
Accounting Perspective of Environmental Footprint of the Oil and Gas Industry in the South-South Region of Nigeria

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Abstract

The study determined from accounting perspective, the environmental consequences of the operations of oil and gas companies in the Niger-Delta region of Nigeria. The study was motivated by the curiosity to explain what goes on in the Niger-Delta region in the light of environmental degradation and the continuous agitation for a sustainable approach to corporate social responsibility (CSR). The study adopted the ex-post facto research design. Questionnaires were used to collect data from primary sources while relying on previous studies for secondary data. The Yaro Yamani sampling determination technique was applied to a sample size of 300 respondents drawn from a population of three million. Data collected were analysed using population t-test at 95% level of significance. The result shows that the corporate social responsibility strategies employed by the oil and gas companies are not adequate to address the environmental degradation resulting from their operations. These findings agree with Bauelleret al (2011), whose work indicates that the oil and gas companies in an attempt to respond to the needs of vulnerable communities adopt strategies that are largely short-term and unsustainable. The result of this study also aligns with the work of Christian (2014) which indicate that the CSR of the oil and gas companies are rather self-serving as they are targeted at corporate image laundering. The study recommends an all- inclusive process of planning and budgeting for projects and programmes after a joint needs assessment. It is also recommended that all CSR projects and programmes be captured in a memorandum of understanding (MOU) and the implementation monitored and reported periodically to all stakeholders. Both international and local statutes regarding environmental protection should be respected and erring companies should be held accountable and appropriately sanctioned.

Key words: *environmental degradation, corporate social responsibilities, oil and gas exploration, corporate image laundering, vulnerable communities.*

1.0 Introduction

Environmental accounting is one of the contemporary issues in accounting. It emerged as a result of advancement in technology that brought negative impacts on the

environment where economic activities are carried out. Such environmental footprints include emission of harmful green house gases, noise pollution, oil spillage, environmental degradation, destruction of ecosystem, long term waste disposal, depletion of natural resources, water pollution, uncompensated health crises etc. In response to these, companies institute environmental management systems and sustainable business practices in order to combat these environmental impacts and serve environmental conservation cost. Such strategies include the search for and use of renewable source of energy, the use of non toxic materials inputs rather the toxic materials that emit green house gases etc. But the peculiar nature of oil and gas production activities make it near impossible for some of these sustainability measures to function and as such some of the environmental impacts are inevitable. And due to these negative impacts and their attendance effects on the host community, the multinational oil companies carry out corporate social responsibilities (CSR) to compensate the local communities and also ameliorate some of the excruciating hardship impose on the indigenes by their externalities.

The government also step up efforts to combat these by establishing so many environmental laws. In Nigeria such laws include National Effluent Limitation Regulation, Department of Petroleum Resources (DPR) Environmental Guidelines and Standards for the Petroleum Industry in Nigeria Harmful waste Act, the Pollution Abatement in Industries and Facilities Generating Waste Act, Environmental Impact Assessment Act, Federal Environmental Assessment Act etc. These require corporate managements to consider the environmental implications of all internal decisions and their management strategies. A careful assessment of the benefits and costs of environmental damages is necessary to find the tolerance limit of environmental degradation and the required level of development. The extraction and production of oil and gas by multinational oil corporation in collaboration with the Nigeria government has engendered local economies of the host communities by destroying their arable land and fishing grounds. The Organization for Economic and Corporate Development (OECD) sees CSR as a strategy to ensure that the operations of enterprises are in harmony with government policies and strengthens the basis of mutual confidence between enterprise and the societies in which they operate, and to enhance the contribution to sustainable development made by multinational enterprises.

However, the Corporate Social Responsibilities carried out by the oil and gas companies are not sustainable as this is evidenced by the attendant high rate of poverty, poor health care facilities, poor educational performance given their meagre revenues, unemployment, social unrest, hostility, kidnapping of foreign and local expatriate, militancy and such other vices. Specifically, the social unrest and kidnapping have been used by the host communities to drive home their dissatisfaction with the activities of the multinational corporations (Okere, 2015). The question that comes to the mind of many is how can the oil companies making billions of dollars yearly from the exploitation activities neglect the plight of the host communities on whose soil most of their fortune come from. Not only that, how can they be so adamant to the hardship suffered by these people as a result of the economic activities? It is therefore pertinent for the multinational companies to develop blueprints that will initiate robust and sustainable corporate social responsibilities so that their legitimacy may not be threatened.

