Sustainability: A Critical Challenge for the Extractive Industry

Ogechi Okoro [1]

[1] Centre for Business and Enterprise, Waikato Institute of Technology, Hamilton, New Zealand.

Corresponding author: ogechi.okoro@wintec.ac.nz

© Authour(s)

OIDA International Journal of Sustainable Development, Ontario International Development Agency, Canada

ISSN 1923-6654 (print) ISSN 1923-6662 (online) www.oidaijsd.com

Also available at http://www.ssrn.com/link/OIDA-Intl-Journal-Sustainable-Dev.html

Abstract: Sustainability has been resonating within the business community and academia. Indeed, it has progressed from being an ideology to a technique that adds to the triple bottom line of companies. Given that the new contract is driven by global competition, several companies are striving to take advantage of the current narrative in their drive toward innovation. Most importantly, the expansion of the corporate social responsibility (CSR) frontier is driving the discourse on sustainability, thus, leaving a business with limited options. Therefore, sustainability is no longer optional especially for industries, whose activities directly affect people and the planet. Arguably, the more directly a company's activities affect people, the more likely it comes into direct contact with society. The implication is that they run the risk of being confronted by members of society especially rights groups, activists, and lately young people. This paper aims to demonstrate the author's curiosity to investigate the extractive industry's approach to sustainability in its operations. It also examines the extant practices of the extractive industry, which have direct links to sustainability. The paper reviews the existing literature relating to sustainability and production in the selected industry. Essentially, it discusses the level of acceptance of sustainability in the extractive industry, particularly in the less-developed world. This has exposed gaps, which will require policy overhaul and reorientation. Findings demonstrate a correlation between institutional environment and sustainability consciousness. Recommendations focus on social, economic, political, and technological perspectives. These factors have been found to influence the level of adoption of sustainability by companies. This paper serves as a precursor to a proposed qualitative research project, which will adopt a comparative approach to review the sustainability practices of two companies, based in New Zealand and Nigeria. The author's main goal is to publish a working document from the proposed research.

Keywords: CSR, Extractive Industry, Exploration & Production, Sustainability.

Introduction

The concept of sustainability reverberates beyond the business community and academia in the contemporary relationship between business and society thereby reinforcing the importance of the triple bottom line construct. Undeniably, it has progressed from being an ideology to a technique that adds to the triple bottom line. From a theoretical perspective, sustainability can be traced to a series of conferences between 1972 and 1992. Particularly, the United Nations (UN) conference on Human Environment held in Stockholm in 1992, where it was first deliberated on a global scale (Linner & Selin, 2013). The recommendations at the conference were emphasized in the 1980s at the World Conservation Strategy, a collaboration between the World Wildlife Fund [WWF] and the UN Environment Program [UNEP]. The dominant issue was to advance sustainable development by making conservation a policy focus. However, the concept has assumed a more diverse position in recent times. It is relevant to submit that some form of economic and environmental sustainability existed in communities before the current discourse. For example, the apprenticeship program (igbaboyi) in Igboland has promoted prosperity in different towns. Apprenticeship in this regard refers to an established trader taking on board other members of the community to train them on a similar trade. Empirical evidence demonstrates that this reduces poverty in such communities where this is practiced to an appreciable extent(Chinweuba & Ezeugwu, 2017).

Lately, the discourse on sustainability is shaped by growing concerns for the environment and most importantly climate change, rising poverty, social inequalities and others (Giovannoni & Fabietti, 2013). Before this outlook, the

Organization of Economic Cooperation and Development (OECD, 2007) and the International Institute for Sustainable Development came up with the Bellagio STAMP (Sustainability Assessment and Management Principles) as a benchmark for assessing managers towards sustainability through the OECD (Linner & Selin, 2013). This approach comprises the UN organizations, national governments and the civil society organization in the development of other measurement indices of human progress that could accurately measure social and environmental factors. Nevertheless, many nations have existing sustainable development indicators as a supplement for economic indicators. In this disposition, many companies are making powerful statements about sustainability through their CSR reports. More than 1500 organizations from 60 countries have adopted the Global Reporting Initiative (GRI, 2010). This marks a paradigm shift in business thinking as well as governments and civil societies. The paper focuses on how stakeholder attributes can be used to entrench sustainability in society.

