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The Effects of Social Media on Environmental Sustainability Activities of Oil and Gas Multinationals in Nigeria.

By

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This article explores of the role of communication in shaping corporate social responsibility (CSR) policies, addressing stakeholders' criticisms of the multinationals' sustainability commitment and in building intangible assets like corporate reputation. Given the challenges posed by institutional pressures as well as pressures of climate change and social media technology, this article suggests that communication – social media – can be used to advance the multinationals' CSR commitment for a more sustainable future in Nigeria's Niger Delta. In the new era of new communication, this is redoubled as multinational corporations (MNCs) as well as other stakeholders can effectively and rapidly influence policies and public opinion on social and environmental issues given the reach, speed and user-generated content application flexibility of social media. Thus, (social media can serve as platforms to address sustainability issues, as well as the prolonged poor corporate stakeholder relations in the region, which is in the shadow of oil exploration and climate change.)

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Introduction

The Niger Delta region, which is located in the southern part of Nigeria, is home to Nigeria's oil-producing states and is the epicenter of Nigeria's economy. The discovery of oil in commercial quantity back in 1956 marked the beginning of a boom in productivity for the region, but it also marked the beginning of a long period of environmental and socioeconomic problems. As the profits of oil and gas multinational companies have increased across decades of oil extraction, environmental and cultural issues have intensified. Today, there is an increasing awareness that the multinationals need to be held accountable for their environmental impact and also for their impact upon the people and their way of life in the Niger Delta region.

This article explores how oil and gas multinationals in Nigeria can use social media communications about environmental issues to reinforce their commitment to a sustainable future, as well as to manage institutional pressures arising from stakeholders (Kostova & Roth, 2002; Madsen, 2009). The central idea of this article is to explore the effects of social media on environmental sustainability activities of the multinational corporations (MNCs), as well as considering how they can appropriate this medium in order to advance their commitment to environmental sustainability. Due to the flexible nature of its user-generated content, social media can be used by MNCs to promote corporate citizenship and to influence socio environmental discourses about their dedication to CSR initiatives. This can include engaging with other stakeholders, like community people, nongovernmental organisations (NGOs), the media, and government for a more sustainable future.

Context Overview: Nigeria

With a population of over 150 million and a per capita gross national income of just \$260 per year, Nigeria is one of the poorest nations on earth. Yet, the country is the highest oil producer in Africa. As a result of poor corporate social responsibility from the corporations that extract the oil, Nigeria is currently engulfed in environmental crisis (Dhir, 2007; Frynas, 2009). Part of the crisis stems from the fact that Nigeria burns 75% of its extraction-related gas and reinjects about 12 per cent of this back to into the environment (Dhir, 2007). This has exacerbated any plans for sustainability and the reduction of carbon emissions and subjected the Niger Delta region – and Nigeria by extension – to ecological, socio-environmental and oil-induced stakeholder conflict (Eti, 2009; Ikelegbe, 2005). As the global demand for carbon fuels increases, issues around sustainability and climate change in Nigeria deepen.

Since the Industrial Revolution, there has been appreciable rise in the use of carbon fuels, leading to variations in the average earth temperature and substantial variation in sea levels. What is interesting about this circumstance is that it is largely shaped by human economic development, which is occurring at an alarming speed (McKibben, 1989). Climate change has been impacted by the amount of greenhouse gases (GHGs) in the atmosphere, specifically carbon dioxide, methane, nitrous oxide and chlorofluorocarbons (CFCs). GHGs are found naturally in the atmosphere; they absorb and emit radiation within the thermal infrared range. In the main, "without the greenhouse, the earth's surface would average a chilly zero degrees Fahrenheit" (Dolan & Goodman, 1995, p.15). However, with too much GHG in the atmosphere, the earth heats up disproportionately and negatively impacts the delicate ecological balance.

Another area of concern is the upsurge in international demand for biofuel, which requires massive amounts of living plant matter to create fuel. This is increasing at an unusual pace as many nations struggle to implement policies and infrastructure for the use of renewable energy (Wicke, Dornburg, Junginger & Faaji, 2008) and will continue to have adverse effects on our environment.