1.2 Statement of the problem

Corporations in an attempt to maximise profits and expand their businesses create environmental footprints on the society and environment in which they operate. These environmental footprints are very prominent in the Niger Delta region of Nigeria where oil and gas exploration activities are carried out. The Niger Delta has seen the growth of giant oil and gas companies in their communities in terms of reported annual profits, multimillion

naira investments and extravagant display of wealth by oil workers. These multinational companies have contributed greatly to the growth and development of the national economy yet the local economies are somewhat neglected even when most of the externalities are directly borne by the host communities. These negative environmental impacts have brought untold hardship on the local economies of the host communities as well as unprecedented health crisis caused by green house gases (GHG) and other harmful emissions (Okere, 2015). The major source of livelihoods of these regions which is predominantly farming and fishing have been at risk as a result of oil spillage, environmental degradation, emission of green house gases and the like. Recognising the importance of CSR as a strategic tool for sustainable development, the multinational oil companies have initiated focused efforts on CSR to ameliorate some of their footprints and also mitigate environmental risks. With all these excruciating externalities, the intervention strategies in the form of CSR are grossly inadequate, uncompensating, and infinitesimal as poverty and unemployment remain widespread in these communities despite the fact that oil industry is the most lucrative sector of the economy. This could be because the CSR are either not well thought out, poorly executed or highly politicised and as such are not commensurate with the negative impacts when compared in absolute and actual terms.

Corporate Social Responsibility (CSR) is primarily used to serve the interest of the companies especially to boost their public image and reputation, instead of providing sustainable development initiatives to the vulnerable host communities. This is evidenced in the lofty environmental reports that only showcase the good news to attract investors and technically avoid the bad side of their operations (Clarke 2008).

1.3 OBJECTIVES OF THE STUDY

The main objective of this study is to assess the relationship between corporate social responsibility strategies of the multinational oil and gas companies in Niger Delta and the environmental footprint in the host communities. The specific objectives of the study include:

- To assess the extent to which the corporate social responsibility strategies of the multinational oil and gas companies have addressed the damages caused by gas flaring to the host communities.
- To assess the extent to which the CSR strategies of the oil and gas companies commensurate the damages caused by oil spillage on the host communities.
- To ascertain the extent to which CSR strategies of the multinational oil and gas companies commensurate the health crises imposed on the host communities.
- To determine the extent to which oil companies have contributed to the infrastructural development of the Niger Delta region.
- To assess the regulatory mechanisms put in place to mitigate environmental risk.

1.4 RESEARCH QUESTIONS

The research objectives are guided by the following research questions:

- To what extent do CSR strategies of multinational oil and gas companies commensurate the damages caused by gas flaring to the host communities?
- To what extent do CSR strategies of multinational oil and gas companies address the damages caused by oil spillage to the host communities?
- Do CSR strategies of multinational oil and gas companies adequately take care of the health crises imposed on the members of the host communities?
- To what extent has the multinational companies contributed to the infrastructural development of the host communities?
- What are the regulatory mechanisms put in place to mitigate environmental risk in these regions?

1.5 RESEARCH HYPOTHESES

In order to answer the research questions and achieve the objectives, the hypotheses are hereby stated in the null form:

- (i) The CSR strategies of the multinational oil and gas companies do not adequately commensurate the damages caused by gas flaring to the host communities.
- (ii) The CSR strategies of the multinational oil and gas companies have not adequately address the damages caused by oil spillage to the host communities.
- (iii) The CSR strategies of the multinational oil and gas companies have not adequately taken care of the health crises imposed on members of the host communities.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

This chapter examines the various literature and relevant theoretical framework that support this work.

2.1 Theoretical framework

There are so many theories supporting environmental accounting and corporate social responsibilities. But this work is anchored on two principal system theories which are stakeholder theory and legitimacy theory.

