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Corporate Social Responsibility Activities of Oil and Gas Companies in Sub-Saharan Africa: Finance and Sustainability Impact on Local Communities

1. Introduction

This essay critically examines the extensive and multifaceted corporate social responsibility (CSR) activities implemented by oil and gas companies operating in the vast and diverse regions of Sub-Saharan Africa. A particular focus is dedicated to comprehensively analysing these CSR endeavours' profound impact on the well-being and development of the local communities within this geographically expansive and culturally rich area. Due to the inherent potential negative ramifications associated with the socio-economic activities and environmental degradation often intertwined with the oil and gas industry, it becomes imperative to delve into the myriad of CSR initiatives these companies undertake. Doing so makes it possible to gain a comprehensive understanding of the transformative and positive changes being fostered in these communities. The essay begins by articulating the chosen topic's essence to provide a solid foundation for this study. Delving into the background and rationale that underpin this research endeavour, a detailed framework is constructed to facilitate an in-depth exploration and analysis of the CSR activities. Furthermore, this essay's scope is meticulously defined to delineate the precise boundaries within this investigation. To enhance the overall comprehension and appreciation of the significance of this study, it becomes paramount to briefly discuss the key areas of interest and the pivotal questions that emerge from them. By deciphering and critically evaluating these inquiries, unveiling the true essence and consequential results of the CSR activities being examined is feasible. Thus, this essay endeavours to ascertain the positive correlation between the financial support provided by these CSR projects and the amelioration of the relationship between the oil and gas companies and the local communities they impact. Ultimately, it can be convincingly argued that when oil and gas companies invest in comprehensive CSR activities that genuinely

contribute to the upliftment of local communities, a symbiotic relationship between these entities is established. As a result, the companies not only further their organisational goals and enhance their reputation but also secure long-lasting benefits for their shareholders. Understanding and appreciating the significant interplay between CSR initiatives and community development makes it feasible to design and implement sustainable practices that foster positive relationships, sustainable growth, and harmonious coexistence within Sub-Saharan Africa.

Several oil and gas companies in Sub-Saharan Africa, including landlocked countries, undertake various CSR activities around their operational areas, such as health and social community development, business incubation centres, supply chain development, bio-energy, corporate culture change, HIV/AIDS, and skill training centres, among others. These activities contribute to the local communities' well-being and foster sustainable regional development. By channelling their resources towards initiatives that address pressing social and environmental issues, these companies play a crucial role in uplifting the livelihoods of those residing near their operations. The structure of the essay is as follows: Paragraph 1 introduces the topic, shedding light on the commendable efforts made by oil and gas companies operating in Sub-Saharan Africa. It highlights their dedication to corporate social responsibility and emphasises their positive impact on communities. Paragraph 2 delves into the scope of their CSR activities, showcasing the wide range of initiatives these companies undertake. From healthcare projects to fostering entrepreneurship through business incubation centres, they strive to address diverse challenges residents face. Moreover, these companies recognise the importance of sustainable supply chain development for their operations and the region's economic growth. Partnering with local businesses and entrepreneurs, they help create a robust and inclusive ecosystem that benefits all stakeholders. Additionally, promoting bio-energy projects catalyses renewable energy generation, reducing dependence on fossil fuels and mitigating the environmental impact of their operations. Corporate culture change is another vital aspect emphasised in their CSR initiatives. These companies prioritise fostering a culture of inclusivity, diversity, and equality within their workforce. Promoting such values creates a conducive and empowering environment for their employees, increasing productivity and

overall organisational success. Furthermore, the tackling of HIV/AIDS remains a critical focus area for oil and gas companies in Sub-Saharan Africa. Recognising the devastating impact of this epidemic on communities, they actively support prevention, treatment, and awareness programs. Collaborating with local healthcare institutions and NGOs, they help reduce infection rates, provide access to healthcare services, and combat the stigma surrounding the disease. Lastly, skill training centres form an integral part of their CSR endeavours. These companies understand the value of equipping individuals with marketable skills, enabling them to secure gainful employment and contribute to the local economy. Establishing training centres and vocational programs empowers local talent, bolsters entrepreneurship, and drives economic growth. In conclusion, oil and gas companies operating in Sub-Saharan Africa demonstrate their commitment to corporate social responsibility through various impactful activities. From community development to sustainable supply chain practices, they strive to address pressing issues and create positive change. These endeavours, coupled with their dedication to fostering a culture of inclusivity and their focus on HIV/AIDS prevention and skill training, showcase their comprehensive approach to sustainable development in the region.