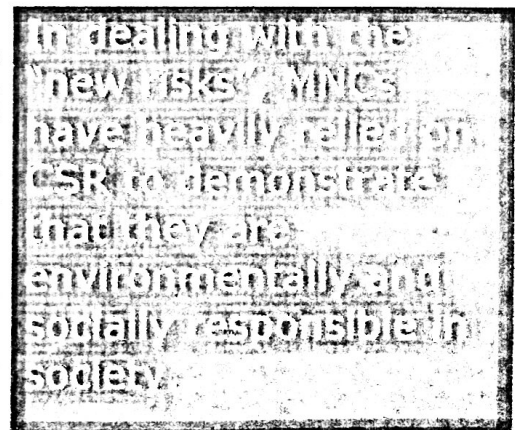
The foregoing poses grave danger for Nigeria, particular the Niger Delta, which is in the shadow of climate change, stakeholder conflict, and oil exploration by the MCCs (Abila, 2010). In corroborating this, in a recent special report prepared by the United States Institute of Peace on the theme "Climate Change Adaptation and Conflict in Nigeria", it was observed that:

Nigeria's climate is also likely to see growing shifts in temperature, rainfall, storms and sea level throughout the twenty-first century. These climatic changes, if unaddressed, could throw already stressed resources such as land and water into even shorter supply. Moreover, poor responses to resource shortages could have serious negative secondary effects, including more sickness and hunger, fewer jobs, and poor economic growth, which in turn could open the door to more violence. Indeed, in a few conflict-prone spots such as the Niger delta and the arid northeast, this sequence is probably playing out on a limited scale already (Sayne, 2011, p.2).

The reality of climate change and unsustainable business practice in Nigeria mirrors what the German sociologist, Ulrich Beck, characterized as "the risk society", a situation where many present industrialized nations create and perpetuate new risks precipitated by modern technologies in order to exploit the planet.

In dealing with the "new risks", MNCs have heavily relied on CSR to demonstrate that they are environmentally and socially responsible in society. It is not always easy to get the message right, because some stakeholders in the institutional context see CSR as mere window dressing or "greenwashing" that corporations use to downplay the impacts of their activities on the environment and the people. Nonetheless, if handled well, creating the right buzz can amplify a corporations' commitment to environmental sustainability and this is essential for better corporate-community relations, legitimacy, less stakeholder agitation and ultimately, maximum return on investment (Blanchard, 2011).

Also, given that social media is an extension of us, it is increasingly obvious that it is a potent mechanism via which organizational values, brand management and corporate reputation can be articulated. To this end, social media communication plays a vital role, not only in bridging the gap between the MNCs sustainability commitment and stakeholders' perception, but also in framing the multinationals' CSR policies toward environmental sustainability. Thus, in order to articulate a workable corporate citizen framework, MNCs have to firstly understand the agenda and interests of the public (stakeholders). To accomplish this, effective communication is key.



Without question, the democratization of information and its dissemination to the public has increased stakeholder knowledge of corporations' CSR initiatives and made possible greater criticism. MNCs are under increasing pressure in foreign countries where they do business to

be more socially responsible (Cox, 2012; Kostova & Roth, 2002). In the age when MNCs are expected to assist in addressing problems such as climate change, poverty, disease and environmental crisis, the use of social media is vital in letting people know how committed the corporations are to tackling problems (Youngs, 2010). The social networks existent across social media are made up of group actors and people brought together with their common "ties". These networks are increasingly important for disseminating information about social and environmental issues.

* The emergence of Facebook in 2004, YouTube in 2005 and Twitter in 2006, as well as other social networking sites, has brought an unparalleled wave of environmental advocacy and news reporting (Cox, 2012; Youngs 2010). Due to the messages it has been carrying and its unregulated reach throughout the Niger Delta, social media is felt to be responsible for bringing a change of perception about environmental issues in the region (Kperogi, 2012). Social news sources, mobile apps, online streaming and RSS feeds are ways that individuals are increasingly accessing environmental information or stories in a timely manner for timely intervention.

