Corporate Social Responsibility in Nigeria and Rural Youths in Sustainable Traditional Industries Livelihood in Oil Producing Communities

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Abstract
Since the first oil well was drilled in Nigeria, traditional economies have suffered neglect, and rural youths do not see a future for themselves in traditional industries livelihood (TIL). We examine the impact of corporate social responsibility (CSR) of multinational oil companies (MOCs) on youths’ participation in TIL. A total of 1200 youths were sampled across the rural Niger Delta. Results from the use of a logit model indicate a significant relationship between CSR and TIL. The findings suggest increased general memorandum of understanding (GMoU) interventions in canoe-carving, pottery-making, cloth-weaving, mat-making, and basket-weaving to revive the traditional economic activities in Nigeria.

Keywords: corporate social responsibility; multinational oil companies; rural youths; traditional industries livelihood; logit model; Nigeria

JEL Classification: J43; O40; O55; Q10

1. Introduction
African will continue to account for a significant fraction of the global youth population. It is projected that the continent’s share of the world’s youth population will grow from one-fifth, as it was in 2012, to as high as one-third by the year 2050 (Bloom, 2012). Current trend suggest that much of the bulge will be accounted for by countries in West, Central and East Africa (African Development Report, 2015). Whether these young people will be able to successfully join the labour market will have ramification not only for their individual wellbeing, but also for the welfare of broader society across the entire Africa continent (Anyanwu, 2014). Meanwhile, 16 of the 54 countries in Africa are oil producers, with about 500 companies participating in the exploration (African Development Report, 2015).
Nigeria is the continent’s number one producer of oil and has the second largest oil reserves, after Libya (FGN, 2017). However, the Niger Delta where multinational oil companies (MOCs) maintain a significant presence has become an arena of incessant violent conflicts and youths uprising (Uduji and Okolo-Obasi, 2017). Rural youths in Niger Delta want to work in the attractive oil and gas sector, and communities have complained that oil companies often are skeptical about hiring the indigenes due to the restiveness in the region (UNDP, 2006). The discovery of oil in Niger Delta had allured rural youths out from the traditional economic activities and livelihoods into a search for jobs in oil companies. Formerly, the youths pursued entrepreneurial careers in canoe-making, cloth-weaving, potter-making, mat-making, garri and palm oil processing, but are no longer interested in traditional economic activities and livelihoods (Erondu, 2015; Uduji and Okolo-Obasi, 2018a and 2018b).

Multinational oil companies in Nigeria are involved in a plethora of CSR activities in the Niger Delta region. Some of the CSR initiatives may include building of hospitals, schools, markets, and provision of pipe borne water amongst others (Amaeshi et al, 2006). The initial investments in the early sixties were in agricultural development programmes and have grown over the years to include health care, roads and civil infrastructure, water projects, small businesses and education which are supposed to benefit the host communities (Ite, 2004). In 2006, the MOCs introduced a new way of working with the communities called the Global Memorandum of understanding (GMoU). The GMoUs represent an important shift in approach, placing emphasis on more transparent and accountable processes, regular communication with the grassroots, sustainability and conflict prevention (Shell, 2013). A GMoU is a written statement between MOCs and a group (or cluster) of several communities. Clusters are based on local government or clan/historical affinity lines as advised by the relevant state government (Asgil, 2012). The governing structures are well defined, with a 10-person community trust, a Cluster Development Board (CDB) and a steering committee chaired by the state government (Aaron, 2012). The CDB functions as the main supervisory and administrative organ, ensuring implementation of projects and setting out plans and programmes. It is the decision-making committee, and the GMoU enables representatives of state and local governments, MOCs, non-profit organizations (such as development NGOs) to come together under the auspices of the CDB as the governing body (Ite, 2007).

Under the terms of the GMoUs, the communities decide the development they want, while the MOCs provide the secure funding for five years, ensuring that the communities have stable and reliable financing as they undertake the implementation of their community development plans (Idemudia and Ite, 2006). By the end of 2012, the MOCs have signed agreements with 33 GMoU clusters,
covering 349 communities, with a total of 723 projects completed through the model (Shell, 2013). Quite a number of other studies have also analysed the CSR concept and initiatives of MOCs long-term effect and beneficiaries in the oil producing communities. They include: Ekhator (2014), Muthuri et al. (2012), Renouard and Lado (2012), Lompo and Trani (2012), Philip (2006) etc. However, the extant literature lacks an approach of artisanal traditional industries livelihood in Niger Delta from CSR perspective. This paper further differs from extant literature by explicitly noting the relationship that exists between CSR of oil companies and artisanal traditional livelihood in rural areas of oil host communities. The extent to which the CSR initiatives of oil companies have contributed to community development in the region remained contested. For example, Ite (2007) argued that CSR initiatives of multinational oil companies actually contributed to community development in the region given the extent of governmental failure. Also, Eweje (2006) argued that CSR is making significant progress in the area of local community initiatives in Nigeria. On the other hand, Akpan (2006), Edoho (2008), Tuodolo (2009), Frynas (2009) and others have argued that CSR process in Nigeria is not far reaching or deeply entrenched. Recently, Uduji and Okolo-Obasi (2017) suggested that CSR have somewhat contributed to the agricultural production in the region. However, today, the debate is shifting towards how CSR can reinvent the traditional sources of livelihood in the region (Erondu, 2015).

