

# Community-Related Social Responsibility the Dynamic of the Petroleum Industry Act (2021) in Nigeria's Oil-Bearing Niger Delta Communities

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**Abstract:-** The study interrogated the effect of the Petroleum Industry Act (PIA) on corporate social responsibility (CSR) activities of oil firms operating in Niger Delta area of Nigeria against the backdrop of Community-Related Social Responsibility (C-RSR). Data were collected through the administration of questionnaires. Descriptive analysis (Mean) was employed in analyzing the data, while One-Sample T-Test and Paired-Samples Test were employed in testing the hypotheses of the study. Results from the test statistics revealed that the provisions of the PIA (2021) exert significant positive effect on both the extent of CSR engagement by oil multi-nationals and the level of involvement of communities in their social responsibility affairs. Result also indicated a negative but insignificant shift from Firms – driven to community-based social responsibility as a result of the passage of the PIA (2021). The study recommended that strict adherence to the Act should be pursued to reap full benefits of the law.

**Keywords:-** *Petroleum Industry Act, Firm-Driven CSR, Community-Based Social Responsibility, Firm Performance, Niger Delta*

## I. INTRODUCTION

Nigeria is a major oil and gas producing nation not just in Africa but also in the world. In Africa, Nigeria ranks second following the over-take by Angola as the continent's number one oil producing country. Crude oil export accounts for a major component of Nigeria's foreign exchange revenue. The Niger Delta swamplands is at the heart of oil exploration activities in Nigeria. However, despite the enormous contribution to the national economy and growth, the Niger Delta ranks amongst the poorest regions in the world (Kalagbor, 2022). Oil exploitation and exploration activities have caused widespread pollution and environmental hazards in the Niger Delta area (Tamuno, 2022). As an OPEC member, Nigeria has not been able to meet up with its production quota due mainly to oil theft and the attendant insecurity in the country. In reaction to the deplorable situation the inhabitants suffer, there has been increase cases of violence and insecurity in the region. Incidences such as kidnapping, illegal oil bunkering activities, armed robbery, and several other disturbances has become almost a daily occurrence in the region (Enuoh & Inyang, 2014., Chenchouni, Kheder & Chenchouni, 2021).

However, some scholars hold the view that while neglect of the region by successive administrations in Nigeria contributed significantly to the rising cases of violence and insecurity, the struggle for power and control of political and economic blocks is a major challenge in the region. For example, studies by Ebiede and Nyiayaana (2022)., Ona, Asadu and Amujiri (2022) confirm earlier studies by Ikelegbe (2001) that competitive struggle for control of economic and political space is responsible for the widespread violence that the region is experiencing.

This has negatively impacted the ability of Multinationals operating in the region to meeting up with its production quota. More importantly, the activities of the multinational oil corporations have also raised social responsibility issues in the region. CSR is one medium used by organizations in their attempts to promoting sustainability in business. However, most of the CSR practice by firms is largely voluntary. But, despite its popularity, the voluntary practice has been criticized as not being able to address CSR issues of society (Nwagbara & Kalagbor, 2021). In response to the inadequacies of voluntary CSR practice, some countries have passed legislations to regulate the practice (Mukherjee, Bird & Duppatti, 2018).

Consequently, it is important to interrogate the specific nature of how CSR legislation can help communities in the Niger Delta region develop increase interest in more sustainable social responsibility practices. This study sought to establish empirically, any possible shift from firm-driven to community-based social responsibility approach occasioned by the PIA of 2021. As noted by Asiedu-Aye et al (2022), CSR is considered important in promoting sustainable development. This awareness has seen more businesses getting involved in one form of CSR activities or the other. In Nigeria, for example, while there is growing acceptability of social responsibility as a business practice, the recently enacted Petroleum Industries Act (PIA) of 2021 has added to the debate as to whether CSR is better practiced voluntarily or regulated? Furthermore, does the PIA (2021) legislation affects how communities respond to their social responsibility issues? Finally, how has the PIA (2021) contributed to social and environmental sustainability of businesses and improvement in the welfare of people living in Nigeria's Delta swamplands. The present study attempts to address these issues.