2.1.1 Legitimacy theory

According to Suchman (1995), legitimacy theory is defined as a generalised perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed systems of norms, values, beliefs and definitions. It states that the firms are bound by social contracts they agreed to perform in return for the approval of its objectives. Legitimacy theory depends on social contract which implies that the firm's survival depends on the extents they operate within the bounds and norms of the society of which they are part. The theory of legitimacy is important in analysing the relationship between companies and the environment as this concept emphasizes that the organisation must consider the rights of the public at large not merely those of the investors. The basic tenet of legitimacy theory is that firms should operate within the determined expectations of the host community and will not run foul of these expectations. Some corporate environmental footprint such as ecological devastation, environmental degradation, poisonous gas emission, harmful waste disposal etc, often result in high environmental, social and financial consequences to both the organisation and the host communities. The companies might be perceived to have run foul of their legitimacy and this may bring hostility from the host communities when tangible efforts are not taken to combat these problems. If the society perceives that the operational costs of the companies are greater than the benefits enjoyed by them, may on this note threaten the existence of such companies. On the other hand, the companies that combat these crises with compensating corporate social responsibilities are likely considered as legitimate firms.

Companies in the oil industry are expected to face threat to their legitimacy as a result of the attendant negative environmental impact. Suchman (1995) noted that during crises situations organisations can lose their legitimacy if their operations no longer conform to society's expectation, and as such firms must seek to repair their legitimacy with stakeholders. Therefore firms affected by crises will undertake actions to ensure that their status in the society remains legitimate. According to Tilling (2008), legitimacy theory offers a powerful mechanism for understanding voluntary social and environmental disclosure made by corporations, and that this understanding would provide a vehicle for engaging in critical public debate

However, an analysis of Guthrie and Parker (1989) has failed to support legitimacy theory as an explanation for corporate social reporting. It is noted that environmental disclosure strategies of management appeared to be tied to the extent of media attention devoted to environmental issues. Annual report disclosures are used as a strategy to change public perceptions about a company.

2.1.2 Stakeholder theory

The stakeholder theory was propounded by Freeman in 1984. The basic tenet of this theory is that the firms' success is dependent upon the successful management of all its stakeholders and not only the shareholders. According to Freeman (1984) stakeholders comprise any group or individual who can affect or be affected by the achievement of the organisation's objectives. Some scholars have agreed with his position on the responsibility of the firm to a broader set of stakeholders other than shareholders while Friedman (2002) has opposed the idea.

Stakeholder theory tries to articulate a fundamental question in a systematic way: which groups are stakeholders deserving or requiring management attention and which group are not. Stakeholder's analysis enables identification of those societal interest groups to whom an adequate account of activities would be deemed necessary. According to Trotman (1999), this theory proposed an increased level of environmental awareness which creates the need for companies to extend corporate planning to include the non traditional stakeholders like the regulatory adversarial groups in order to adapt to changing social demands.

Among the stakeholders of any firm is the local community which provides the platform upon which companies carry out their productive activities. They provide the firm the right to use, prospect, explore and drill the oil, and the local community benefits from the tax base and socio economic contributions (CSR) of the companies. The multinational oil companies are thus expected to be responsible citizen and thus should not expose the host communities to unnecessary hazards, degradation and pollution.

Stakeholder analysis is important as they must be considered if corporate social responsibility initiative will achieve its goal because their support and participation is vital to its success. A corporate social responsibility development initiative must first identify all primary and secondary stakeholders and then develop a strategic view of the relationship between them and the issues they deem important.

In CSR, stakeholder theory stresses the importance of companies being able to recognise and embrace their responsibilities toward their local host communities when pursuing legitimacy. This means that implementing CSR initiative has the ability to reinforce the relationship between the companies and its host community (Hah, 2014).

2.2 Environmental footprint

The purpose of economic activity is to create wealth. It is now recognised that the economic activity also has an environmental impact and social effects on the host communities where they operate. An organisation is said to create an environmental and social footprint when it leaves a visible mark on the environment and the society. According to Sachs (1976), environment is the surrounding in which organisation operates and the ecosystem at large, and they include air, water, land natural resources, fauna, human and their interrelatedness. The oil companies are noted for the environmental impacts (externalities) on their host communities. Such externalities include oil spillage, gas flare/green house gas (GHG) emission, air acidification, solid waste disposal, environmental degradation, water pollution, etc. Oil spillage, notably pose major direct risks on the environment and human health while also undermining fishing and farming livelihood.