Prior to the discovery of oil in commercial quantities in the Niger Delta in the 1950s, much attention was paid to the traditional economies of the region. Traditional industries in the Niger Delta include canoe carving, pottery, cloth-weaving, thatch-making (roofing materials), palm oil processing, food processing (garri, fufu, starch from cassava), and local gin distillation. The main characteristics of these industries, found in varying proportions throughout the region, are that they are based on manual artisanal technologies, local inputs and skills (transferred chiefly through family upbringing and not via formal training or education). But since the first oil well was drilled in 1958 at Oloibiri, the traditional economies have suffered neglect and rural youths disenchanted with the livelihood. This meant that these traditional industries are either no longer viable or have experienced significant decline. Thus, we hypothesize that the new CSR model of multinational oil companies does not significantly influence the rural youths’ participation in the artisanal traditional industries livelihood in oil producing communities of Nigeria.

This paper contributes to the CSR debate in traditional livelihood of rural communities by assessing the empirical evidence in three areas that have received much attention in the literature:

- What is the level of rural youths’ participation in the artisanal traditional industries livelihood in the Niger Delta, Nigeria?
• What is the level of CSR intervention by MOCs in the artisanal traditional industries livelihood in Niger Delta, Nigeria?
• Does CSR of MOCs impact on rural youths’ participation in artisanal traditional industries livelihood in host communities?
• What are the consequences of rural youths’ participation in artisanal traditional industries livelihood in Nigeria?

The positioning of this paper departs from contemporary African CSR literature which has focused on, *inter alia*: the false development promise of corporate social responsibility of multinational oil companies (Frynas, 2005); corporate social responsibility of multinational oil companies in the HIV/AIDS response (Uduji *et al.*, 2019c); reinventing the wheels of corporate social responsibility practices in the Nigerian oil industry (Idemudia, 2007); Shell’s contribution to sustainable community development in the Niger Delta, Nigeria (Ite, 2006); corporate social responsibility initiatives in Nigeria and rural women livestock keepers in oil host communities (Uduji and Okolo-Obasi, 2018d); oil transnational corporations, corporate social responsibility and environmental sustainability (Edoho, 2018); corporate social responsibility contribution to human development (Lompo and Trani, 2013); CSR and inequality in the Niger Delta, Nigeria (Renouard and Lado, 2012); corporate social responsibility and the role of women in sustainable agricultural development in sub-Saharan Africa (Uduji *et al.*, 2019b); corporate social responsibility and Chinese oil and gas multinationals in the oil and gas industry of Nigeria (Ekhator, 2014); impact of CSR on development of women in small-scale fisheries of sub-Saharan Africa (Uduji and Okolo-Obasi, 2018c); the skepticism of stakeholders on multinational oil companies CSR initiatives in Nigeria (Eweje, 2007), and others.

The rest of the paper is structured as follows: section 2 provides a brief context of youths in Niger Delta region. Section 3 relates to a concise survey of artisanal traditional industries in Niger Delta. Section 4 revisits the concept of CSR from African perspective. Section 5 describes the methodology. Section 6 presents the results and corresponding discussion. Section 7 concluded with implications and future research direction.

2. **Youths in Niger Delta Region**

The Niger Delta region is situated in the southern part of Nigeria and bordered to the south by the Atlantic Ocean and to the east by Republic of Cameroon. It occupies a surface area of about 112,100 square kilometers as shown in figure 1. The region represents about 12 percent of the country’s total surface area with average population density of 265 people/km² compared to the national average of
about 255 people/km$^2$ (FGN/UNDP, 2012). Meanwhile, MOCs in joint venture with the Nigerian National Petroleum Corporation (NNPC), have been extracting high quality crude oil in the region since 1958 (Boele et al., 2001). As the result of environmental pollution, significant areas in the communities are no longer able to support traditional livelihoods such as fishing, cultivation and resources for indigenous technologies. Competition over ownership and access to the remaining productive areas intensifies regional and ethnic tensions (PIND, 2011; PIND/UNDP, 2011). Consequently, many of the rural poor migrate to cities in search of employment. However, since the urban poor across the region are marginally better off than the rural poor, this migration simply increases the pool of unemployed young people in the cities (Asgil, 2012). This results in a burgeoning pool of unemployed youth who become potential recruits for acts of violence. They are mostly found within the urban and periphery – urban areas and generally comprise a mixture of skilled and unskilled young people within the ages of 18-34 years (UNDESA, 2012).