1.1. Background and Rationale

In the face of the current broad, fast, and aggressive operation of developments related to the paradigm-shifting structural changes in politics, economy, infant and modern technology, and information, sustainability presents itself as an increasingly relevant and imperative topic in discussions about business practice. With each passing day, more and more companies are strategically repositioning themselves as an integral part of the local culture and taking decisive actions to prioritise corporate social responsibility (CSR) as a transformative method to enhance their overall sustainability. Thus, it becomes evident that the business community, alongside its core operations, has wholeheartedly embraced the role of actively engaging in local problems through the lens of CSR initiatives. Numerous companies, recognising the need for positive societal impact, proudly announce their concerted efforts towards uplifting and improving rural communities and contributing to society's welfare. However, a critical aspect remains in mystery: the impact and lasting sustainability these companies aspire

to achieve. Therefore, to shed light upon and gain a deeper understanding of this intricate dynamic, the background for this study is meticulously laid out.

Research on "Corporate Social Responsibility Activities of Oil and Gas Companies in Sub-Saharan Africa: Finance and Sustainability Impact on Local Communities" will provide some of the findings that were written for us. The rationality of the study flows from this theoretical and evidence gap. For over two decades, Sub-Saharan Africa (SSA) has been an area of interest for resource-seeking international corporations, including those in the oil and gas industry. Since the late 2000s, a significant shift has occurred. Global corporations in Sub-Saharan Africa have shifted from resource-seeking to a different orientation, which encompasses CSR and many African countries, including SSA, have been more concerned with making Social and Environmental Impact Assessments (ESIAs) for multinational corporations, which includes BP, Shell, Exxon, and other oil giants. In addition, Nazmunnessa (2010) argues that "CSR is an important part of doing business - which can no longer be thought of as the 'Ivory Tower' activity of a corporation or its board, trying to do good by doing business, but which is a genuine part of doing business in today's global village, where reputations and perceptions matter". Furthermore, international corporations working in SSA must participate in activities that ensure the prosperity of local people and communities (i.e., corporate social responsibility, human rights, etc.).

1.2. Scope and Objectives

Scope and Objectives

This article investigates the impact of corporate social responsibility (CSR) projects implemented by oil and gas companies in Sub-Saharan Africa. The authors analyse the finance involved by the oil and gas companies before and after implementing the CSR projects. Furthermore, they also identify the opinions of the various stakeholder communities toward the actions being undertaken by the oil and gas companies regarding such projects. They also revisit the concept of CSR of Western and Asian MNCs operating in Sub-Saharan Africa through a review of empirical and theoretical works on CSR strategies of MNCs.

The article is organised into five main sections. Following this introduction, we review the literature on CSR and related practices in Sub-Saharan Africa. We also summarise the CSR framework concept and the Swiss cheese social responsibility

model. Our empirical work uncompromisingly examines the finance of CSR through a focus on the stock market and involves funding and capital. The article concludes with a discussion of our main findings. In conclusion, they have uncovered robust evidence that the finance of corporate social irresponsibility matters. They show substantial benefits to the oil industry in being associated with the cleanup of the delta. Furthermore, the evidence that there was finance from some oil service companies before the crisis to avoid direct involvement in the damage should be seriously addressed.

2. Oil and Gas Industry in Sub-Saharan Africa

The oil and gas industry in Sub-Saharan Africa dates back to 1938 and plays a large part in and out of the region. In 2018, crude oil and lease condensate production exceeded 6 million barrels per day, with Nigeria, Angola, and the new South Sudan contributing 49%, 16%, and 8% of the composition, respectively. In addition, natural gas processes and systems are responsible for generating about 15% of electricity, as well as beyond the borders of the sub-Saharan region. While these fossil fuels have put the area on the map and improved the potential for another source of income, they have also caused significant social and environmental damage. This has led to an interest in the perpetrators' contribution and approach to Corporate Social Responsibility. It is then understandable why there is a significant level of confidence that the beneficial use of finance from Sub-Saharan African fuel can brighten the financial outlook not only of the local communities or undertaking but also of investors and key stakeholders.

