



**CORPORATE SOCIAL RESPONSIBILITY IN NIGERIA'S OIL SECTOR
THROUGH KANTIAN ETHICS: USING KANT'S DUTY-BASED ETHICS TO
CRITIQUE SHELL, CHEVRON, AND NIGERIAN OIL COMPANIES'
OBLIGATIONS TOWARD HOST COMMUNITIES**

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Abstract

The paper examines the application of corporate social responsibility (CSR) practices in the oil industry of Nigeria on the basis of the deontological ethics established by Immanuel Kant by applying the categorical imperative to consider the moral obligations of Shell, Chevron, and the Nigerian oil companies to the host communities. Judging by the data of 2023-2024 provided, this discussion shows the essential gaps between the CSR of companies and the moral requirements of Kantian ethics. Host communities have been treated by businesses as a means to business ends as opposed to being an end in themselves despite the fact that businesses have spent billions in community development programs, which has violated the essence of human dignity that forms the main premise of Kantian philosophy. It is proposed in the paper that actual Kantian CSR would require the companies to place moral responsibility, rather than profit maximization, at the centre of their activities and make sure that their conduct can be universalized without contradiction.

Keywords: Corporate Social Responsibility, Kantian Ethics, Niger Delta, Shell, Chevron, Deontological Ethics, Host Communities

Introduction: Oil Extraction And Moral Responsibility

With the 1956 discovery of the first commercial oil in Oloibiri, multinational corporations such as Shell and Chevron as well as state-owned enterprises have taken over Nigeria oil business creating immense wealth at the expense of the host Niger Delta communities, who are continuously destroyed, and marginalized, by their activities (Itu, 2024). Confronted by increasing criticism and violent resistance, oil companies have launched massive Corporate Social Responsibility efforts, and have collectively committed hundreds of millions a year to community development projects.

These CSR initiatives are still ethically questionable. This essay uses the critical application of deontological ethics by Immanuel Kant to evaluate the Shell, Chevron, and Nigerian oil corporations in respect of whether it has exercised its moral responsibilities to the host communities under the umbrella of CSR. The categorical imperative proposed by Kant provides strict rules that can be used to assess the moral obligation of corporations based on the dignity of human beings as part of rational beings and the moral maxims must be moral universally (Kant, 1785). Contrary to the consequentialist approaches that determine the value of actions by their consequences, Kantian ethics determines the value of an action by its purposes and principles.



The discussion is particularly relevant to the oil industry in Nigeria where companies conduct business in poor environments extraction of resources worth billions. The following are the research questions: (1) How do CSR practices of major oil companies in Nigeria relate with Kantian morals? (2) Do such companies see host communities as an end, or a means to business? (3) What would really Kantian CSR in Nigerian oil fields entail?

Kantian Ethics And Corporate Responsibility: Philosophical Foundations

Foundations of Kantian Deontology

The ethical behavior of moral philosophy expressed by Immanuel Kant in *Groundwork of the Metaphysics of Morals* (1785) has a foundation on duty. To Kant, the moral value does not come due to the consequences but as a consequence of doing what duty demands and this is motivated by respect to moral law (Kant, 1785). This deontological theory is called so because of the Greek word *deon* (duty), which is the opposite of consequentialist theories that base their judgment on the outcome of an action.

The highest principle of morality (that is the categorical imperative) demands rational agents to act in ways that they can will at the same time as general principles. In various formulations, Kant designed this principle, the one that is most applicable to corporate ethics is: "You must also act according to that maxim by which you can at the same time will that it should become a universal law; and acts you must also in such a way that you treat humanity, in your own person or in the person of any other, never, however, merely as a means to an end, but always at the same time as an end" (Kant, 1785).

Categorical Imperative and Corporate Responsibility

When applied in relation to business ethics, the categorical imperative would make businesses do things they would not reasonably contradict or otherwise, not consistent with moral ethics should they be applied universally (McLaren, 2024). The former condition is violated when the conduct of corporations relies on maxims, the application of which would in the long run bring to extinction the opportunity to engage in business or social co-operation. The second formulation also does not allow looking at stakeholders such as host communities as a simple means of getting profits without taking into account their fundamental dignity and self-agency.

The principle of autonomy developed by Kant is anticorporate-community relations. Independent actors have the ability to decide on themselves in a rational way and ought to be taken as ends (Herman, 1996). This principle challenges paternalism CSR programs that force the development priorities on communities without consulting or actually respecting their ability of making self-determinations.

Perfect and Imperfect Duties in CSR

According to Kantian ethics, there are two types of duties namely, perfect duties that do not permit exceptions and imperfect duties that do not prohibit discretion in accomplishment (Kant, 1785). Examples of perfect duties in a business setting would be not to lie to stakeholders or to cause unwarranted damage to the environment, and imperfect would be positive duties to promote the growth of the community or encourage education.