## II. LITERATURE REVIEW

### ➤ *CSR Practice in Nigeria's Delta Swamplands*

CSR is an obligation which every company should strive to fulfil if it meant well for the environment in which it operates (Kunyanti & Mujiono, 2021). In Nigeria's delta region, for example, activities of oil multinationals with the attendant pollution and environmental degradation call for greater social responsibility (SR) efforts by all stakeholders. While some firms approach CSR as ad hoc activities to show they are responsive to social issues, some scholars have argued that CSR efforts by firms should be a continuous process aimed at minimizing the negative impact of firms' activities on human, social and environmental issues on their host communities (Ogiri, 2022). Such approach, Ogiri (2022) argued, would promote business sustainability. However, the research on CSR and social and environmental sustainability has produced diverse findings with some inconclusive results. While a considerable amount of literature has been published on the link between CSR and firms' performance, only a few studies have attempted to investigate the impact of legislation on CSR (Hasan & Oktavia, 2021., Akpambang, 2022., Mukherjee, Bird & Duppati, 2018). Furthermore, despite a considerable number of studies that have been conducted on firm-driven CSR in Nigeria, there is no clear evidence of study on community-related social responsibility (C-RSR).

Data from numerous studies have identified the Niger Delta region as a region prone to social and environmental challenges occasioned by oil and gas exploration activities (Ejumodo, Edo, Avweromre & Sagay, 2012., Enuoh & Inyang, 2014., Nwankwo, 2015., Kalagbor et al, 2021). However, motive for firms engaging in CSR in Nigeria remain unclear. In a study based on experiences of MNCs investigation, Tamuno (2022) explained that MNCs adopted CSR as a way of maintaining a good relationship with their host communities. The study reveals that MNCs are increasingly assuming non-traditional corporate roles to compensate for bad governance and poor regulatory standards in Nigeria. On their part, Crayton and Naher (2022) articulated how the menace of corruption and bad governance, among other social ills, have impeded development of the Niger Delta. This is a deviation from other studies that have laid the blame on the MNCs for the lack of sustainable infrastructure and development of the region. In support of this view, Ndukwe et al (2022) opined that social and environmental challenges occasioned by a lack of care are more predominant in the Niger Delta region than anywhere else globally. For CSR to serve the purpose of promoting sustainable development, the study suggests building relationships, legitimacy, and trust amongst multi-national corporations, the communities, and other relevant stakeholders for a sustainable business. Successful CSR also mean properly identifying roles and obligations of stakeholders.

Along this line of argument, Asiedu-Ayeh et al (2022) identified the need to separate CSR according to environmental, community-based, and employee-based social dimensions. Asiedu-Ayeh (2022) argued that it is

through private-public-partnership that social responsibility can effectively address the dearth of public infrastructure in a sustainable way. In an earlier study, Idemudia and Osayande (2018) stressed that there is need for a concerted effort to better capture CSR effects following the widespread adoption of the practice in developing countries. CSR should be participatory with the involvement of local communities to achieve long-term value to communities. As opined by Fordham, Robinson and Leeuwen (2018), legislative frameworks are required to protect policies and provide sufficient resources to support CSR programmes'.

### ➤ *Transparency and Accountability in CSR Practice*

A twin problem with the present CSR practice in Nigeria is the lack of transparency and accountability. From the findings of Nwagbara & Kalagbor (2021), CSR as is presently practiced in Nigeria lack accountability, legitimacy and responsibility as firms adopt CSR to advance the interest of their shareholders. A key problem with this approach is the lack of accountability on the part of firms who cherry pick what they consider as adequate CSR activities even when such has no substantial impact on the communities. As a way of resolving the challenge of adequately assessing the impact of CSR on society, Tamvada (2020) propose a new approach towards CSR that incorporates obligatory responsibility that is linked to accountability. Importantly, it is the desire for a transparent CSR practice that is assessable that scholars have suggested the promotion of legislative framework.

In a recent study, Akpambang (2022) stressed that the relevant clauses of the extant Petroleum Industry Act (2021) in Nigeria is aimed at promoting transparency and accountability, and by extension, this could foster sustainable business and communities' relations in the operating environment. This appeared to be in response to calls in earlier studies, for example, by Nwankwo (2015) on the need to change CSR strategy in the Niger Delta region. Furthermore, Nwankwo (2015) study also linked instances of conflicts in Nigeria to lack of proper adherence to CSR initiatives. It has also been argued that the violent relationships are being fueled by firms' CSR expectation gap as community and other stakeholders see what the firms are doing in the name of CSR as inadequate (Ejumodo, Edo, Avweromre & Sagay, 2012).