The increased youth unemployment and impoverishment in the region appear to have contributed to the rises of militant youth groups that align themselves with traditional rulers and engage in sabotage of oil company equipment (and violence with competing groups) in order to extract concessions and compensation from the oil companies for their communities (Watts, 2004). The environmental destruction which has accompanied oil extraction, along with the relationship between MOCs and the Nigeria government, and the lack of revenue sharing, seem to have led to these grievances being amplified and directed toward oil companies (Marchant, 2014). In line with this rhetoric, the MOCs have implemented many CSR policies since the late 1990s, particularly focusing on development projects in the region (Slack, 2012). Yet most scholars highlight the conspicuous inadequacy of these projects (Idemudia, 2007; Akpan, 2006). And it has been consistently shown that communities in the Niger Delta still have a highly negative view of the MOCs operation in terms of their environmental costs, as well as the continued lack of employment and significant community development projects for the livelihood of rural young people (Frynas, 2005; Philip, 2006). With some academics supporting the merit of CSR, it is important to seek for an answer from the perspective of reinventing the traditional industries of the region. Figure 1 identifies Nigeria’s location in Africa continent.
3. Artisanal Traditional Industries Livelihood in Niger Delta

Artisanal traditional industries are often characterized by both techniques and products which are almost free from foreign influences. Each establishment in the industries consists of a few people, mostly members of a single household and sometimes with a few employees (Siyanbola et al., 2012). Before the discovery of oil in the Niger Delta region, the people have interacted with physical environment and made use of what they have in the environment to tackle the problems posed by the same environment. The region is endowed with natural resources which are harnessed by the people for production of traditional products (Erondu, 2015; Uduji et al., 2018a). The numerous traditional industries in the region range from wood carving, canoe carving, pottery, cloth-weaving, mat-making, thatch-making (roofing materials) palm oil processing, food processing, smithing, cashew nuts processing, palm wine tapping, traditional medicine, to local gin distillation (UNDP, 2006).

However, with the entry of oil extraction, accompanied with environmental pollution, conflicts and violence in the region, some of these industries have gone into extinction, but the debris are still left behind (Essien, 2011). Before the MOCs presence in the region, traditional industries boost the economy of the people and also empower the local communities. The industries constitute an important source of revenue generation in the region (Maiwada et al., 2012). It creates employment directly and indirectly within the communities and stimulates regional interactions and economic development (Adamu and Bello, 2015; Uduji et al., 2019a). The improvement in the industries
enhances not only the people’s social life, but also act as a catalyst to other investments and innovations, which contribute to sustainable development and inter group relations within the region and beyond (Erondu, 2015; Anyanwu et al, 2016). This paper seeks how CSR interventions of MOCs towards traditional industries livelihood (TIL) can reduce rural people’s unemployment and impoverishment in host communities.

4. Perspective of CSR in an African Context

Carroll’s CSR Pyramid is probably the most well-known model of CSR, with its four levels indicating the relative importance of economic, legal, ethical and philanthropic responsibilities respectively. Most of the research on Carroll’s CSR Pyramid has been in an American context. Nevertheless, several of the empirical studies already highlighted suggest that culture may have an important influence on perceived CSR priorities. For example, the exploration of CSR in Africa was used to challenge the accuracy and relevance of Carroll’s CSR Pyramid. Visser (2006) explores the nature of CSR in an African context, using Carroll’s CSR Pyramid (Carroll, 1991) as a framework for descriptive analysis. According to Visser (2006), if Carroll’s (1991) basic four-part model is accepted, it is suggested that the relative priorities of CSR in Africa are likely to be different from the classic, American ordering. However, Visser (2006) also proposed that Carroll’s (1991) CSR Pyramid may not be the best model for understanding CSR in general, and CSR in Africa in particular. Relying on the extant literature on CSR in Africa, Muthuri (2012) posited that the CSR issues prevalent in Africa include poverty reduction, community development, education and training, economic and enterprise development, health and HIV/AIDS, environment, sports, human rights, corruption and governance and accountability. According to Uduji et al (2019b), philanthropic initiatives as CSR by companies are prevalent in Nigeria. Thus, in Africa, the absence of government action in providing amenities for its citizens accentuates the role of multinationals in CSR; and philanthropy is not regarded as CSR in Western countries (Frynas, 2009). Also, Amaeshi et al (2006) have argued that the Nigerian conception of CSR is remarkably different from the Western version; they suggested that CSR in Nigeria should be aimed towards addressing the peculiarity of the socio-economic development challenges of the country (e.g. poverty alleviation, health care provision, infrastructural development, education, etc), and should be informed by socio-cultural influences (e.g. communalism and charity); they might not necessarily reflect the popular Western stand/expectations of CSR (e.g. consumer protection, fair trade, green marketing, climate change concerns, social responsible investments, etc).

Recently, Uduji et al (2019c) added the importance of cultural context in the determination of appropriate CSR priorities and programmes in rural Africa. They argued for the need for flexibility in
approaches to CSR policy and practice by multinational oil companies operating in rural Africa. It is worth noting as a caveat to conclude this section that the normative perspective on CSR is largely outside the scope of this study. The descriptive approach were adopted in this study sought to illustrate how CSR actually manifest itself in rural Africa, rather than presenting an aspirational view of what CSR in Africa should look like. Thus, this paper adopts quantitative methodology, but discusses the result from a typical rural African perspective.

5. Method and Materials

The study adopts quantitative methodology as a contribution given the paucity of quantitative work in the region (Lompo and Trani, 2013; Uduji and Okolo-Obasi, 2017). The survey research technique was used with the aim of gathering cross-sectional information from a representative sample of the population. It is essentially cross-sectional that describes and interprets what exist in the region. Figure 2 identifies the Niger Delta location in Nigeria.