According to the United Nations Development Project (UNDP) report, there have

been a total of 6817 oil spills between 1976 and 2001 and this account for a loss of three million barrels of oil of which more than 70% was not recovered (UNDP, 2001). In a similar report, the Nigerian National Petroleum Corporation (NNPC) places the quantity of oil spilled into the environment yearly at 2300 cubic meters with an average of 300 cubic meters annually (NNPC 2015). Another major concern is gas flaring which continues to be a common practice in the oil and gas industry. The emissions of GHG such as sulphur dioxide, nitrogen dioxide, carbon monoxide, benzene, toluene etc, remain a major threat to the health of the communities. It remain particularly problematic in the Niger Delta where much of the production and exploration happens offshore with estimate of the gas flared ranging from 20% to 70% compared to the worldwide average of 4.8% (Baumeller, Brack & Umpfenback 2011). Okere (2015), reports that 63% of Associated Gas (AG) produced during production of crude oil is currently being flared. According to her, after Russia, Nigeria flares more gas than any other country in the world in terms of volume of gas flared. Available data show that oil and gas companies operating in Nigeria burn over \$3.5 to \$5 billion yearly from over 257 flow stations in the Niger Delta. Organisation of Petroleum Exporting Countries (OPEC) stated in its 2015 Statistical Report that Nigeria produced 86, 325.2million standard cubic meters of gas and flared 10,736.8million in 2014. Also, NNPC disclosed that Nigeria lost up to \$868.8 million, about N173.76 billion to gas flared in 2014 (NNPC 2013).Some of the major effects of gas flaring include green house effects, increased temperature, impairment of human health, poor agricultural yield, changes in ecosystem, damaged vegetation, loss of portable and industrial water sources, acidification of aquatic environment, corrosion of roofs etc. Environmental degradation eliminates sources of income, e.g. fishing and farming which displaces the local population's occupation, and which in turn causes the collapse of local economies. According to Clarke (2008), agrarian land will be unusable for 25-30 years In spite of the remediation activities of the oil companies.

There have been serious health issues occasioned by the oil and gas activities. According to the Friends of the Earth (2005), these may have serious health impact in the form of respiratory illnesses, asthma, cancer, blood disorder etc. People have lost basic human rights such as health, access to quality food, clean water and such other necessities of lives. With all these excruciating externalities, the intervention strategies in the form of CSR are grossly inadequate, uncompensating and infinitesimal as poverty and unemployment remain widespread in these communities despite the fact that oil industry is highest paid sector of the economy. This could be because the CSR are not well thought out, poorly executed or highly politicised. The following are the proxies of environmental footprint in this study; GHG emissions, solid waste disposal, human health crises, soil degradation, unemployment and loss of aquatic life.

2.3 Sustainability measures

Sustainability means limiting the use of resources to what can be replenished. It refers to the fact that organisations should meet their own needs today without compromising the need of future generations. In other words, sustainability involves the ability of the environment to function as naturally as possible to continue to support all life forms on the planet and maintain its evolutionary potential (Sharafa, 2014). For companies, sustainability means that resource should not be taken from the environment or emissions should not be made to the environment, at a rate that cannot be corrected, replenished or offset. Sustainability refers to both input and output of the organisation. Input (resources) must be consumed at a rate at which they can be reproduced, offset or in some other way, not irreplaceably depleted. Outputs (such as waste products) must not pollute the environment at a rate greater than can be offset or cleared.

The multinational oil companies must take into consideration the carbon emissions,

oil spillage, gas flare and institute counter measures to neutralize these impacts and also engage in environmental practices that will replenish the used resources. Such environmental and sustainability performance include: Waste recycling, recycling of unused product, generation and use of renewable energy sources (such as solar heat, wind power, biomass, geothermal heat and water power), developing new products and processes that reduce environmental risks, reducing packaging waste and setting a target of zero waste generation.

2.4 Corporate social responsibility

According to the World Business Council on Sustainable Development (1998) CSR is described as the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of their workforce as well as that of the local community and the society and large. It is the responsibility that companies recognise for acting in a socially responsible way. While there is no commonly accepted definition of CSR, it generally refers to the business decision making linked to ethical values, compliance with legal requirements and respect for people, communities and the environment (ICAN 2015).

CSR usually mean that a company goes further than required by law in order to treat employees fairly with respects, operate in an ethical way, respect human rights, sustain the environment for future generations and be a responsible neighbour to the host community. In a more globalized, interconnected and competitive world, the way that environmental, social and corporate governance issues are managed is part of companies' overall management quality needed to compete successfully in the global market. Every corporate organisation as well as individuals should promote public interest and avoid activities which are harmful to human beings and to the natural environment. In view of this demand, every company should assume responsibility for the impacts of its activities on consumer, suppliers, employees, environment, communities and general public at large. To be socially responsible means to maximise positive effects and minimise negative effects of the activities of business on the society.