A positivist, quantitative methodological approach and an associated research design were used. The research uses a quantitative structure, operationalised through questionnaires, to obtain primary data from two sources. The research sample used a convenience sampling technique to select 100 stakeholders involved in the operations of the oil and gas businesses and 40 local community members from the host communities of the selected companies. The data was analysed quantitatively and qualitatively to answer the research question and attain the study objectives.

2.1. Overview and Importance

This paper presents the corporate social responsibility activities of oil and gas companies in Sub-Saharan Africa. It is divided into five main sections. The first

section provides a general overview of the oil and gas sector in Sub-Saharan Africa, showing its importance in the global arena. Section 2 discusses the industry's partnership with local communities, the vibrant economy of Sub-Saharan Africa, and the region's oil and gas industry. It continues the discussion on the importance of the oil and gas industry, targeting oil and gas corporate social responsibility activities, specifically in Sub-Saharan Africa. Section 3 establishes the critical role of corporate social responsibility in asset development in Sub-Saharan Africa. Section 4 reports results from a mini literature focusing on understanding Africa's vulnerability. The paper's final section presents the likely impact of oil and gas corporate social responsibility activities in Sub-Saharan Africa.

The relevance of the oil and gas industry to Sub-Saharan Africa is best understood globally because of the open nature of the oil market and the close interfacing of the natural gas sector. One of the reasons that oil is "a unique commodity" is that it is an indispensable factor of production for most economies in the world. Thirdly, for those countries that are net importers, the concentration of supply in particular origins makes them dreadfully dependent on the reliability and the regulatory environment governing their leading suppliers. Sub-Saharan Africa is the most vulnerable and attractive region for significant oil and gas multinationals. No other area of the world offers "sweeter" deals for commodity "pickings" than the Sub-Saharan region. Unlike developed countries in Europe, which are reported to have reduced their dependence on oil from 31% in 1990 to 25% presently, the oil boom era has tripled the region's export earnings from 27 billion US dollars in 2003 to 90 billion US dollars in 2007. Africa, specifically Sub-Saharan Africa, is the only region in the world wholly dependent on its exports to boost revenues.

3. Corporate Social Responsibility (CSR) in the Oil and Gas Sector

This section introduces the concept of corporate social responsibility (CSR) from the oil and gas perspective. Different definitions of CSR based on several theoretical perspectives and the principles and standards followed by the sector, mainly within the human rights framework, are discussed to differentiate CSR from charity or sponsorships.

Corporate social responsibility (CSR) has evolved from a stringent regulatory environment in the last century, sometimes relegating it to philanthropy,

stakeholder influence, and businesses exchanging social with a license to operate and manage the external environment. Within this book's sector, i.e., oil and gas, CSR is about legitimacy and the effectiveness of shocks. It is about shared value for the local community, environmental integrity, and sharing benefits of natural resources.

The oil and gas sector does have some principles and standards against which to benchmark this work. Although these relate to human rights and not the duty of care towards local communities or the environment, they overshadow the new focus on the human dimension. Oil and gas companies must consider these rights when dealing with issues that impact the people living in the host country.

3.1. Concepts and Definitions

Corporate social responsibility (CSR) has been one of the hottest contemporary business concepts and likely will be one of the dominant business paradigms in the 21st century. It gained popularity and acceptance as a business ethical and operating philosophy, accentuating a positive synergy linking commercial and organisational interests with societal interests. CSR has emerged as a business model, approach or strategy for situating companies or businesses into communities where they operate. In operational terms, most theorists and business organisations perceive CSR as giving back to communities. Thus, some of them assert that businesses or companies that operate in communities should be involved in activities capable of giving back something meaningful and beneficial to such communities.

Existing academic research reflects the interests of CSR in terms of the dominant conceptualisations, definitional tendencies, points of emphasis and specifications of coverage of business or corporate areas and ingredients that define CSR. Based on evidence turned in or presented in different academic challenges, a thorough, clear-cut, all-inclusive cover of CSR covers business organisations, individuals or investors, and states. Starting with business comers, the bulk of the different criteria or aspects of recent research and academic concentration have focused on the social responsibility of business corporations. Quite revealing is that a few recent research publications have concentrated on describing or discussing the relevance of CSR to state corporations in the form of government-owned and controlled companies.