![Figure 2: Constituent Administrative States of the Niger Delta region in Nigeria. Source: NDDC, 2001.](image)
### 5.1 Study Area

**Table 1: Social statistics of Niger Delta Region, Nigeria**

<table>
<thead>
<tr>
<th>State</th>
<th>2006 Population</th>
<th>Size of the State in KM²</th>
<th>Major Ethnic group</th>
<th>Violence Level</th>
<th>% Oil Production</th>
<th>Location of Oil</th>
<th>Movement Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akwa Ibom</td>
<td>3,902,051</td>
<td>8,412 Km²</td>
<td>Ibibio, Anang and Oron</td>
<td>Significant</td>
<td>45</td>
<td>Off shore</td>
<td>MEND¹, IWAAD, Afigh, Ekid, NDA</td>
</tr>
<tr>
<td>Abia</td>
<td>2,881,380</td>
<td>8,412 Km²</td>
<td>Igbo</td>
<td>Moderate</td>
<td>10</td>
<td>Off shore/ On Shore</td>
<td>IPOB, MASSOB, NDA</td>
</tr>
<tr>
<td>Bayelsa</td>
<td>1,704,515</td>
<td>8,412 Km²</td>
<td>Ijaw, Nembe, Epie-Atissa</td>
<td>High</td>
<td>40</td>
<td>Off shore/ On Shore</td>
<td>MEND, IYC, NDA</td>
</tr>
<tr>
<td>Cross River</td>
<td>2,892,988</td>
<td>8,412 Km²</td>
<td>Ibibio, Anang, Ogoja, Itigidi</td>
<td>Moderate</td>
<td>12</td>
<td>Off shore/ On Shore</td>
<td>MEND, IWAAD, Ekid NDA</td>
</tr>
<tr>
<td>Delta</td>
<td>4,112,445</td>
<td>8,412 Km²</td>
<td>Urhobo, Isoko, Itsekiri, Igbo</td>
<td>High</td>
<td>38</td>
<td>Off shore/ On Shore</td>
<td>IPOB, MASSOB, NDA</td>
</tr>
<tr>
<td>Edo</td>
<td>3,233,366</td>
<td>8,412 Km²</td>
<td>Benin, Ishan, Etsako, Owan</td>
<td>Low</td>
<td>18</td>
<td>Off shore/ On Shore</td>
<td>Egbesu, MEND, NDA</td>
</tr>
<tr>
<td>Imo</td>
<td>3,927,563</td>
<td>8,412 Km²</td>
<td>Igbo, Ndoni</td>
<td>Moderate</td>
<td>10</td>
<td>Off shore/ On Shore</td>
<td>IPOB, MASSOB, NDA</td>
</tr>
<tr>
<td>Ondo</td>
<td>3,460,877</td>
<td>8,412 Km²</td>
<td>Ijaw, Yoruba, Epie-Atissa</td>
<td>Moderate</td>
<td>10</td>
<td>Off shore/ On Shore</td>
<td>OPC, MEND, NDA</td>
</tr>
<tr>
<td>Rivers</td>
<td>5,198,716</td>
<td>8,412 Km²</td>
<td>Ndoni, Ijaw</td>
<td>High</td>
<td>40</td>
<td>Off shore/ On Shore</td>
<td>MOSOP and MEND, NDA</td>
</tr>
</tbody>
</table>

**Source:** NPC, 2007/ Authors’ Compilation

Table 1 shows the study area with current trend in the oil producing communities of Niger Delta as at 2018

5.2 Sampling Procedure

The selection of the sample involved both purposive and simple random samplings. First, five states of Akwa Ibom, (Old Cross river axis) Delta, (old Bendel axis) Imo (old Imo Axis), Rivers (old Rivers Axis) and Ondo (the only state in the south west) were purposefully selected to ensure that the geographical spread is adequately represented. In stage 2, from each of the selected states, two Local Government Areas (LGAs) were purposefully selected based on the level of practice of TIL I the area. This gave a total number of ten LGAs sampled for the study. From each of the selected LGAs, four rural communities were randomly selected giving a total of forty rural communities. Finally, out of the selected rural communities, thirty household were purposively selected with the help of traditional rulers to make up the 1,200 respondent used in the study.

5.3 Data Collection

Data were collected from primary sources, using participatory rural appraisal (PRA) technique of structured interview questionnaire. The use of participatory research technique in collecting CSR impact data especially as it concerns the rural young people was because it involves the people being studied, and their views on all the issues are paramount. The written questionnaire used for this study was divided into two sections. Section one of the instrument elicited information on the socio-economic characteristics of respondent household head, while the other section elicited information on the research objectives. This questionnaire was the major tool used for the household survey. It was directly administered by the researchers with the help of local research assistants. The use of local research assistants was because of the inability of the researchers to speak the different languages and dialects of the many ethnic groups of Ijaws, Ogonis, Ikwerres, Etches, Ekpeyes, Ogbas, Engennes, Obolos, Isokos, Nemebes, Okirikans, Kalabarris, Urhobos, Itsekiris, Igbos, Ika-Igbos, Ndonis, Oron, Ibenos, Yorubas, Ibibios, Anangs, Efiks, Bekwarras, Binis, etc in the sampled communities.

5.4 Analytical Framework

This work attempt to achieve four specific objectives which are:

- To ascertain the level of rural youths’ participation in the artisanal traditional industries livelihoods in Niger Delta region
- To ascertain the level of CSR investment made by the MOCs in the artisanal traditional industries livelihoods in Niger Delta region
- To determine if CSR of MOCs impact on rural youths’ participation in artisanal traditional industries livelihoods in host communities and
- To ascertain the consequences of rural youths’ participation in artisanal traditional industries livelihood in Nigeria.