CSR, the Progenitor of Sustainability

For many decades, profit maximization (the business case) has been at the core of business goals; therefore, companies have attempted to create and sustain competitive economic performance (Khoon & Mah-Hui, 2010). Indeed, the frosty relationship between business and society can be attributed to this philosophy. Consequently, the concept of sustainability has started to reverberate in business practices. Sustainability is surrounded by the ambiguity of definition and scope suggestive of the CSR concept. This view is consistent with the position of some authors, who express ambiguity in the actual nature of sustainability referring to it as being about everything and nothing at the same time. Underscoring this opinion,Pesqueux(2009) acknowledges this vagueness in his argument that the complexity around this concept and associated interest devolve into a confusing cacophony.

The recognition that humanity has become a dominant feature in nature can hardly be disputed. Invariably, it is shaping the global landscape through its activities, which exert pressure on the world's finite resources and thus pushing the earth's biophysical system beyond its limits (Jager, Carson, Bradshaw, & Steffen, 2002). These changes are being addressed through many phrases such as climate change, degradation, and loss of biodiversity (Crutzen, 2006). In this regard, it is contended that sustainable practices that society constantly engages in are not enough to create a sustainable system (Sterman, 2012). It is reckoned that real issues around sustainability are ignored or yet to be addressed. This position has placed some commentators in a position of joining technology as an obstacle to sustainability. While acknowledging the role of technology in simplifying life, some critics contend that it has also had some negative impact on sustainability. For example, the replacement of humans with artificial intelligence in some sectors is a classic example of how technology is undermining the sustainability and preservation of human intelligence. Some commentators argue that this innovation may spiral out of control and create an imbalance that will short-circuit the sustainability drive. It, therefore, follows that sustainability goes beyond changing light bulbs; it is rather a concept that is broad, interrelated and all-encompassing (Weinstein, Turner, & Ibanez, 2013). Consistent with this, decision-makers in business and society have come to grasp that policies have come short of solving persistent sustainability problems, but on the contrary causing them (Sterman, 2012). An example of such a situation is witnessed in some well-thought-out programs that create unanticipated side effects (e.g. emission from cars). The emission from automobiles is a major contributor to the greenhouse effect.

The Dilemma of Sustainability in theOil Exploration and Production Sector

Broadly speaking, the extractive industry refers to the industry that is involved in the exploitation and production of non-renewable resources such as oil, gas, and minerals (Sigam & Garcia, 2012). This process has brought most companies in the sector intoconfrontation with different stakeholder groups especially host communities in developing nations (Okoro, 2014; Eweje, 2007; Campbell, 2011). The friction is large because activities in this sector result in the alteration of both the built and natural environments and have a direct impact on host communities. This impact is felt directly as opposed to the effect of the actions of some other sectors like banking or service sector. The nature of oil E&P activities is such that it involves people, who may witness the degradation of their environment on a real-time basis. This arguably puts the international oil companies at the centre stage of conflicts within such environments as the NDR.

In Nigeria, the detrimental effects of oil E&P occasioned by oil spills are evident in most host communities in the NDR and have been well documented in the last three decades. However, the major crisis in the region stems from situations where "youth liberal dispositions were at odds with older citizens, whom the young people have accused of conniving with the companies to the detriment of the people" (Amaewhule, 1997). Consequently, these young people have prevailed on IOCs through threats of violence to attend to their needs (Eweje, 2001). This is a model case of stakeholder power attribute, where legitimacy can be overtaken by events. In his submission, Akpan (2006) reinforces the perception by the youths that their leaders are ignorant, self-centred and lack the capacity for effective negotiation. Paradoxically, the youth have become the chief negotiators and are no longer as naïve as claimed in the past. This discovery is an aftermath of the study by Okoro (2014), where first-hand interaction with host community members exposed the level of awareness of these young people fitting into the narrative of getting the biggest share of the national cake, which is a common cliché among most Nigerians (Campbell, 2011).

In an economic sense, the oil boom in the 70s in Nigeria was synonymous with an increase in local manpower demand and the flow of foreign revenue. This development benefited the elites and politicians; who formalized corruption and mismanagement of resources (Campbell, 2011; Turner & Sherman, 1997). The international community took note of this anomaly and the consequence was the turning down of a loan request to IMF in 1985. Most Nigerians viewed this development as a danger sign. However, this action was accompanied by some advantages as the currency was devalued "four-fold, import restrictions were lifted, import licenses abolished, wages frozen, price controls, subsidies removed, wages frozen, price controls lifted, jobs cut, the minimum wage eliminated, and profitability of oil investment enhanced(Turner, 1986).