However, Hailsham et al (2021) differ on the argument that current CSR models are not effective. The authors argue that a study they conducted on the 'influence of CSR of Exxon Mobil Nigeria Unlimited on community development in Rivers State' revealed significant benefits to the host communities including provision of portable drinking water, health care and other social infrastructure. One is tempted to argue that Hailsham et al (2021) study has a number of shortcomings. In the first instance, the study which was self-validated questionnaire-based was conducted in two, out of the twenty-three local governments areas of Rivers State. Also, a larger population sample, higher than the 415 respondents chosen from the two LGAs may produce a different result. Therefore, as a context-based phenomenon, CSR, even with legislation, require careful consideration of

issues peculiar to a given region or country in order to achieve sustainable results.

#### ➤ *Corporate Social Responsibility Legislation*

An important question, as the one raised by Mukherjee, Bird and Duppati (2018), is what to do when companies fail to meet with expectations of stakeholders with respect to their social responsibility? One argument that appears to be a consensus is legislating on CSR activities. Legislating on corporate social responsibility practice is receiving growing attention from a number of countries around the world. For example, countries that have legislated on CSR include: Denmark, Germany, Canada, Mauritius, Indonesia, and India (Isaksson & Mitra, 2019). According to Koya & Roper (2020), India passed a law in 2013 to make for compulsory CSR spending by highly profitable companies. While empirical studies conducted on CSR legislation have produced mixed results, the trend, however, seem to be gaining momentum.

Some studies, for example, those of Fordham, Robinson and Leeuwen (2018), Abdelhalim and Eldin (2019) and Tamvada (2020) supports legislation as a way of enhancing and promoting CSR practice. But, despite the growing adoption of mandatory CSR practice in some countries, results on CSR performance are still a subject of debate till date. In India, for example, some studies (Isaksson & Mitra, 2019) suggests that a positive link exist between CSR legislation and firms' performance. However, other scholars like Garg and Gupta (2020) have maintained that the link between CSR legislation and firm's performance is not supported by significant empirical validity. Garg and Gupta (2020) argued that there was no significant difference in performance level of companies that meet CSR expenditure criterion and those that did not. Mukherjee, Bird and Duppati (2018) study on CSR legislation in India also seem not to support the argument that CSR legislation have significant effect on social responsibility expenditure by companies. This inadequacy, Jumde and Plessis (2022), Jain et al (2022) argued, was as a result of excessively imprecise provisions in the legislation which makes its activities difficult to measure transparently and in an accountable manner.

Also, a study in Indonesia by Hasan and Oktavia (2021) supports CSR legislation with governments, businesses and communities as critical stakeholders to ensure successful practice. Indonesia has enacted law No. 40/2007 and other related policies to promote CSR practice. Despite the legislation, its impact on CSR practice in Indonesia remains hazy as the study by Hasan and Oktavia (2021) was conducted on an already existing strategy adopted by Chevron even before CSR law was passed in Indonesia.

However, Enuoh and Inyang (2014) argue that effective CSR is relative and depends on the peculiarity of each area in terms of achieving desired results. This position further strengthens those of several scholars that concur that the current practice deserves a revisit. In a case-studies based qualitative analysis conducted in Egypt by

Abdelhalim and Eldin (2019), the study revealed that lack of formal institutional framework weakens CSR implementation. It is against this backdrop that scholars have welcomed the petroleum industry Act (2021) as a catalyst for improve CSR practice in Nigeria.

In a study on CSR under the PIA (2021), Debski and Ezeani (2022) explained that the PIA has provided a section (240 sub-section 2) that is capable of changing how multi-nationals respond to social responsibility issues in Nigeria. This is a very important study that underscore the need for not only regulating CSR, but the emphasis on host communities' involvement in CSR frameworks. As noted by Akpan (2021), the Act, having created host communities' development trust, signifies a paradigm shift from the traditional interventionist policies of government to one that focus on host communities' participation.

From the literature review above, it is clear that not many studies have been conducted on community-related social responsibility as a novel model that encapsulate the Petroleum Industry Act (2021) in CSR practice in Nigeria. It is thought that the creation of the development trust as a provision in the PIA (2021) creates an opportunity for greater involvement of communities in their social responsibility. This study, therefore, is one of the few that attempts to investigate whether the passage of the Act caused a shift in focus from an entirely firm-driven to community-related CSR initiatives in Nigeria.

