The governance of oil and gas operations in hostile but attractive regions: West Africa

West Africa with its well-endowed natural resources remains a highly attractive investment opportunity. That is, to investors who are not deterred by the economical and political challenges of these countries including the responsibilities of governments to ensure that the people are not losing out of the benefits derived from the exploitation of these resources. The investor's overall responsibility in the extractive industries has been scrutinised over recent years and their corporate social responsibility to their shareholders to make as much profit as possible no longer exonerate them from their responsibility towards the host country in which they operate. In view of the question as to why there exists such a huge interest in doing business in some of the most hostile regions of the world such as West Africa with all the typical problems associated with the oil industry, this article considers some of the pertinent issues concerning the governance of the petroleum sector in West Africa, including the attraction and the role of the state in the development of the resources; and the challenges of governance and transparency. Concluding that with the abundance of natural resources, the huge interest in the development of the region's oil and gas resources, the various international initiatives on public sector reform, transparency and anti-corruption, West African oil-producing countries (supported by the IOCs operating in the region) have a golden opportunity to tackle the above problems, transform their national economies and enhance the lives of all their citizens.

The government and business. Actors in the oil and gas sector. Terrorism has been on the increase since 2002 when a sect called Boko Haram started signalling disintegration of the Nigerian economy. Traditions and family system: Oil and gas operations are prominent in the Niger-Delta region of the country as the major oil wells are found in such rural areas of the region. Chevron is the third-largest oil producer in Nigeria and one of its largest investors, spending more than $3 billion annually. Chevron as a core player in the industry enters into serious business negotiations with traditional institutions in host communities before the commencement of oil explorations (Chevron 2011). Religion: Nigeria has Christianity and Islam as major religions major religions.