Corruption, Democracy, and Sustainability

The year 2018 remains extraordinary for most African leaders as they declared it the African year of Anti-Corruption. This move was viewed with scepticism by those who understand the dynamics of the continent in this regard. These sceptics will later be vindicated by Transparency International (2018). In the past, authors including Campbell (2011) and to a certain extent Okoro (2014) have made submissions to support the notion that corruption is rather the norm than the exception in Nigeria. Indeed, they contend that corruption is a continental malaise for Africa and gets worse in sub-Saharan Africa. A direct consequence of this is the dearth of infrastructure, which can be traced to the self-aggrandizement approach of most African leaders. The OECD (2011) without ambiguity notes the role of infrastructure in the sustainable development of any nation. Furthermore, it asserts that no meaningful development can occur without basic infrastructure. This acknowledgment aligns with the opinion that sustainability cannot be isolated from institutional environments. The normative or descriptive nature could be where the challenge lies.

Transparency International (2018) report establishes a nexus between corruption and democracy by suggesting an inverse relationship. However, the descriptive nature of institutional environments especially in developing countries poses a huge challenge. A number of these countries are battling poverty and disease thereby, operating at the bottom of Maslow's hierarchy of needs. Global news demonstrates that corruption is a human disease that is arguably endemic and renewable in most developing nations. From an African perspective, a triangular approach (figure 1) can be deduced from corruption, democracy, and sustainability, where a correlation could be established. Isolating corruption from democracy and sustainability can be delusional. Corruption to a reasonable degree can be inimical to both democracy and sustainability. However, in some cases, the development of a nation may not equal democracy. For example, Nigeria was under British rule before it gained independence on October 1, 1960 (Ikoya, 2007). The significance is that the country has been self-governing for 58 years. Paradoxically, the country has struggled with several complexities including corruption, ethnic wars, uprising, institutional decay amongst others. Similarly, the just concluded general elections is a testament to how the country still struggles with democracy. Reports from media organizations and more unconventionally the social media indicate that the outcome of most elections is being contested including that of the presidency. Therefore, it is not irrational to assume that in such an environment issues around sustainability will be subsumed in the national chaos. Lived experience reveals that the fight goes on and on and unfortunately the state foots the legal bills in several cases. Across the Pacific, countries like New Zealand continue to strengthen their democracy fabrics by promoting transparency and making elections more sustainable and cost-effective.

The latest Corruption Perceptions Index (CPI)report by Transparency International (2018) is an indictment on some countries in their effort to fight corruption. The report is unmistakable on a troubling link between corruption and the state of democracies globally. The index is based on the ranking of 180 using a scale of 0–100 where 0 is the most corrupt and 100 the most transparent. Underscoring the link between weak democracies and corruption is not particularly unnerving for people from developing regions such as sub-Saharan Africa. Ironically, some of the leaders in this region are promoting their half-baked anticorruption initiatives, which are imaginary at best. The situation aligns with Campbell (2011) argument on the economic superiority of Nigeria in sub-Saharan Africa based on the pervasive poverty in the nation. this submission is strengthened by a recent report that listed Nigeria as the global poverty headquarters (CNN, 2018). Poverty and corruption could act as a lethal mix, which undermines every effort toward sustainability and sustainable development. Overall, analysts opine that corruption in sub-Saharan Africa is orchestrated by factors such as weak institutional environments and dormant political systems. Some practical experience suggests that Nigeria is plagued by these factors as well despite carrying itself as the giant of Africa. Indeed, internal conflicts and unstable governance structure in countries like Nigeria have made it difficult for any dialogue on sustainability. The country is beleaguered by an unsettling crisis like kidnapping, election malpractice, Boko Haram, MEND, IPOB, and other groups with a high propensity for violence. The panel is still out to determine the efficacy of President Muhammad Buhari's anti-corruption drive.

Oil for the Elites

Different scenarios have been projected on how oil has made some nations poorer. This phenomenon has been referred to as the "*resource curse"* in some literature. The current reality can be linked to Rosser (2006) that the conventional wisdom in the 80s was that natural resources played a central role in the development of a nation. On the contrary, some development theorists and neoliberal economists further amplified this position until the emergence of a contrary view in the 80s as well. The opponents claim that natural resources may not be a blessing to those nations after all. This argument exemplifies the dilemma of some oil-based countries and their inability to channel accruing wealth toward sustainability to achieve sustainable development. Conversely, proponents argue that the abundance of natural resources such as oil would assist developing countries to migrate from underdevelopment to industrialization as evidenced in countries such as Britain, the USA, and Australia (Akinlo, 2012). However, the situation in developing countries such as Nigeria starkly contradicts the view that oil is associated with economic development. Earlier commentators on transparency such as Vletter (1997) point to the role of transparency and accountability on the part of the government in wealth management and national development. This submission underscores the fact that weak democracy could lead to the hegemony and self-aggrandizement that plague most countries in sub-Saharan Africa. The recurring question is how all these fit into the sustainability narrative for nations that need it the most.

