (SDG's) has put to task the ingenuity of world leaders at the political and economic spheres. There is the high expectation that Oil and Gas Companies (OGC's) would enhance the process through supportive Corporate Social Responsibility (CSR). This paper explored the role of OGC's like NLNG in the attainment of SDG's through the CSR of host communities in Rivers State using Bonny LGA as case study. The CSR's of OGC's in Rivers State could enhance the realization of SDG's as exemplified by NLNG. These companies have embarked on some sustainable development projects but it is grossly inadequate.

The very low score card can be radically improved in line with the 2030 global vision. The crux of the study is that the CSR of OGC's may provide an integrated framework for future-oriented CSR engagements and fill the gap necessary. The study recommends that OGC's should consciously embark on CSR's that are people oriented and in line with SDG's. Also, there should be clearly enshrined legislation to encourage robust and proactive CSR's.

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