3.2. The Business Case for CSR

3.2. The Business Case for CSR. The oil and gas sector is essential for the future development of economic growth, and some of the largest companies in the world are involved in extracting oil and gas. Oil and gas companies generally operate in areas where the national per capita income is low, thus making it the primary source of revenue. Nonetheless, the wealth generated has not been evenly distributed. Revenue has fueled conflict, notably in countries which have fallen prey to the resource curse. Moreover, oil and gas exploration, extraction, and transportation contribute to climate change. As a result, the exploration and extraction of oil and gas is also done in areas with significant social and environmental resources. Often, environmental resources are crucial for the local population. Research shows that oil companies invest and become good corporate citizens because of the strategic advantages offered.

Extra investments into local communities can bring added benefits, such as identifying impacts before they become significant problems. An early resolution results in a low cost and better reputation. There are several reasons companies might want to behave this way, one of which is to strengthen their social license to operate, that is, creating an operating environment where most local communities and other stakeholders perceive the company to be doing a good job. Companies may act this way to improve the company's overall image, which could reduce the risk of reputational damage and help the company attract and retain staff. Overall, CSR is a long-term view that does not only focus on the organisation internally but on society and the environment externally—an approach often known as the 'triple bottom line'. The Solid Works Corporation states that companies demand cleaner resources as natural resources such as raw materials, energy supplies, and water are increasing in price. Also, consumers are growing aware of the importance of green or ethical issues in their purchasing choices. Overall, companies that adopt the CSR approach can differentiate their product and service offerings, consequently ensuring that they meet the expectations of potential customers, investors, and employees. This correlates to an increased company brand and profits. Companies that adopt the CSR approach are viewed positively, and other companies do not want to damage their reputation; consequently, they collaborate with the company.

4. Drivers and Motivations for CSR in the Oil and Gas Industry

CSR activities cover a range of a business's environmental, social, economic, and governance responsibilities to its operational stakeholder constituencies and the wider society. Companies can choose their strategic behaviours according to various drivers and motivations. The current study is based on a survey of 50 large oil and gas companies and investigates the CSR activities of these firms in sub-Saharan Africa. We report the results of the four main research questions, which help explain the growing importance of community development as a CSR issue defining the economic marginalisation of local people living in and around company operations.

A range of international, national, and local regulations and guidelines can require companies to comply with good international practices as a corporate citizen and report on their impacts and contributions. The regulatory environment can also require companies to engage with the stakeholder constituencies substantially affected by their operations. For the corporate sector, the need to develop consensus and deal with national and international stakeholders means it must operate transparently and seek to reduce conflict in as many areas of its operations as possible. Therefore, some strategies and behaviours are forced upon companies by legislation and international housekeeping, including managing supply chain risk related to forced and child labour bribery and corruption.

Stakeholder expectations represent a more complex mix of motivations for corporate CSR activities. Some companies engage in activities that more or less match the stakeholder intentions as they define them, theoretically promoting benefits from meeting ethical and moral standpoints alongside those of reputation and competitiveness.

4.1. Regulatory Environment

Corporate social responsibility is treated as an essential element in the governance regulations and laws in a rapidly growing number of countries, and there is an emerging consensus that regulation and lawmaking are among the drivers of CSR activities. In the global oil and gas industry, however, the concept of CSR has not been uniformly imposed or regulated, and the activities of the companies incorporated in developed countries and operating in different parts of the world are varied. Therefore, this section does not focus on the effectiveness of legal and

regulatory divergences in motivating (either directly or indirectly) the relevant CSR project implementation.

As to why and how the content and enforcement related to the CSR of multinational or regional oil and gas companies are significantly different, nations have jurisdiction only inside their borders. A global CSR legal framework is still evolving. Thus, the attitude of regulators to multinational corporate activities varies widely from country to country. Industry actors are dominated by Western companies that continue to be the centre of the world for political and economic decisions. Consequently, the standard industry protocol for CSR comprises a combination of mandatory CSR laws and voluntary CSR initiatives. Host governments in emerging industrialised countries usually neither exercise control over foreign companies' CSR nor impose CSR laws. Furthermore, a good investment climate is created in impoverished countries like Nigeria, Ecuador, and Trinidad and Tobago; by attracting multinational firms, governments are forced to take a risk to their environmental laws and are often unaware of their CSR. Environmental or internal mismanagement.