Stakeholder, CSR, and Sustainability

In the last couple of decades, Corporations have been experiencing challenges in their CSR programs as stakeholders have become increasingly aware of the consequences of corporate activities as a result, raising the bar for accountability. With the fast-growing information and communication technology industry (ICT), information is readily available, and people always put such information to any use that benefits them. Treviño, Gibson, Weaver, & Toffler (1999) contend that corporate responses to social demands can be a mere camouflage thereby making it a challenge to establish a nexus with sustainability. It is also relevant to allude that some companies incorporate ethics-related initiatives in ways that can be easily separated from operational activities to enable such demands to be met without interfering with core business activities. Some commentators are of the impression that this effort is imaginary and call for independent scrutiny to determine authenticity and relevance. There is a growing consensus that companies are coming up with more ethically sound ways of doing things, but the expectation is that they can do more (Idemudia, 2007). To deflect this perception, companies are developing and communicating more socially responsible policies and procedures. However, it is imperative to acknowledge that incidents of irresponsible behavior are bound to increase as firms globalize. For example, the coffeehouse chain Starbucks has long and characteristically carried itself as an enthusiastic adopter of fair-trading practices. Unfortunately, the company has been criticized for trying to prevent Ethiopian farmers from securing trademark protection for their coffee and being able to obtain a better price for themselves (Adamy&Thurow, 2007). Essentially, fair-trading is one form of sustainability that reflects on people given that the concept is about people, planet, and profit. This incident aligns with the opinion of some analysts that CSR could be more of a publicity stunt than anything else.

One of the major criticisms of CSR as a business practice is that, unlike that of the financial front, performance on the social environment is much more riddled with contradictions. The practice assumes even more ambiguity when firms attempt to present what looks like a widely accepted standard (Norman & MacDonald, 2004; Carroll, Brown, &Buchholtz, 2018). This can be the reason why setting a standard of CSR for firms has not gained the required support as companies operate differently and are affected by certain variables in different forms. For example, companies that are in the extractive business are more likely to be confronted by local communities than a bank. To reduce this vagueness, some nations allow organizations to draw CSR policies or initiatives based on their business environment and needs. A realistic argument points to the fact that this allows more flexibility when backed by some level of legislation for guidance and control which can be beneficial to all stakeholders. This approach has led to dynamic discourses on sustainability and business ethics, which are dominating corporate reporting lately.

Regardless of all these, the way CSR should be carried out has generated several debates. Some think it should be voluntary and on the other divide, some are championing the imposition of the concept on firms. This confusion has led some to advocate the abandonment of both the concept and its practice. In the opinion of Henderson (2001) the effort should be more on perfecting the market dynamics, given that it is within the context of efficient markets that businesses can be legitimately expected to contribute to the public good. Interestingly, the contribution of public goods to business innovations like the internet, electric car, near field communication (NFC), etc. can hardly be ignored. Yet, the other group advocates a firmer regime of CSR, insisting that it is CSR's voluntarism that predisposes the process to abuse by business corporations or leads corporations to put up a grandstanding disposition to it. They contend that it is not all about benevolently sponsoring all forms of campaigns in a remote village; rather it is how their operations impact the society and what can be termed the stakeholder license to operate (Swanson, 1999), in this case, the license is not the same as the formal oil prospecting/drilling license given by the government. The situation in Nigeria may not necessarily reflect a global perspective. Arguably, most corporations in Nigeria have the major decision-makers sitting on their boards and this makes it increasingly difficult to effect CSR policies that are not in line with shareholders 'philosophy (Akpan, 2006). In some countries, it is constitutional that people relinquish board positions at the point of taking up a political position, but this is not strictly adhered to. The experience is that a significant number of people on management boards are always very influential even outside the boardroom and major decisions will not be passed without their overwhelming influence. The implication is that for sustainability matters to be taken seriously in an organization, the shareholders' motivations are to be put into context. Therefore, if a gap exists, it becomes more challenging for managers to actualize.