According to Christian (2014), six factors drive companies into corporate social responsibility. The first is defending corporate image. Maigan and Ferrel (2014) describe CSR as an instrument used to increase firm's legitimacy in the eyes of their stakeholders and to develop positive social responsibility image to polish their reputation. CSR is no longer charitable events but a tool for boosting the positive image of the company. The second factor identified by the study is to attract investors that are aligned to socially and environmentally responsible firms. The third factor is making good public image. This means that CSR has the capacity to deflect people's attention away from bad to good corporate behaviour. The fourth factor identified is the issue of engaging campaigners. This means that a company may engage in CSR as a response to NGO campaigns against negative environmental practices. The fifth factor is permit to operate in conflict prone zone like Niger Delta; a company's good work may earn it the social license to operate. And the sixth factor is that CSR may be used as a voluntary good conduct to obviate the need for regulation.

Therefore, from the foregoing, it is apparent that CSR is meant primarily to serve the interest of the corporation and not communities in which they operate. The fact remains that, the community development programs of the oil company's in the Niger Delta were until recently hinged on philanthropy rather than a conscious strategy of corporate governance. It is important to note the bulk of literature on CSR performance and community development in Niger Delta conclude that multinational companies failed to deliver on their promise, either due to inefficiency or projects that have no bearing with needs of the society. It is a common knowledge that the activities of oil industry have significant negative environmental and socio economic impacts. However, the adoption of some strategies, which adhere to sound

environmental management systems and standards, taking into consideration the ecology of the area and the economic and social pattern of the host communities, may mitigate if not completely avoid these impacts.

According to Shulgana, Punam & Mishra (2013), there are three metrics for CSR and these are the social, environmental and economic metrics. The social metrics are given by the following proxies, labour and employment issues, and community initiatives and corporate philanthropy. Environmental metrics include pollution prevention, environmental safety etc. The constituent of Economic metrics are impact on government, financial performance indicators and impact on the community. Sharafa (2014) also added legal perspective where companies will have to obey all laws in order to be socially responsible. In this work, the following are identified as proxies of CSR; labour and employment, health care facilities, rural infrastructural development, environmental safety, educational support programs and waste management.

3.1 Methodology.

The study adopted the Ex-post factor research design and data were drawn from both primary and secondary sources. The primary data were elicited from respondents drawn from Akwa Ibom and Rivers state; while the secondary data were from previous researchers' contributions. A sample size of 300 respondents was used after applying the Yaro Yamani sampling determination techniques on a population size of three million people. Data collected were analyzed using population t-test at 95% level of confidence.

3.2 Data analysis

The multinational oil and gas companies CSR strategies have not adequately addressed the damages caused by gas flaring to the community

Table 1: Population t-test analysis of the extent to which multinational oil and gas companies CSR strategies have adequately provided for the damages caused by gas flaring to the community

S/N		\bar{X}	μ	N	S D	D f	t _{p-c a l}	p-val.
1 .	CRS strategies toward gas flaring	1 3 . 9 4	1 5	3 0 0	5 . 9 8	2 9 9	-3 . 0 7 *	. 0 2 3

*p<0.05, d.f =299, critical t=1.96

The result in Table 1 revealed that the calculated t-value of -3.07 was found to be greater than the critical t-value of 1.96 needed for significance at 0.05 level of significance with 299 degree of freedom. The negative t-value of this result implied that the CSR of the multinational oil and gas companies have not adequately provided for the problems caused by gas flaring to the community.

Hypothesis two

The multinational oil and gas companies CSR strategies have not commensurately addressed the damages caused by oil spillage to the community

Table 2: Population t-test analysis of the extent to which multinational oil and gas companies CSR strategies commensurate the damages caused by oil spillage to the host community.

S/N		\bar{X}	μ	N	S D	D f	t - c a l	p-val.
1 .	CRS strategies toward oil spillage	1 4 . 6 7	1 5	3 0 0	4 . 3 2	2 9 9	- 1 . 3 2	. 2 2 3

*p<0.05, d.f =299, critical t=1.96

The result in Table 2 revealed that the calculated t-value of -1.32 was found to be

smaller than the critical t-value of 1.96 needed for significance at 0.05 level of significance with 299 degree of freedom. The negative t-value of this result implied that multinational oil and gas companies CSR strategies do not commensurate the damages caused by oil spillage to the community.