In Nigeria, Greenpeace, Friends of the Earth, Environmental rights Action, Rivers State Sustainability Development Agency and other outfits and NGOs have expressed their outrage online about Shell, Agip and Chevron's neglect of the environment, human rights abuse and environmental pollution. Recently, a video published online shows how Shell is alleged to be sponsoring warlords in the Niger Delta (Greenpeace, 2010). In contrast with the slow means of communication by traditional media platforms, Shell's alleged sponsorship of warlords in the region has been widely circulated via the Internet. It dispatches information almost instantaneously to people and enables micro-publications to continue spreading the word. As another example, when the Deepwater Horizon oil rig exploded in 2010, killing 11 workers and spewing oil into the Gulf of Mexico, environmental activists, governments, citizens and oil companies used social media to post their outrage and comments (Cox, 2012). Thus, in the modern era, social media is a powerful platform for environmental activism and engagement.

A New Take on Value Creation

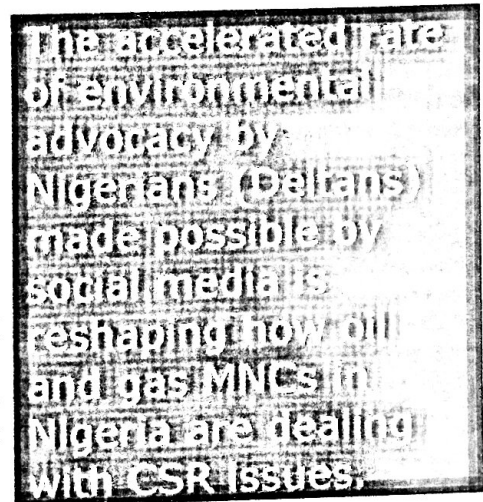
According to Stead & Steam (1994), companies in the twenty-first century will have to change basic assumptions and organizational values and practice that underscore their relationship with the larger natural environment. In this sense, it means organisations need to integrate ecological, environmental and social performance into their strategic planning and operations. They can do this by regularly undertaking environmental and social auditing to capture changing consumer behavior and stakeholder views about their operations (Eweje, 2006). Consequently, MNCs have to modify their performance by adopting new environmental principles and strategies toward sustainability and health environmental conditions (Ekington, 1997).

Thus, from the Rio Earth Summit in 1992, to the Brundtland Report in 1997, which is also known as Our Common Purpose, to Kyoto Protocol in 1997 and 2005 and the World Summit on Sustainable Development in 2002, the overriding aim is to articulate how best to manage or mitigate the impacts of climate change for a more sustainable future. This practice is what Shrivastava (1992) called "corporate self-greenewal" (p.18). The concept of green here resonates with environmentally conscious efforts by firms to save our planet from environmental degradation. This approach emphasizes the

...ability to perceive the limits of the natural environment, the physical interconnection between organisations and the ecosystem as well as the true long-term ecological implications of company strategic choices. (Hogevoold & Svensson, 2012, p.142).

It stands to reason that MNCs in Nigeria, which include Shell, Chevron, Agip, Statoil, ExxonMobile and Elf, among others, need to reconsider the ecological footprints of their business activities by strategizing ways to reduce them (Eweje, 2006; Frynas, 2009).

MNCs can use social media communication to receive and manage stakeholder criticism of their activities as well as to increase the visibility of their commitment to social and environmental reform. In this direction, as Cambie & Ooi (2008, p. 40) argued, "...corporations are beginning to grasp the value of intangible assets like reputation and access to networks", which help them to deflect ethical mishaps and increase between 30 to 70 percent of their market capitalization. Apart from this, social media can serve as a platform for corporations in the conflict-prone Niger Delta to defuse crises, protect brand, manage reputation and increase their return on investment. Social media is also cost effective compared to traditional media.



The Impacts of Social Media on the Institutional Environment in Nigeria

The accelerated rate of environmental advocacy by Nigerians (Deltans) made possible by social media is reshaping how oil and gas MNCs in Nigeria are dealing with CSR issues. Politically conscious Nigerians use the social media space to organize, motivate and inform each other of events across the country. Inheburor (2012) asserts that:

[T]here is evidence of a growing use of the social media by Nigerians. Facebook and Twitter have become invaluable tools for keeping in touch... Indeed, social media are opening up the Nigerian social space in new ways. It is now the new equalizer that is breaking the information monopoly that was enjoyed by the state and a few media houses (p.1).