Corporate activities have always been subject to scrutiny for alternative motivations, therefore most CSR policies reflect some form of corporate hypocrisy and some observers are still in doubt over the sincerity of most organizations in their CSR agenda (Wagner, Weitz, & Lutz, 2009). Following this orientation, there seems to be a need to appraise the meaning of corporate hypocrisy concerning CSR. Therefore, organizations have the onerous task of convincing stakeholders of their determination to contribute meaningfully to society. In real terms, corporate hypocrisy can be simply defined as the belief that a firm claims to be something that it is not, essentially this occurs when there is an alleged disparity between claim and reality (Shklar, 1984). Checking performance against assertion can make or break an organization. Therefore, organizations like people may be perceived as demonstrating hypocrisy when inconsistent information about their statements and observed performance are revealed. It is applicable to note that there is no established relationship between individual hypocrisy and corporate hypocrisy. The question is, could corporate hypocrisy be considered a global or regional attitude that undermines sustainability?

The work of Jackson &Artola(1997)) suggests that little research has been done on cross-cultural ethical values and behaviour of organizations such as international oil companies (IOCs) in less developed countries (LDCs) even though the impact of globalization and demands for ethical behaviour are now far-reaching. However, a report by Global Environmental Management Initiatives (based upon World Bank data) exonerates IOCs by noting that most of them are proactive in both economic development and environmental health and safety quality in LDCs they operate. This acknowledgment reveals that some IOCs are committed to sustainability by engaging in sustainable development practices through their CSR agenda. Conversely, Ite (2004) notes the difficulty in applying universal or western CSR standards to LDCs such as Nigeria. He concludes by suggesting that IOCs in the NDR are complicit in the injustice surrounding the equitable distribution of oil resources. Similarly, the work of Okoro (2014) does not completely exonerate or indict the IOCs in this regard.

CSR could mean different things to different people because of the influence of culture, institutional environments and possibly geography on people's perception. A lot of synonyms have been associated with this concept, yet the objectives are similar and contextual as well. The consequence is that the concept is practiced differently and depends on the circumstances of the society in question. In the Developed World, CSR initiatives are centred on the environment, Health and Safety issues (Ite, 2004). However, in the developing world, the community dominates the agenda because the basic infrastructure to make life worthwhile is lacking. CSR in this instance involves the clamour for good governance and anti-corruption crusades, as legislation to achieve these are weak in these places. Generally speaking, CSR policies would involve the environment, community, health, safety, infrastructure, capacity building, corporate governance, and ethical issues. It is pertinent to note that CSR requirements of the developing world are significantly different from that of the developed world because of the value system, cultural differences and technological advancement (Ite, 2004). The odds favour CSR and stakeholders as potential drivers of sustainability. It gets more challenging in LDCs, where the majority ofgovernments are unimaginably corrupt and aloof to the needs of the people. A parallel submission is made by Amaeshi, Adi, Ogbechie, & Amao(2007) for a more customized approach to CSR, which aligns with the cliché of "thinking globally and acting locally". However, business ethics scholars would consider this phrase differently. Irrespective of whatever approaches that are adopted by either movers or embracers of sustainability, there is an accord that the environment should be treated with care and respect.

Understanding Environmental Sustainability

Environmental sustainability has been defined differently by different authors but there is a consensus on the need to protect the planet through responsible production, consumption, and disposal in our ecosystems. According to Clark (1999), environmental sustainability is a process that transcends natural resources management to encompass the political and social as well as the natural environment. Previously, Jolly (1978) had defined environmental sustainability as the process of allocating natural and artificial resources to make optimum use of the environment in satisfying basic human needs, at the minimum, and more, if possible, on a sustainable basis. However, a later definition by Mensah (2006) expands on the former definition to draw business into the dialogue by referring it to a continuous process adopted through management decisions, by which a company's activities are monitored and appropriate programs and activities devised to reduce the negative environmental impacts. The later succinctly reflects what sustainability means to all stakeholders in the current discourse.There is an accord around the urgency to take care of the present and future (Carroll, Buchholtz, & Brown, 2018), hence, the need to protect people and planet seems non-negotiable in today's business ecosystem. Suffice to say that these issues remain paramount in the earth's longevity, yet most people do not understand the seriousness of environmental sustainability.