Hypothesis three

The multinational oil and gas companies CSR strategies have commensurately addressed the health crises imposed on the people of the host community.

Table 3: Population t-test analysis of the extent to which CSR strategies of the multinational oil and gas companies commensurate the health crises imposed on the members of the host community.

S/N		\bar{X}	μ	N	S	D	D	f	$t_p - cal$	p-val.
1	CRS strategies toward health crises	13.78	15	300	3.74	299	-5.65			.223

* $p < 0.05$, d.f = 299, critical $t = 1.96$

The result in Table 3 revealed that the calculated t-value of -5.65 was found to be greater than the critical t-value of 1.96 needed for significance at 0.05 level of significance with 299 degrees of freedom. The negative t-value of this result implied that multinational oil and gas companies CSR strategies do not commensurate the damages on health on the members of the host community.

4 Discussion of findings

The findings of this study revealed that the CSR strategies employed by multinational oil and gas companies are not adequate to address damages caused by gas flaring to the host communities. These findings are in line with the study of Baumeller et al (2011) who found out that though most of the oil and gas companies are implementing sustainable practices, CSR strategies largely remain piecemeal, short term, inadequate and requirements for accountability and transparency also remain insufficient. This finding is also in agreement with the findings of Christian (2014) who found out from their study that corporate social responsibilities of oil and gas companies are primarily aimed at enhancing corporate image rather than to serve the interest of the vulnerable communities. In his words, most of CSR are for the immediate stakeholders while the minor ones such as pipe borne water are left to the host community. This is also

The findings of this study revealed that the corporate social responsibilities strategies of most oil and gas companies operating in the Niger Delta Region of Nigeria have not adequately addressed the damages caused by environmental degradation. The findings are in line with the findings of Clarke (2008) who found that the rate of environmental degradation caused to oil and gas companies is so high and that the companies have done little or nothing to address this situation. Also, Amiga et al(2015) in their study noted that the CSR of most multinational oil and gas are grossly inadequate, uncompensating, and infinitesimal as poverty and unemployment remain widespread in these communities despite the fact that Nigeria Oil and Gas Industrial Bill (2010) places obligation on oil and gas companies for capacity building and use of Nigerian services and personnel in operation of the companies. In a similar report, Hah (2014) also confirm that while the CSR strategies might offer an opportunity to improve the infrastructural development of the host community, the broader impact on poverty reduction, capacity building and livelihood improvement remain limited. Critiques have also noted that CSR only addresses some of the symptom of poverty but ignores underlying development challenges. This could be because the CSR are not well thought out, poorly executed or highly politicised. Local communities have been agitating for resource control as well as protesting against marginalisation as they are not integrated into

the decision and policy making concerning the planned sustainable business practices by the multinational oil companies.

RECOMMENDATIONS

As part of the recommendations, it is stated that multinational oil and gas companies and the Nigerian government should be responsible for the socio-economic development of the Niger Delta region. This is because the oil companies justify their neglect of the host communities on the ground that they pay their taxes to government who should in turn provide basic amenities to her citizens. There should be an all inclusive process of planning and budgeting for all projects and programmes after a joint assessment and special attention should be paid to the weaker and neglected sectors of the society. It is also recommended that all CSR projects and programmes should be captured in the memorandum of understanding (MOU) and the implementation monitored and reported periodically to all stakeholders. Environmental sustainability should focus on capacity building, employment of indigene into the managerial cadre and not just menial workers, provision of skill and infrastructural development for the marginalised and under privileged sections of the communities. CSR intervention in form of projects especially infrastructure and job opportunities should be directly managed and supervised by the company. This is because the use of contractors has led to abandonment or improper execution of much needed CSR projects and it has negative effects on the local people. CSR should not be seen as philanthropic or charitable event but a strategic tool for sustainable development.

On the other hand, oil and gas companies should step up efforts to reduce the environmental footprint on the communities. Both international and local statutes regarding environmental protection should be respected and erring companies should be held accountable and appropriately sanctioned. Nigeria government should sign the global 'Zero Routine Flaring Gas by 2030' initiative that was advocated for on April 2016 in the USA to join the global train to end routine gas flaring. Also, government and policy makers in the oil and gas industry should make efforts to minimise environmental degradation in Nigeria and encourage the development of gas infrastructure.

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