Descriptive statistics was used to achieve objective 1, 2 and 4 and the results were presented in table, figures and charts. Inferential statistical tool-estimation of logit model of receipt and non-receipt of MOCs’s Corporate Social Responsibility by rural household as functions of selected socio-economic variables was used. For binominal response variables, the logistic link is the natural logarithm of the odds ratios stated thus:

\[
\log\left(\frac{P}{1-P}\right) = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \alpha_4 X_4 + \ldots \ldots \alpha_n X_n
\]

Equation 2

Hence, the impact of multinational oil company’s CSR activities on traditional industries of the Niger Delta region such as: canoe craving, pottery, cloth weaving, mat-making, thatch-making (roofing material), local gin distillation, palm oil processing, food processing (garri), basket weaving, etc. among the rural household in the host area was estimated using the equation below.

\[
\text{Logit (TIL)} = \beta_0 + \beta_1 \text{CSR}^2 + \beta_2 \text{Age} + \beta_3 \text{Gen} + \beta_4 \text{PriOcc} + \beta_5 \text{HHSize} + \beta_6 \text{Edu} + \beta_7 \text{OYI} + \beta_8 \text{IExp} + \beta_9 \text{MS} + \beta_{10} \text{YOHM}
\]

Equation 3

Where:
TIL = Traditional industries livelihood
CSR = Multinational oil companies (MOCs)’s corporate social responsibility using GMOU

\(^2\) In this model, the main parameter of interest is \(\beta_1\) in terms of sign and significance, it determines the role CSR play in youths’ participation in the subject matter.
(Total amount received by a rural household involved in traditional industrial livelihood as an investment package valued in Nigeria naira NGN). The actual variable considered here is investment in traditional industries embarked upon by the MOCs using the GMOU in the areas of soft loan, grants, input subsidies, bulk purchases of produce etc as acknowledged by the rural households).

\[ 
\begin{align*} 
\text{Age} &= \text{Age of the household head} \\
\text{Gen} &= \text{Sex of the household head} \\
\text{PriOcc} &= \text{Primary occupation of the household head} \\
\text{HHSize} &= \text{Household size of the respondent} \\
\text{Edu} &= \text{Highest level of education of the household head} \\
\text{OIJ} &= \text{Off TIL income of the household head} \\
\text{IExp} &= \text{Experience of the household head in TIL} \\
\text{MS} &= \text{Marital status of the household head} \\
\text{YOIHM} &= \text{Income of other household members} 
\end{align*} 
\]

6. Results and Discussion

6.1 Socio-Economic Characteristics of Households

We begin the analysis of households receiving or not receiving CSR of multinational oil companies, participating or not participating in traditional industrial livelihood with a description of some of their social (gender, location, education), demographic (age, marital status, household size), and economic (occupation, household income, both on and off traditional industries) characteristics. These characteristics are important in our understanding of the differences in the socio-economic status of the households. Our analysis in Table 2 shows that a total of 1200 households were sampled, 815 are male headed while 385 are headed by females. The statistics shows that 72% are married while only 6% remains single. Others are either separated widowed or divorced. The average age of the respondent household head is 42 years and 77% are literate at least to basic primary level with only 23% not attending any form of formal schooling. The analysis shows that the major occupation of the respondent is farming which accounts for 53% of the primary occupation of respondents. Only about 27% of the respondent is fully involved in the traditional industries as their primary occupation. This finding agree with Uduji et al (2018b) in that prior to the discovery of oil in large commercial quantities in the Niger Delta in the 1950s, much attention was paid to rural economies, and substantial resources invested into traditional industries development; but with the discovery of large stores of oil, attention was shifted from the rural economies to
urban industrialization and extraction of these resources. Also, Uduji et al (2019b) agree in that people were pulled from rural areas to urban centers, which widened the gaps between the rural and urban economies; traditional industries livelihood slumped, while urban areas began suffering from strains on infrastructure, unemployment and a proliferation of social vices; hence the government’s inability to promote balanced economies development with the oil boom, and it has had the serious repercussions for both the urban and rural livelihoods.
The descriptive statistic (Table 2) suggests that among the rural communities, youths seldom participate in the artisanal traditional industries livelihoods (TIL). This is because the total
annual income from such livelihood among the participant for now. The analysis shows that only about 10% of the participants earn more than NGN 200,000 per annum. This amount to about 90% of those involved earning less than NGN 200,000 per annum that is NGN 556 per a day (equivalent of $1.7 per day). The youths of this day will prefer other things that can guarantee more income hence; they will want to participate in the TIL if there are the means and sure market. The analysis also indicates that the youths want to go into full-time in the TIL and not just part-time but so many things have to be in place towards modernization of the TIL. This is where Visser (2005) argument for African CSR makes more sense for the oil companies. It is no surprise, therefore that the economic contribution of companies is highly prized in Africa, where poverty is widespread and unemployment very high. This finding agree with Slack (2012) in that, to catalyze economic development, growth must be pro-poor; it must promote employment and guarantee sustainable livelihood that expand people’s capacities to generate and maintain their means of living and enhance their well-being and that of future generation. UNDESA (2012) also agree that viability and effectiveness of development strategies to improve livelihood depends upon the availability of assets, services and opportunities, which can be either enhanced or adversely underrate by social structures, ecological factors or institutional processes.