Underscoring the importance of sustainability is the realization that business cannot be done on a dead planet (Phillip-Fein, 2015). Following this, some district councils in New Zealand are declaring climate emergency to better understand and manage environmental sustainability(Desmaris, Tso, & Boyack, 2019). As earlier discussed, the extractive industry is usually in direct contact with people and the planet making it unavoidable to be movers of the sustainability discourse. The backlash from environmental disasters such as the BP Gulf of Mexico oil spill can hardly be exaggerated, as BP is yet to fully recover from the negative publicity from that calamity. The positive aspect of the incident is that it increased environmental awareness by galvanizing activists to speak against some unwholesome practices of companies especially those involved in oil exploration and production (Okoro, 2014).Therefore, the seriousness of sustainability globally lacks ambiguity. The establishment of Sustainable Development Goals in 2015 further reinforces the inevitability of this concept in the global arena. The attention given to the concept by the media has helped to keep the momentum with an unusual crescendo. However, there seems to be a disconnect about the awareness of this concept as one moves closer to sub-Saharan Africa. Some authors and commentators have attributed this lack of seriousness on the concept to the endemic corruption in the region, which is fuelled by weak institutional environments that sustain corruption (Okoro, 2018; Campbell, 2011).

Indicative Sustainability Triangle for LDCs

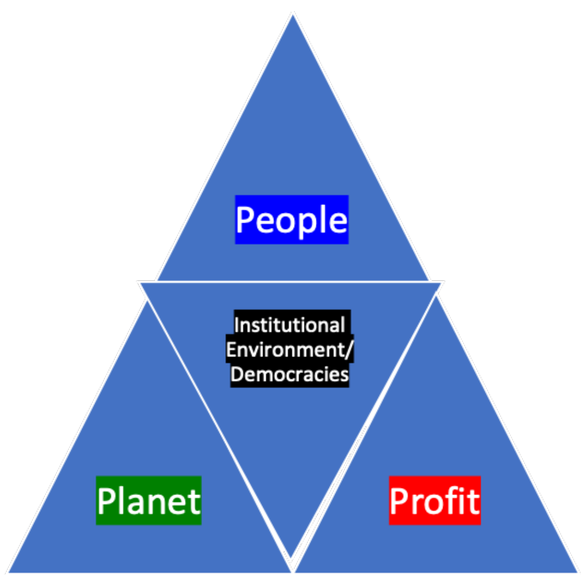

Figure 1: Indicative Sustainability Triangle for LDCs

The above triangle accentuates the overwhelming impact of the institutional environment on the sustainability discourse of a nation. Suffice to say that globalization has affected the control of national governments on the domestic environment (Held & McGrew, 2007), the relationship between sustainability and democracies can hardly be exaggerated. For example, a country like New Zealand with a strong institutional environment, which is evidenced in a near-perfect democratic institution will have an unrestrained conversation about the sustainability of people, planet, and profits. Supporting this narrative is the recent unanimous action by supermarkets in New Zealand to adopt and implement a no-plastic-bag policy and the outcome has been phenomenal (Ministry for the Environment, 2019). Arguably, this mover approach might not be unconnected with the level of awareness created by a strong institutional environment. Below is a poster by a retail chain in New Zealand to demonstrate their commitment to sustainability. some scientific commentators allude to the mitochondrial effect of institutional environments on the sustainability agenda. The mutual exclusivity of the two is yet to be established. Put simply, an institutional environment can be an enabler of sustainability and vice versa.

Conclusion

Organizational philosophy to a judicious extent shapes their policies and strategies. The organization fails because of people, if people were taken away from an organization it becomes a mere mortar and bricks. The extractive industry involves activities that affect people and the planet the most. This has led to instability and confrontation between governments, communities, and industry groups. Therefore, it is incumbent upon industries in this sector to articulate the roles that they can play in the drive for sustainability. Given the realization that it comes into direct contact with local communities, the bar on performance in this area can only get higher. The industry in the developing world is encouraged to think globally and act globally this time. The exploration and production process can be greener with technological innovations. However, there needs to be a long-term strategy to invest and focus on alternative energy sources especially in LDCs. Indeed, the longevity of companies in the extractive business could depend on how they manage their dependence or fossil fuels. The news was awash this week with a demonstration by young people all over the world demanding climate justice and this is in no manner good news for the extractive industry. The pressure for environmental sustainability can only be sustained and most businesses realize that. Experience validates that external stakeholders are more active in this regard. In all of this, the institutional environment will set the stage for the sustainability direction of this industry. Countries with transparent democracies have fared better in their drive toward sustainability in this industry by tightening regulations around the environment. Therefore, there is arguably a consensus around an existential threat to people and the planet from the extractive industry.