### III. METHODOLOGY

#### ➤ *Research Design*

The present study adopts survey research design in its development. Survey research design as a useful method for collecting data from a predefined group of respondents in order to gain information and insights into various phenomenon is considered appropriate because this study interrogates the interplay between the newly enacted petroleum industry act (PIA) and the performance of oil companies in terms of their participation in the social responsibilities against the backdrop of the PIA's effect on community-based social responsibility drive.

#### ➤ *Method of Data Collection*

The study utilized data obtained directly from the leaders of oil-bearing communities in Nigeria's delta area through the administration of a well-structured questionnaire, hence primary data were used thus justifying the adoption of survey design for this study. The survey questionnaire was structured in such a way that a 5-point Likert scale was adopted, ranging from Strongly Agreed responses to Strongly Disagreed, having undecided and the mid-point. Thus, it was ranked accordingly as strongly agreed (SA), Agreed (AG), Undecided (UN), Disagreed (DA), and strongly disagreed (SD).

#### ➤ *Method of Data Analysis*

The data collected were presented on tables and were analyzed using Descriptive Statistics (Mean). The hypotheses were tested using the One-Sample T-Test (for

hypothesis 1 & 2) and Pair Samples Test for hypothesis 3 with the aid of Statistical Package for Social Sciences (SPSS) version 21.

#### IV. DATA ANALYSIS & RESULTS

##### ➤ Data Presentation

The data collected from the questionnaire administration are presented on table 1.

Table 1 Raw Data Collected

	S/N	ITEMS	SA	AG	UN	DA	SD	N
A		<b>The Petroleum industry Act (2021) and Firms' Corporate Social Responsibility activities</b>						
	1.	The new PIA (2021) Act will address most of the social and economic issues affecting communities in Nigeria's Delta region because of oil firms' operations.	43	15	1	3	0	62
	2.	Companies operating in the region will no longer show commitment regarding social responsibility issues	46	14	0	1	1	62
	3.	Companies operating in the area should be allowed to voluntarily choose their CSR programs	49	11	0	1	1	62
	4.	The idea of firms entering into MoUs with host communities should be cancelled	6	7	3	29	17	62
	5.	Every firm operating in the region should be allowed to operate whether they carry out social responsibility activity or not	6	5	1	34	16	62
	6.	The absence of CSR legislation is largely responsible for the low commitment by firms to host communities	42	18	0	1	1	62
	7.	The extent of commitment to community social responsibility by oil MNCs operating in Nigeria 's Delta wetlands has enhanced the performance of the oil companies in the region.	10	24	15	13	0	62
	8.	The PIA bill will enhance oil companies' commitment to social responsibility to the host communities	24	15	13	10	0	62
	9.	PIA (2021) provisions will enhance oil firms' performance	10	24	15	11	2	62
	10.	The dawn of the PIA (2021) will reduce losses accruable to the oil companies' operations.	6	15	14	11	16	62
	11.	The PIA (2021) encourages corporate governance structures of oil multi-national operating in the Delta area of Nigeria.	27	15	8	10	2	62
	12.	In my opinion, adherence to the tenets of PIA (2021) will enhance firm-government relation	6	15	14	11	16	62
B		<b>PIA (2021) and Community-Driven Social Responsibility</b>	SA	AG	UN	DA	SD	N
	1.	Communities in the Niger Delta should use the monies that accrue from the PIA (2021) provision to solve their social and economic problems	48	10	0	3	1	62
	2.	Communities' agitations on social responsibility issues will reduce due to the new law	51	11	0	0	0	62
	3.	Communities see the PIA as encompassing social responsibility	39	6	5	8	4	62
	4.	Communities see the PIA as a separate responsibility which should not stop companies from fulfilling their social obligations to their host community	9	12	5	20	16	62
	5.	Communities should focus attention on sustainable amenities rather than the traditional homage system with Firms	43	15	0	2	2	62
	6.	With the PIA (2021), there will likely be a huge reduction in the level of firms' and communities' disagreements.	22	18	12	6	4	62
	7.	With the PIA (2021) Act, your community is ready to look inward on how to manage its socio-economic affairs rather than relying on CSR efforts of firms	45	12	2	2	1	62
	8.	Your community has a structure that will guarantee equitable distribution of resources and amenities that will come with the implementation of the new legislation	5	7	10	27	13	62
	9.	You are satisfied with the level of firms handling of CSR programs in the Niger Delta	3	2	1	32	24	62
	10.	Communities in the region would be better off if they develop and pursue their independent CSR programs	9	4	2	26	21	62