6.2 Econometric Analysis
A logistic regression analysis was conducted to predict the impact of CSR on the traditional industries livelihood of rural young people, using the variables in equation 3 above as predictors.

Table 4: Projected effect of GMoUs interventions on TIL

<table>
<thead>
<tr>
<th>Step 1(a)</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
<th>95.0% C.I. for EXP(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
<td>Upper</td>
<td>Lower</td>
</tr>
<tr>
<td>Age</td>
<td>.076</td>
<td>.009</td>
<td>3.205</td>
<td>1</td>
<td>.073</td>
<td>.983</td>
<td>.966</td>
</tr>
<tr>
<td>PriOcc</td>
<td>-.139</td>
<td>.212</td>
<td>.033</td>
<td>1</td>
<td>.856</td>
<td>.962</td>
<td>.635</td>
</tr>
<tr>
<td>HHSize</td>
<td>.314</td>
<td>.021</td>
<td>.492</td>
<td>1</td>
<td>.483</td>
<td>.986</td>
<td>.947</td>
</tr>
<tr>
<td>Edu</td>
<td>.017</td>
<td>.021</td>
<td>.652</td>
<td>1</td>
<td>.419</td>
<td>1.017</td>
<td>.977</td>
</tr>
<tr>
<td>OIY</td>
<td>.096</td>
<td>.114</td>
<td>.715</td>
<td>1</td>
<td>.398</td>
<td>.908</td>
<td>.727</td>
</tr>
<tr>
<td>YOMH</td>
<td>.047</td>
<td>.115</td>
<td>.171</td>
<td>1</td>
<td>.679</td>
<td>.954</td>
<td>.761</td>
</tr>
<tr>
<td>IExp</td>
<td>2.11</td>
<td>.124</td>
<td>2.895</td>
<td>1</td>
<td>.029</td>
<td>1.810</td>
<td>.635</td>
</tr>
<tr>
<td>MS</td>
<td>.073</td>
<td>.135</td>
<td>.291</td>
<td>1</td>
<td>.038</td>
<td>1.930</td>
<td>.713</td>
</tr>
<tr>
<td>Gender</td>
<td>-.319</td>
<td>.312</td>
<td>.033</td>
<td>1</td>
<td>.456</td>
<td>.562</td>
<td>.435</td>
</tr>
<tr>
<td>CSR</td>
<td>.413</td>
<td>.061</td>
<td>1.137</td>
<td>1</td>
<td>.003</td>
<td>8.124</td>
<td>1.045</td>
</tr>
<tr>
<td>Constant</td>
<td>1.329</td>
<td>.667</td>
<td>1.940</td>
<td>1</td>
<td>.164</td>
<td>4.331</td>
<td></td>
</tr>
</tbody>
</table>

* a Variable(s) entered on step 1: Age, PriOcc, HHSize, Edu, OIY, YOMH, IExp, MS, CSR, Gender.

Source: Authors Compilation based on household survey.
Logit (TIL) = 1.329 + .413CSR + .76 Age + (.139) PriOcc + .314 HHSize +.017Edu +.096 OIY + (.319) Gender + 047YOMH + 211 IExp + 073Ms

A test (Table 4) of the full model against a constant only model was statistically significant, indicating that the predictors as a set reliably distinguished between the “yes” and “no” impact of CSR (chi square = 45.210, p < .000 with df = 8). Nagelkerke’s $R^2$ of .814 indicated a strong relationship between prediction and grouping. Prediction success overall was 90 percent (94 percent for yes and 86 percent for the no). The Z-value for GMOU is 7.137, with an associated p-value of .003. Therefore, on the basis of the set 5 percent significant level, the study concludes that CSR of the MOCs through GMOU interventions have not made a significant impact on the artisanal traditional industries livelihood of the rural youths in the region.

However, the EXP (B) value of the Predictor – GMOU is 8.124, which implies that if the MOCs raise their CSR intervention targeted to improve investment in the artisanal traditional industries livelihood (TIL) of rural youths by one unit, which is equivalent of 1USD, the odds ratio is 8.1 times as large, and therefore rural youths are 8.1 times more likely to invest in the artisanal traditional industries livelihood and rural economic activities like canoe-carving, pottery-making, cloth-weaving, mat-making, thatch-making (roofing material), local gin distillation, palm oil processing, basket-weaving, food (garri) processing, and other artisanal crafts in the Niger Delta region. This finding agree with African Development Report (2015) in that sustainable livelihoods hinge on job creation and high-value products that yield income for poor and vulnerable groups; vital factors include a healthy environment, opportunities to acquire skills, the diversification of the economy, resource management and control, and financial empowerment, such as through credits from micro and small enterprises. Therefore, for the Niger Delta to become economically prosperous, socially stable, ecologically regenerative and politically peaceful, the people would need sustainable livelihood in its traditional industries via GMoU cluster interventions.
6.3 CSR of the MOCs by Sectors

**Figure 3.** Distribution of MOCs aggregate investment by sectors

*Source:* Authors Compilation based on household survey.