Recommendations

The extractive industry, particularly the oil and gas sector operate in the most precarious environments. The most significant feature with such environments is poverty, which can be traced to weak democracies leading to unbridled corruption among the elites. Therefore, the paper recommends the following to IOCs in developing countries:

To ensure that their environmental sustainability initiatives (if any) deliver on their promise, articulate them in a manner that is clear to internal and external stakeholders of the company and carefully aligned with the company's broader business strategy.IOCs should schematize their stakeholder outreach through regular meetings with environmental activists and NGOs by inviting both critics and supporters for dialogues through the co-creation of sustainability programs in the host communities.International organizations and donor agencies should move away from philanthropy to embrace self-reliance strategies that encourage sustainability, which invariably promotes sustainable development in LDCs with high dependence on the extractive industry,Finally, the extractive industry in LDCs should be transparent in the energy efficiency level of their oil E&P and not take advantage of host communities' lack of awareness regarding global warming and carbon footprint of companies.

References

Okoro, O. (2014). *Corporate Social Responsibility Agenda for International Oil Companies (IOCs): New Perspectives from Stakeholders in the Niger Delta Region (NDR) of Nigeria.* Auckland University of Technology. Auckland: Auckland University of Technology.

1. Abe, F., & Ayodele, S. (1986). Oil Exploration, Drilling and the Environment. *Proceedings of a Nation Conference.* Ibadan: NISER.
2. Adamy, J., & Thurow, R. (2007). Ethiopia battle Starbucks over rights to coffee names. *The Wall Street Journal*.

3. Akinlo, A. (2012). How Important is Oil in Nigeria's Economic Growth? *Journal of Sustainable Development, 5*(4), 165 - 179.
4. Akpan, W. (2006). Between Responsibility and Rhetoric: Some Consequences of CSR Practice in Nigeria's Oil Province. *Development Southern Africa, 23*(2), 223-240.
5. Amaeshi, K., Adi, B., Ogbechie, C., & Amao, O. (2007). Corporate social responsibility [CSR]: Western mimicry or indigenous practices. *Lagos Organizational Review, 4*(7), 11 - 22.
6. Amaewhule, W. (1997). Oil companies, communities and social responsibility. *Training and Development, 51*(7), 53 - 54.
7. Campbell, J. (2011). *Nigeria Dancing on the Brink.* MD: Rowman and Littlefield.
8. Carroll, A. B., Buchholtz, A. K., & Brown, J. (2018). *Business & Society: Ethics, Sustainability, and Stakeholder Management* (10 ed.). Stamford: Cengage Learning.
9. Chinweuba, G. E., & Ezeugwu, E. C. (2017). The Ontological Foundation of Igbo Entrepreneurship: An Analytical Investigation. *Journal of Philosophy, Culture and Religion, 33*, 17-24.
10. Clark, D. (1999). What drives companies to seek ISO 14000 certification? *Pollution Engineering International*, 14-15.
11. CNN. (2018). *Nigeria overtakes India in extreme poverty ranking.* New York: CNN International.
12. Crutzen, P. J. (2006). Albedo enhancement by stratospheric sulfur injections: a contribution to resolve a policy dilemma. *Climate Change, 77*, 211 - 219.
13. Desmaris, F., Tso, M., & Boyack, N. (2019, June 20). *Environment.* Retrieved from Stuff.co.nz: https://www.stuff.co.nz/environment/climate-news/113747732/councils-declare-climate-emergencies-but-will-it-result-in-any-real-change
14. Eweje, G. (2001). *Corporate Social Responsibility and Multinational Enterprises in Developing Countries: Natural Reource Exploitation in Nigeria, South Africa and Zambia. Royal.* London: Royal Holloway, University of London, London.
15. Giovannoni, E., & Fabietti, G. (2013). What is sustainability? A review of the concept and its applications. In C. Busco, M. L. Frigo, A. Riccaboni, & P. Quattrone, *Integrated Reporting. Concepts and Cases that Redefine Corporate Accountability* (pp. 21 - 40). Cham: Springer.
16. GRI. (2010). *A new phase: the growth of sustainability reporting.*
17. Held, D., & McGrew, A. (2007). *Globalization / Anti-Globalization: Beyond the Great Divide.* Polity.
18. Henderson, D. (2001). *Misguided virtue: false notions of corporate social responsibility* (Vol. 142 of Hobart Paper). London: Institute of Economic Affairs.
19. Idemudia, U. (2007). Corporate partnership and community development in the Nigerian oil industry, strengths and limitations. *United Nations Research Institute for Social Development*.
20. Ikoya, P. O. (2007). Decentralization of educational development reforms in Nigeria: a comparative perspective. *Journal of Educational Administration, 45*(2), 190 - 203.
21. Ite, U. E. (2004). Multinationals and corporate social responsibility in developing countries. *Corporate Social Responsibility and Environmental Management, 11*(1), 1 - 11.
22. Jackson, T., & Artola, M. C. (1997). Ethical beliefs and management behaviour: a cross-cultural comparison. *Journal of Business Ethics, 16*, 1163 - 1173.
23. Jager, J., Carson, D. A., Bradshaw, C., & Steffen, W. (2002). Challenges of a Changing Earth. *Global Change Open Science Conference* (pp. 189 - 191). Amsterdam: Springer.
24. Khoon, G. S., & Mah-Hui, M. L. (2010). The Impact of the Global FinancialCrisis: The Case of Malaysia. *Third World Network*.
25. Linner, B. O., & Selin, H. (2013). The United Nations Conference on Sustainable Development: Forty Years in the Making. *Environment and Planning C: Politics and Space, 31*(6), 971 - 987.
26. Mensah, I. (2006). Environmental management practices among hotels in the greater Accra region. *International Journal of Hospitality Management, 25*(3), 414-431.
27. *Ministry for the Environment*. (2019, July 1). Retrieved from business.govt.nz: https://www.business.govt.nz/news/ban-on-plastic-bags
28. OECD. (2007). *OECD.org.* Retrieved May 23, 2019, from Promoting Pro-Poor Growth: Policy Guidance for Donors: https://www.oecd-ilibrary.org/docserver/9789264024786-en.pdf?expires=1558594391&id=id&accname=guest&checksum=2DBCFBEB642039F5BC5F03AA1CD5941A
29. OECD. (2011, October 4). *Development Co-operation Report*. Retrieved from OECD.org: https://www.oecd.org/dac/developmentco-operationreport2011.htm