11.	Poverty is a major reason why communities are hostile to firms through demands for CSR activities	37	11	1	10	3	62
12.	Community-related social responsibility will promote sustainable development in the Niger Delta region.	44	16	0	1	1	62

- *SD means Strongly Disagreed*
- *DA means Disagreed*
- *UN means Undecided*
- *AG means Agreed*
- *SA means Strongly Agreed*
- N means total number of respondents

Table 2 Likert Ranked Responses

S/N	SA (5)	AG (4)	UN (3)	DA (2)	SD (1)	Total
<b>A</b>						
1.	215	60	3	6	0	<b>284</b>
2.	230	56	0	2	1	<b>289</b>
3.	245	44	0	2	1	<b>292</b>
4.	30	28	9	58	17	<b>142</b>
5.	30	20	3	68	16	<b>137</b>
6.	210	72	0	2	1	<b>285</b>
7.	50	96	45	26	0	<b>217</b>
8.	120	60	39	20	0	<b>239</b>
9.	50	96	45	22	2	<b>215</b>
10.	30	60	42	22	16	<b>170</b>
11.	135	60	24	20	2	<b>241</b>
12.	30	60	42	22	16	<b>170</b>
<b>Mean (X)</b>	<b>114.58</b>	<b>59.33</b>	<b>21.0</b>	<b>22.5</b>	<b>6.0</b>	<b>223.41</b>
<b>B</b>						
1.	240	40	0	6	1	<b>287</b>
2.	255	44	0	0	0	<b>299</b>
3.	195	24	15	16	4	<b>254</b>
4.	45	48	15	40	16	<b>164</b>
5.	215	60	0	4	2	<b>281</b>
6.	110	72	36	12	4	<b>234</b>
7.	225	48	6	4	1	<b>284</b>
8.	25	28	30	54	13	<b>150</b>
9.	15	8	3	64	24	<b>114</b>
10.	45	16	6	52	21	<b>140</b>
11.	185	44	3	20	3	<b>255</b>
12.	220	64	0	2	1	<b>287</b>
<b>Mean (X)</b>	<b>147.92</b>	<b>41.33</b>	<b>9.50</b>	<b>22.83</b>	<b>7.50</b>	<b>229.08</b>

Source: Ms-Excel Computations from table 1

From the analysis on table 2, it is evident that majority of the respondents opined that the Petroleum industry Act (2021) affects Firms' Corporate Social Responsibility activities. This is indicated in the means responses of 114.58, 59.33, 21.0, 22.5 and 6.0 for Strongly Agreed (SA), Agreed (AG), Undecided (UN), Disagree (DA) and Strongly Disagreed (SD) respectively. By this result, the study holds that the Petroleum Industry Act (PIA) 2021 provisions have an effect on the level of CSR engagement by MNCs in Nigeria's Delta swamplands. However, the significance of this result is reported under the test of hypothesis.

In relation to the second objective of the study, table 2 also reveals that the mean responses of the on the PIA (2021) and Community-Driven Social Responsibility are 147.92, 41.33, 9.5, 22.83 and 7.50 for Strongly Agreed (SA), Agreed (AG), Undecided (UN), Disagree (DA) and Strongly Disagreed (SD) respectively. These results indicate that the majority opinion of participants strongly agreed that the provisions of the Petroleum Industry Act (2021) have an effect on community-based (driven) social responsibility. However, the nature of the effect is reported under the test of hypothesis.

➤ *Test of Hypotheses*

The hypotheses formulated earlier in this study are restated in null form as follows:

- **H<sub>01</sub>**:- The provisions of the Petroleum Industry Act (2021) do not have any significant effect on the level of CSR engagement by MNCs in Nigeria's Delta swamplands.
- **H<sub>02</sub>**:- The provisions of the Petroleum Industry Act (2021) do not have any significant effect on the extent

of involvement of communities in their social responsibility affairs.

- **H<sub>03</sub>**:- There is no significant shift from Firms – driven to community-based social responsibility as a result of the passage of the Petroleum Industry Act (2021).
- The results of the test of the hypotheses 1 & 2 are presented on table 3 while that of hypothesis 3 is presented on table 4.

Table 3 Hypotheses 1 &amp; 2 Results

	One-Sample Test					
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
<b>Hypothesis 1: PIA_FDSR</b>	13.356	11	.000	223.41667	186.5996	260.2337
<b>Hypothesis 2: PIA_CBSR</b>	11.736	11	.000	229.08333	186.1206	272.0461

Source: SPSS Statistical Output, 2022.