The rural youths represent important but largely untapped resources, which can contribute to future well-being and social progress, or exacerbate conflicts and violence, be it with oil companies, federal governments, or with competing youth groups. However (Figure 3) shows that oil companies in the region hold the key to the participation of rural youths in traditional economic activities as the increasing urgent need, also to slow down the rural exodus and foster thriving local economies. Hence, embracing a CSR in Nigeria that would be aimed towards addressing the peculiarities of rural people and informed by socio-cultural influences will in turn provide the enabling environment for more widespread responsible business in Africa.

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1. HS = Health Services - IH = Infrastructure and Housing - FRF = Fishing and Rural Farming - Ed = Education - WE = Women Empowerment - PA = Policy Advocacy - YE = Youth Empowerment - CM = Chieftaincy Matters - En = Environment - T = Transportation
A summary of the analysis shows that the MOCs are beginning to tailor their CSRs to meet the local communities demand. This suggests that the Monrovia principle (African conceptualization of CSR) is gradually being reflected in CSR activities in Nigeria. This information indicates that local communities are being consulted more often as recommended in Ekhator (2016). The finding agreed with the call of Frynas (2005), to pattern CSR initiative in Nigeria like the Akassa model in Bayelsa State in Niger Delta region, where the initiatives was based entirely on grassroots priorities; driven not by outsiders deciding which specific initiative to be implemented, but decisions made was largely by the local people. However, the analysis pointed out that the capacity building of the MOCs is mostly fashioned toward what will benefit them (the MOCs) and aid their exploration the more and not actually to give back to the communities. The analysis shows the distribution of the capacity building as thus:

![Figure 4: Percentage distribution of CSR intervention in capacity building by the MOCs in Niger Delta](image)

*Source:* Authors Compilation based on household survey.

We present (Figure 4) the rate of receipt of investment support in the TIL from the MOCs. This suggests that GMOUs efforts to significantly improve participation of rural youths in TIL and reduce conflict in the region must include increased CSR allocation in this sector. This finding agreed with Amaeshi *et al* (2006) in that CSR specifically aimed at addressing the socio-economic challenges could provide rural youths with opportunities to develop artisanal skills and pursue occupational or career development in self-employment.

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2 OMP = Operation and Maintenance of Gas Power Line and Plant - LBS = Loan/Grant for Business Support - PE = Peaceful Engagement - SLL = Street Light and Lighting - SQA = Skill Acquisition - RCE= Construction of Road Leading to Exploration Sites
Figure 4: Rate of receipt of investment support in the TIL from the MOCs
Source: Authors Compilation based on household survey.

We recognize (Table 3) the distribution of CSR investment in TIL, and the choice of intervention was aggregated per identified investment area and presented in figure 5. Haven mentioned earlier that the oil industry has lured many youths away from traditional economic activities and livelihood into a search for wage and salaried job in the region; an increased CSR investment in TIL would bring the youths back to this important aspect of the region’s culture. This finding concurred with Erondu (2015) in that TIL represent the adoptive mechanisms through which the local people survive in any ecological niche they find themselves. Though that many formerly self-employed individuals have become rent seekers, roving contractors and job seekers, any effort to reduce violent conflicts in the region must seek to reverse this trend through CSR intervention for reinventing the traditional economic activities (Table 3).

Table 3: Percentage rating of multinational oil firms’ investment in TIL

<table>
<thead>
<tr>
<th>Activity</th>
<th>Total</th>
<th>Exxon</th>
<th>Mobil</th>
<th>Chevron</th>
<th>Shell</th>
<th>Agip</th>
<th>Halliburton</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canoe-Carving</td>
<td>3</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>4%</td>
</tr>
<tr>
<td>Pottery-Making</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1%</td>
</tr>
<tr>
<td>Cloth-Weaving</td>
<td>23</td>
<td>19</td>
<td>20</td>
<td>16</td>
<td>13</td>
<td>15</td>
<td>1</td>
<td>18%</td>
</tr>
<tr>
<td>Mat-Making</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2%</td>
</tr>
<tr>
<td>Thatch-Making (roofing Material)</td>
<td>6</td>
<td>4</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2%</td>
</tr>
<tr>
<td>Local Gin Distillation</td>
<td>10</td>
<td>19</td>
<td>20</td>
<td>18</td>
<td>18</td>
<td>23</td>
<td>18</td>
<td>18%</td>
</tr>
<tr>
<td>Palm Oil Processing</td>
<td>25</td>
<td>22</td>
<td>31</td>
<td>25</td>
<td>26</td>
<td>31</td>
<td>27</td>
<td>27%</td>
</tr>
<tr>
<td>Basket-Weaving</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1%</td>
</tr>
<tr>
<td>Food (Garri) Processing</td>
<td>20</td>
<td>25</td>
<td>18</td>
<td>15</td>
<td>32</td>
<td>26</td>
<td>23</td>
<td>23%</td>
</tr>
<tr>
<td>Other traditional Artisanal works</td>
<td>11</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>9</td>
<td>5</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors Compilation based on household survey.
The aggregated (Figure 5) percent distribution of TIL investment by the MOCs suggests that CSR for the rural youth participation in TIL should be channeled to fostering a diverse artisanal traditional industry that includes canoe-carving, pottery-making, cloth-weaving, mat-making, thatch-making, palm oil processing, basket-weaving, garri-processing and others. This finding agreed with Essien (2011) in that it would ease the local perception that oil wealth is the only source of livelihood in Nigeria.