30. Pesqueux, Y. (2009). Sustainable Development: A Vague and Ambiguous “Theory". *Society and Business Review, 4*(3), 231 - 245.
31. PWC. (2017). *Nigeria's Refining Revolution.* Lagos: PricewaterhouseCoopers.
32. Rosser, A. (2006). *The Political Economy of the Resource Curse:.* Centre for the Future State.
33. Shklar, J. (1984). *Ordinary Voices.* Cambridge, MA: Belknap.
34. Sigam, C., & Garcia, L. (2012). Extractive Industries: Optimizing Value Retention in Host Countries. *United Nations Conference on Trade and Development.* New York: UNCTAD.
35. Sterman, J. (2012). Stumbling towards sustainability: Why organizational learning and radical innovation are necessary to build a more sustainable world-but not. In R. Henderson, M. Tushman, & R. Gulati, *Organizational & Strategic Change and the Challenge of Sustainability.* Oxford University Press.
36. Swanson, D. L. (1999). Towards an integrative theory of business and society: A research strategy for corporate social performance. *Academy of Management, 24*(3), 506-521.
37. Transparency International. (2018). *Corruption Perception Index.* Transparency International.
38. Treviño, L. K., Gibson, D. G., Weaver, G. R., & Toffler, B. L. (1999). Managing Ethics and Legal Compliance: What Works And What Hurts. *California Management Review, 41*(2), 131 - 151.
39. Turner, B. A. (1986). Sociological Aspects of Organizational Symbolism. *SAGE Journals, 7*(2), 101-115.
40. Turner, B. A. (1986). Sociological Aspects of Organizational Symbolism. *SAGE Journals, 7*(2), 101-115.
41. Turner, T. E., & Sherman , R. (1997). South Africa solidarity with oil workers and the democracy in Nigeria. *Earthlife Quarterly Publication*, 1 - 15.
42. Wagner, T., Weitz, B. A., & Lutz, R. J. (2009). Corporate Hypocrisy: Overcoming the Threat of Inconsistent Corporate Social Responsibility Perceptions. *73*(6), 77-91.
43. Weinstein, M. P., Turner, R. E., & Ibanez, C. (2013). The global sustainability transition: It is more than changing light bulbs. *Sustainability, Science, Practice, and Policy, 1*, 4-15.