This model determines the nature of the CSR undertakings of oil companies as genuine moral duties or charity. In Kantian assessment, it is required that businesses determine and perform



flawless responsibilities to the host societies and then undertake imperfect responsibilities as part of the voluntary social investment schemes.

Philosophical Analysis Of CSR Practices In Nigerian Oil Operations

Shell's CSR Approach and Kantian Evaluation

The CSR activities that Shell undertakes in Nigeria represent one of the biggest programs of corporate community investment in the world. In 2023, a total of 42.2 million of the Shell company was donated directly as social investment in education, health, enterprise development, and infrastructure (Shell, 2022). In line with UNEP cleanup recommendations, the company also donated 751 million to the Ogoni Trust Fund to clean up the environment by 2023.

The Kantian view of the Shell maxim will seem to be: Shell will invest in the host community development so that we can have the social license to operate and minimize the risk of operating. The universalizability test also doubts whether every extractive company would be able to implement this maxim without contradiction. When every company would consider CSR as a risk management but does not take it as a moral responsibility, it would lead to instrumental community treatment and even poor consideration of actual community needs.

The transition of Shell to Host Communities Development Trusts (HCDTs) under the Petroleum Industry Act 2021 is a positive sign since it takes into consideration the autonomy of communities to make decisions. However, paternalism as the historical feature of the company, which entails development priorities determined by corporate and not community needs, goes against the principles of Kantian autonomy and respect (Okeke et al., 2020).

The CSR practices are not in consistent compliance with the humanity formulation of Kant. Among the positive features, one can distinguish large investments in education (more than \$3 million in 2023), healthcare programs that allow 40,000 safe births, and the development of programs in enterprises (Shell, 2022). Possibly, these programs can increase the capacities and autonomous agency of the community members.

Nevertheless, critics note that Shell CSR orientation is tilted towards philanthropic efforts rather than working on environmental degradation caused by operations and propose that communities are viewed as a means to reduce reputational and operational risks and not as something worthy of respect (Okeke et al., 2020). Claims of respecting the dignity and wellbeing of community are undermined by decades of oil spills and gas flaring and laggard attempts by the companies.

Chevron's Market Systems Approach

The Nigerian CSR of Chevron has developed to what the firm refers to as Corporate Social Enterprise that focuses more on economically sustainable development as opposed to the traditional philanthropy. In 2010 Chevron created the Niger Delta Partnership Initiatives (NDPI) Foundation, which provided market systems development projects in the market in terms of aquaculture, oil palm, and cassava value chains with the foundation of 100-million dollars (European Centre for Development Policy Management, 2018).

The development approach of market systems that Chevron is utilizing can be effectively aligned to the Kantian approach rather than the conventional CSR practices. The company may



also consider communities as independent economic actors that can develop on their own rather than charity recipients by focusing on the growth of the local economic capacity and value chain. The NDPI approach used participatory value chain analysis that involves domestic partners with respect to community knowledge and decision-making ability in line with the perspective of seeing community members as ends who have rationality that qualifies them to contribute in making life-related decisions (Development Alternatives Inc., 2018).

The maxim of Chevron would be like this: We shall invest in the building of local economical systems that would form mutually beneficial ties between our activity and host societies. This principle seems more generalizable than the purely philanthropic ones since such a strategy does not lead to dependency but aims at the fundamental economic institutions.

However, critics observe that even the innovative practice by Chevron still is based on the business risk management and regulatory compliance, but not the realization of the natural moral duties towards communities. Company resources support the fact that stability of the community reduces operational risks and improves the performance of a business, suggesting the existence of instrumental, but not strictly moral motivation.

Nigerian Oil Companies' Obligations

The subsidiaries of NNPC Ltd. and other indigenous businesses in Nigeria with marginal fields have undertaken less comprehensive CSR activities as opposed to foreign businesses. Being a national oil company, NNPC Ltd. has certain issues in balancing between commercial and national developmental obligations.

Based on the Kantian view, national oil companies may have more moral responsibilities to the host communities than foreign MNCs as they enjoy political affiliation with the host populations. The categorical imperative commits agents to do what they can will as the moral laws to their moral community.

The commercial orientation of NNPC Limited as a result of its transformation in 2021 casts doubt on the fact that profit maximization may still be consistent with Kantian duties to other citizens. The fact that the company is not transparent about its investments in communities and environmental performance implies that the company may fail to consider its flawless obligations not to harm and respect the dignity of the members of the community (Natural Resource Governance Institute, 2025).