![Figure 5: Aggregate percentage distribution of TIL Investment by the MOCs](image)

Source: Authors Compilation based on household survey.

We identify (Figure 6) the rating of GMoU model of CSR interventions by the rural youth in Niger Delta, suggesting that the approach can be improved to benefit the young people in the region. The oil wealth should be made to work for the rural youth also by funding their participation in the TIL activities. GMoU should target initiatives aimed at developing youthful skills and capacities to grasp opportunities for livelihoods in TIL. This finding agrees with Uduji et al (2018a) in that the most important issue to consider when attempting to bolster TIL is how to enhance the informal sector’s potential to absorb those without viable income-generating activities, and to scale up existing informal enterprises, that involve a large number of unemployed or underemployed persons. PIND/UNDP (2011) agree in that the informal sector account for as much as 70 percent to 85 percent of employment in the Niger Delta; and the informal sector workers are in diverse enterprises, including canoe-carving, pottery, cloth-weaving, thatch-making, basket-weaving and other traditional artisanal works.
On the whole, the oil industry has lured many youths away from traditional economic activities and livelihoods, and into a search for wage employment in the modern oil and gas sector in Nigeria. Many formerly self-employed in traditional industries have become rent seekers, roving contractors or job seekers. Any effort to eradicate poverty in the Niger Delta must seek to reverse this trend through the revival and revitalization of the traditional economic activities. Therefore, if the MOCs are to work towards an ideal CSR in Nigeria’s oil producing communities, we would argue that reviving a pro-youth sustainable traditional industries livelihood should be assigned the highest CSR priority in the GMoU clusters. It is our contention that MOCs hold the key to restore vigor to the traditional economic activities in host communities. Embracing the traditional economic activities and livelihood should form the foundation of GMoU interventions, which in turn would ease the local perception that the wealth is simply pouring into gigantic urban, industrial, infrastructural and agricultural projects in other parts of the country at the expense of the Niger Delta Region. Therefore, the oil wealth can be made to work for the people by GMoU interventions on youths in TIL clusters; initiatives aimed at developing the skills and capacities of the rural people to grasp opportunities in TIL should be vigorously pursued. This finding remains speculative and provocative and would therefore benefit from further empirical research. However, if confirmed, this raises important issues regarding the cross-continental CSR debate, including the importance of cultural context in the determination of appropriate CSR priorities and programmes; and the need for flexibility in approaches to CSR policy and practice by multinational oil companies in Africa and other developing countries.
7. Concluding Remarks, Caveats, and Future Research Direction

Since the first oil well was drilled in Nigeria, traditional economies have suffered neglect, and rural youths do not see a future for themselves in traditional industries livelihood (TIL). We examine the impact of corporate social responsibility (CSR) of multinational oil companies (MOCs) on youths’ participation in TIL. This paper contributes to the CSR debate in traditional livelihood of rural communities by assessing the empirical evidence in three areas that have received much attention in the literature:

- What is the level of rural youths’ participation in the artisanal traditional industries livelihood in the Niger Delta, Nigeria?
- What is the level of CSR intervention by MOCs in the artisanal traditional industries livelihood in Niger Delta, Nigeria?
- Does CSR of MOCs impact on rural youths’ participation in artisanal traditional industries livelihood in host communities?
- What are the consequences of rural youths’ participation in artisanal traditional industries livelihood in Nigeria?

A total of 1200 youths were sampled across the rural Niger Delta. Results from the use of a logit model indicate a significant relationship between CSR and TIL. The findings suggest increased general memorandum of understanding (GMoU) interventions in canoe-carving, pottery-making, cloth-weaving, mat-making, and basket-weaving to revive the traditional economic activities in Nigeria.

This paper adds to the CSR literature in five notable ways. Firstly, we identified a critical factor for raising the participation of rural youths in artisanal traditional industries. Secondly, the investigation provides insight into the usefulness of GMoUs in reinventing the traditional source of livelihood in oil host communities. Thirdly, unlike most former studies, this research makes use of a quantitative methodology, keeping in mind that quantitative works on CSR in the region are lacking. Fourthly, the study seeks to explore the nature of African conceptualization of CSR in the rural Niger Delta context. Fifthly, we put forward policy suggestions that would guide multinational oil companies to successfully tackle the challenge of incessant violent conflicts and youth uprisings in the Niger Delta region. To our knowledge, this is the first study that surveys the relevance of CSR of oil multinationals in raising the participation of rural youths in the artisanal traditional industries of a developing country.
The main caveat of this study is that, it is limited to the scope of oil-producing communities in Nigeria. Hence the findings cannot be generalized to other developing countries with the same traditional economies and policy challenges. In the light of this shortcoming, replicating the analysis in oil-producing communities of other countries is worthwhile in order to examine whether the established nexuses withstand empirical scrutiny in different oil-producing context of developing countries. Also, as research into CSR in Africa is still relatively underdeveloped, there is need for further research on CSR in African countries at the international, regional, national and sectoral levels, as well as on theoretical constructs. All these different streams of empirical research should form more conceptual work on CSR conceptions, frameworks, or models that are more applicable to African countries.

Disclosure statement

No potential conflict of interest was reported by the authors.

References