In addition to the abovementioned platforms, home-grown social media such as Nairaland, allAfrica, naNAIJA.com, onlineNigeria and YNaija.com have further contributed to this "social intelligence literacy" (Harrison, Metayer & Sarrazin, 2012) among Nigerians, which helps them to challenge unsustainable environmental activities.

Today, if corporations want to effectively manage risk and their reputation in host countries like Nigeria, they need a highly functional communication framework. A multinational's public relations strategy should describe their commitment to confronting climate change and be supported by an effective communication mechanism that includes social media. This is because social media platforms are drastically transforming the way people learn, share, interact and create news content. MNCs that find themselves in competition in the same

region will have to employ similar business practices, thereby becoming isomorphic with each other (Kostova & Roth, 2002; Madsen, 2009). This process is called *institutional isomorphism*, and is invaluable in the management of corporate reputation (DiMaggio & Powell, 1983; Frynas 2009).

By 2015 it is estimated that over 70 million Nigerians will be Internet users (International Telecommunication Union [ITU], 2010). With rising levels of literacy and computer skills, as well as an upsurge in the quest for information literacy, the Niger Delta – and Nigeria by extension – hopes to use the platforms of social media to advocate environmental and social issues. MNCs can improve their poor CSR records and advance environmental sustainability in the following ways:

- To project sustainable organizational values and green culture
- To engage in social responsible advertising
- To advance CSR communication for sustainability
- To address public criticism and social accountability
- To promote environmental advocacy
- To project building green communities and social networking
- To amplify the multinationals' CSR and sustainability commitment
- To augment environmental news offered by traditional or mainstream media
- To strengthen social enterprise commitment and partnerships with communities in the Niger delta and government for sustainable development

The Power of Social Media: The Multinationals and Environmental Sustainability Activities in Nigeria

As a result of this shift in global focus, MNCs in Nigeria are adjusting their CSR policies to be socially responsive (Frynas, 2009). Shell's blog, called *Shell Global*, has a section on Nigeria that essentially deals with issues around the environment and oil exploration in the Niger Delta, as well as community capacity building. Both Chevron and Mobil have similar outfits to help propagate their sustainability activities in Nigeria. Other MNCs advertise jobs on Nigerian platforms to make them more accessible by Niger Delta indigenes and Nigerians. This is a way of promoting their CSR initiatives, which involves providing jobs to Nigerians, reducing poverty and building local capacities. Additionally, MNCs have come to realise the impact of CSR activities on their return on investment, their continued presence in Nigeria and corporate image.

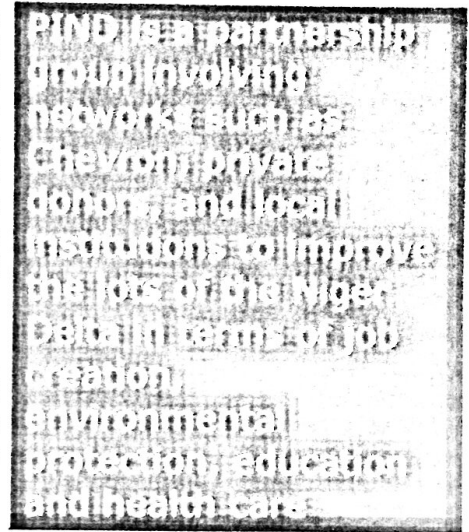
Strategic Partnership Working

Traditionally, oil operations in Nigeria were impaired by an absence of collaboration and cooperation across private, public and nongovernmental sectors. In response to this, the Niger Delta Development Commission (NDDC), a federal government development agency was established by President Olusegun Obasanjo in 2000. The establishment of the NDDC helped to create partnerships between the government and MNCs. An example of this is the partnership between the NDDC and Shell Nigeria, which started in 2003. Shell's motivation for joining the partnership can be found in the global outrage at its alleged complicity in the 1995 human rights abuses in Nigeria that resulted in the killing of Ogoni nine, the Odi massacre, the internationalization of their activities in the region as well as a poor CSR record. Shell, like many other MNCs see the partnership as a platform to enhance their CSR commitment and reduce stakeholder criticism.

Social Enterprise Engagement

Other MNCs like Chevron and Mobil are contributing to sustainability activities through the establishment of social enterprises. An example of this is Partnership Initiatives in the Niger Delta (PIND), founded by Chevron to empower and develop the nine Niger Delta states in economic development, capacity building, peace building and advocacy. The partnership group involves networks such as Chevron, private donors and local institutions collaborating to improve job creation, environmental protection, education and health care in the Niger Delta.