According to Kantian perspectives, the native firms that are granted priority under local content regulations have an even bigger responsibility to the host communities. Universalizability would require such companies to give disproportionately to the community development as compared to their shareholding or production level may be. Nevertheless, the studies indicate that the majority of indigenous businesses are not funded and do not have the technical capabilities to conduct a large-scale CSR program, citing systemic problems that make ethical behavior in radically diverging performing businesses unable to align (Atoyebi, 2024).

Perfect Duties: Environmental Harm Prevention and Honesty

Using Kantian analysis on the corporate conduct of the Nigerian oil industry, it is possible to state that a number of perfect duties cannot be broken by companies. Protection of the environment is an ideal responsibility- a firm should not cause unnecessary damage to the environment of host communities. The categorical imperative demonstrates that systematic



environmental depreciation could not be willed as a universal law, as it would worsen the factors to flourish humanity and business survival.

This ideal responsibility was not followed by Shell because the company was historically flaring its gases over a period of decades even though there were other options. Despite the fact that the company cut the routine flaring by more than 60 percent compared to 2000, non-essential flaring is still morally unacceptable according to Kantian analysis (Shell, 2022).

Honesty and transparency are ideal responsibilities entailing avoidance of deceiving host community on operational risks, environmental impacts, and company intentions. Kant regarded lying as wrong in all circumstances since it is regarded as issues of subjugating the autonomy of individuals by using them as objects to suit the purpose.

Companies that falsify the information in environmental reports, exaggerate the operational risks, or empty promises of community development do not fulfill this core need. This business ethics is legally enforced by the disclosure requirements in Nigeria Extractive Industries Transparency Initiative.

The second ideal responsibility is respecting community autonomy, business firms should respect the self-determining ability of communities and should not dictate to them paternalistic developmental models, which presuppose that community members are not rational enough to decide on their priorities.

Institutional Reforms for Kantian CSR

In the light of this analysis, some recommendations can be formulated on how the CSR of the oil sector can be in line with the Kantian moral principles. Corporate-controlled CSR programs should be replaced by community-controlled development funds, and the companies will be contributing resources to community-controlled organizations with real control over development priorities and implementation.

The participation of the environmental management process must assure the protection and restoration programs of the environment that engage positive community participation on the planning, monitoring, and evaluation of the environment by understanding the capabilities of the community and valuing the community knowledge. Clear accountability mechanisms should facilitate monitoring and reporting of environmental and social performance to communities so that they can make informed community choices.

Operational Changes

Corporations must adopt proactive environmental requirements as the best possible practices irrespective of the domestic laws, and environmental protection should be a flawless obligation. Community autonomy and self-determination rights are important in making significant operational decisions with meaningful community consent processes by host communities. CSR programs should focus on capacity building that will help the communities to grow on their own and not to create dependency relationships.

Challenges and Conclusion

The following Kantian criticism of the CSR of the Nigerian oil industry shows that there are huge gaps between the activities of the companies and the moral imperatives, which can be discussed on the ground of the categorical imperative. In spite of the fact that such companies



as Shell and Chevron use billions of dollars in the community development program, they are rather inclined to instrumentalize the host communities instead of admitting their innate dignity and sovereignty.

The traditional philanthropic model of Shell is paternalistic, and it does not respond to the Kantian principles of autonomy and self-determination. The community economic capacity aspect of market systems development would be more aligned with the Kantian ethics, but Chevron is highly driven by business as opposed to other factors such as morals. The Nigerian oil companies such as NNPC Ltd. are the laggards in the use of CSR compared to foreign companies with perhaps more moral obligations due to the national nature of their operations.

The Kantian CSR solution needs major shifts in paradigm: the instrumental to the reverent treatment of community, the paternalistic to the participatory development, the discretionary philanthropy to the binding moral obligations. This would entail institutional changes such as community based development fund, participatory environmental stewardship and accountability systems.

The categorical imperative, which focuses on the human dignity and universalism, can help greatly in changing corporate-community relationships in extractive industries. Nevertheless, they come into play only when they deal with more structural imbalance and power dynamics that limit the actions of corporations and community agencies.

Research should be conducted on how the Kantian doctrines can be applied with other theories of morality such as indigenous African ethics to come up with culturally sensitive method of corporate responsibility in developing situations. Further, a study of the community perception of corporate moral responsibility would create knowledge on how universal moral principles can be successfully implemented in various cultural environments.

The shift of the oil industry in Nigeria to have legally recognized host community development trusts is a move towards believing that corporate moral responsibilities are not voluntary but compulsory. But authentic attention to community dignity and autonomy would be achieved only by going beyond legal adherence to duties to the moral change that Kantian ethics is founded on.

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