From the results on table 3, p-value (the 2-tailed significance) results for hypothesis 1 (PIA and Firm-Driven Social Responsibility) is 0.00 which is less than the significance level of 0.05. This indicates that a significant effect of the independent variable (PIA) on the dependent variable (FDSR) exists. Also, the t-value of 13.36 indicates a positive effect. Therefore, the null hypothesis which states that the provisions of the Petroleum Industry Act (2021) do not have any significant effect on the level of CSR engagement by multi-nationals operating in Nigeria is rejected and the alternative hypothesis which holds that the provisions of the Petroleum Industry Act (2021) have significant effect on the level of CSR engagement by multi-nationals operating in Nigeria's Delta swamplands is accepted.

With respect to the second hypothesis, results on table 3 also reveal that the p-value of hypothesis 2 is 0.00 with t-statistics value of 11.74. This indicates a positive and significant effect of PIA on community-based social responsibility. Therefore, the null hypothesis which states that the provisions of the Petroleum Industry Act (2021) do not have any significant effect on the extent of involvement of communities in their social responsibility affairs is rejected and the alternative hypothesis which holds that the provisions of the Petroleum Industry Act (2021) do have a significant effect on the level of involvement of communities in their social responsibility affairs is accepted to be true.

Table 4 Hypothesis 3 Results

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PIA_FDSR - PIA_CBSR	-5.66667	75.30826	21.73962	-53.51525	42.18192	-.261	11	.799

Source: SPSS Statistical Output, 2022.

From table 3, the results of the paired samples test which was adopted to establish whether or not a significant shift from Firms – driven to community-based social responsibility as a result of the passage of the Petroleum Industry Act (2021) exists. The probability (significance) value is 0.799 which is far greater than the significance level of 0.05 and a t-statistics value of -0.26, which is a negative value. The result indicates a case of negative but insignificant difference between the effect of PIA provisions on Firm-driven social responsibility and community-based social responsibility. The study therefore upholds the assertion of the null hypothesis which states that there is no significant shift from Firms – driven to community-based social responsibility as a result of the passage of the

Petroleum Industry Act (2021); and thus rejects the associate alternative hypothesis.

## V. SUMMARY OF FINDINGS

### ➤ *The key Findings from the Analysis Conducted are as Follows:*

- The provisions of the Petroleum Industry Act (2021) do have a significant positive effect on the level of CSR engagement by MNCs operating in the Nigeria's Delta region.
- The provisions of the Petroleum Industry Act (2021) also exert a significant positive effect on the level of

involvement of communities in their social responsibility affairs.

- There is negative but insignificant shift from Firms – driven to community-based social responsibility as a result of the passage of the Petroleum Industry Act (2021).

## VI. CONCLUSION AND RECOMMENDATION

### ➤ Conclusion

Based on the findings of the present study, it is therefore concluded that the enactment of the petroleum industry law has the potentials of driving improved CSR activities of MNCs operating in the Nigeria's Delta swamplands, which will have positive effect on the performance of the oil companies themselves as well as encourage community-based social responsibilities. This implies that the dawn of the PIA act, if adequately implemented, has the capacity of enhancing oil firm performance as well as improving the host communities' wellbeing; thus, ameliorating or eradicating the crises that usually occur between oil MNCs and the impacted communities. There is thus the indication that the PIA act has balanced effect on both the communities and oil companies as no significant shift from firm-driven to community-based social responsibility was witnessed from the study's results.

### ➤ Recommendations

The study recommends as follows:

- Government agencies saddled with the responsibilities of regulating the operations of the oil companies should beef up their monitoring strategies to ensure strict compliance to the provisions of the PIA law by all stakeholders.
- The oil companies should ensure strict adherence to the PIA provisions and should pursue the environmental sustainability measures in their host communities.
- Host communities should take their time to understand the provisions of the PIA laws so as to predispose themselves to the requirements of the law, as well as ensure that the oil communities do not take advantage of their ignorance of the law.
- Community leaders should ensure fair representations of their communities and ensure that the benefits accruable to the communities as per the provisions of the PIA act get to the community and are utilized in such a manner that the socio-economic life of the people will be improved.
- The law enforcement agents of the government should ensure that stiffer penalty is meted out to any oil company that flouts the provisions of the law.

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