Another social enterprise is championed by Crown Agents, who together with PIND develop training programs and initiatives (e.g. the CAPABLE Programme) that are currently equipping Niger Delta locals with required skills for employment (Crown Agent, 2012).



Community Capacity Building, Infrastructural Development and Funding

Shell is the largest oil and gas company in the Niger Delta, accounting for over 40 percent of Nigeria's oil production and 55 percent of the country's hydrocarbon reserve base. Shell operates a joint venture with Nigerian National Petroleum Corporation (NPPC), which holds 55 percent of the venture. Shell itself holds 30 percent of the venture, Elf has 10 percent and Agip 5 percent. The joint ventures fund community projects to help build community capacity as well as infrastructural development in the Niger Delta. One partnership that Shell joined in 2003 was the agreement for the completion of the Ogbia-Nembe Road Project in Bayelsa State. This project had been abandoned due to mismanagement by the previous Nigerian government (Eweje, 2006). In addition, in 2012, Chevron released \$50 million for the building of a development centre called the Economic Development Centre (ECD) in Warri Delta State. Similarly, Statoil's "Alassa Project" in Bayelsa State, which was designed to address the company's CSR issues, has been instrumental in bringing development to the Niger Delta. By involving council chiefs and taking views shared by indigenes on board, Statoil has been able to establish development councils and training centres for the Delta (Statoil, 2009). This approach has been praised as a bottom-up strategy to adapt to climate change challenges.

Memorandum of Understanding

Under the memorandum of understanding (MoU) signed by joint ventures (Shell, Agip and Elf) as well as the government, the participating MNCs pay the federal government of Nigeria 85 percent petroleum profit tax as well as royalties of between 16 and 20 percent of the official selling price of oil. For instance, on a barrel of oil sold at \$60, Shell pays the Nigerian government 95% of the returns in the form of royalties and equity shares. Despite criticism, it is on record that Shell abides by the terms of this agreement for the development of the

region, to avert the political risks of non-commitment to grassroots development and to advance their CSR commitment. Through similar platforms, the MNCs are adapting to the pressures of climate change by strategizing means to circumvent associated risks (Frynas, 2009) amplified by social media and new technologies.

Environmental Impact Assessment (EIA) Programs

Shell's EIA program has been pursued vigorously to advance environmental impact assessment of its projects in the Niger Delta. Shell consults with key stakeholders to determine the environmental risks of projects undertaken, including activities to stop gas flaring, oil spills and pipeline vandalism by militants. Through supporting activities such as gas separation systems and independent power projects, the MNCs have contributed to reducing the impact of oil exploration in the Niger Delta.

However, stakeholder criticism continues to flourish and MNCs need to do more via social media to report their CSR commitment. This article suggests that the adoption of social media by MNCs alongside the confrontation of challenges of greater transparency will help the region to confront climate change. It will also bring about more harmonious corporate-stakeholder relations and a sustainable future in Nigeria.

Conclusion

Due to the strategic importance of the Niger Delta in the socioeconomic and political development of Nigeria, and its position in the global energy supply chain, environmental sustainability in the region is a matter of urgency. Adequate efforts should be made (by using social media) to confront climate change for a more sustainable future. Also, it has been stated that in order to transcend the ongoing oil-induced stakeholder conflicts and poor corporate-community relations, the multinationals' commitment to CSR is vital. Transcending the poor climate change landscape is needed for sustainable global peace and security, and is vital for international business ventures. It has also been argued that most of the issues about global warming and environmental sustainability activities are precipitated by poor media coverage, so the rise of new media – social media – has necessitated a new and democratized form of stakeholder engagement for effective environmental advocacy. In the era of new media technology, which diversifies methods of information dissemination and sharing, the MNCs can use these platforms to promote their sustainability activities in Nigeria. Also, stakeholders in Nigeria can appropriate the energies of "virtual democracy" to address CSR issues. In the institutional context, stakeholder engagement via social media can reshape stakeholders' perception of the multinationals' sustainability activities in Nigeria's Niger Delta.

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