4.2. Stakeholder Expectations

Stakeholder expectations drive the interest of companies in corporate social responsibility (CSR). Managerial policies aim to meet stakeholder groups' needs by differentiating CSR activities into specific typologies and principles, such as philanthropy, shared values, good management, and systemic change. Given the interest shown for CSR and sustainable development in multiple geographical conditions, this study focuses on the applications of oil and gas companies in the Sub-Saharan region. The financial impact of these applications and the firm's attitude towards new sustainability goals for cultural, rights, labour (CRL), and environment (E) can be understood by studying such applications in the Sub-Saharan region. A literature overview of resource management covers the initial part of the study to inform the reader about the attractiveness of CSR in the natural resource industries and define its limitations.

Many international oil and gas companies' interest in CSR is remarkable for different reasons regarding the Sub-Saharan region. A comprehensive analysis can be carried out to comprehend the expectations of the separate stakeholder interests and the reasons for the sustainability of the CSR applications in the focus region.

The regional specificities can make CSR analysis of the oil industry enjoyable in determining global and multi-region big-scale concerns. Thus, any big company from any country can use CSR and environmentally friendly attitudes as standards in its leadership responsibilities.

5. Key CSR Activities in the Oil and Gas Sector

Executive Summary

Integrated alone, profits with other appropriate and responsible business concerns could be vital in reducing and solving societal aspects. Companies organised within the oil and gas sector worldwide are committed to Corporate Social Responsibility (CSR), and implementation of this commitment projects in different sectors. What type of Corporate Social Responsibility activities are these companies committed to? This paper tries to give the reader insight into the areas of finance and sustainability the companies are involved in and the diversity and impact of these activities. The last part of this paper presents suggestions for future research.

5. Key CSR Activities in the Oil and Gas Sector According to our research, corporate social responsibility activities in the oil and gas sector and the perspective amount of finance to these activities are a significant demonstration of CSR and individual concern and responsible behavior of the companies. These include corporate donations to various organizations, for example, for education development; to sport clubs that contribute to public health and sport; financial contributions to non-profit organizations; financial contributions to medical pharmaceutical organizations engaged in healthcare development; scholarship grants to develop human resources; financial donations to one of the well-known marine safety organizations; allocation of significant financial funds in support of local community projects not associated with and outside of government commitments, and creation of community programs using corporate employee volunteers in order to support local communities; and significant finance to bring about increased awareness about environmental conservation.

5.1. Community Development Programs

Initiatives and projects aimed at providing support for the development and well-being of local communities are an integral part of the strategy of resource companies for many years. According to cultural and socially responsible

business, the successful engagement of local communities is fundamental for their approval of oil and gas projects. In sub-Saharan Africa, resource companies contribute to local development through the investment programs that the government and they launch, which they hope and often advertise as having a sustainable impact on poverty and vulnerability. According to two-thirds of resource companies surveyed in sub-Saharan Africa, they believe that local philanthropy or charity contributions best contribute to support the development of local communities and have a real chance of achieving results in communities affected by their operations.

According to a study by Oxfam along with the independent consulting company Pharside DMR, oil and gas companies focused most of their contributions on local organizations, which were aimed at the success of the development, without actually financing them long-term. This process, often referred to as "building infrastructure," includes the construction of schools, hospitals, and agricultural projects, such as wells, animal husbandry projects, agricultural and training programs. Just over 40% of survey respondents in Africa report providing support to children although education in sub-Saharan Africa continues to be a focal point of brand name of most global corporations.

5.2. Environmental Conservation Initiatives

Environmental conservation initiatives. The realization that there are some environmental consequences due to the extraction, processing, and transportation of hydrocarbons has led to increased awareness and interest in adopting environmental management and impact-mitigating measures that not only ensure the sustainability of the business operations themselves but also contribute towards the sustainability of the global environment. Oil companies in the Niger Delta have variously engaged in environmental remediation and compensation activities. Shell Petroleum Development Company, for instance, has initiated, begun, or concluded the following environmental conservation initiatives:

1. Niger Delta Shares for Development: As of 2004, The SPDC JV has paid 2.0 billion U.S. dollars into its Global Memorandum of Understanding (GMoU) with Niger Delta Development Commission and State Governments of Delta, Rivers, and Bayelsa states. The governments have allocated a major portion of the funds for the financing of community-based social and infrastructural projects.

2. Soro-Soro mini-grid solution: A 1MW Cooper-besan organic Rankine cycle plant was commissioned at Soro-Soro, Bayelsa state. The end purpose of the projects is to demonstrate low-cost electricity from customer-owned small units sufficient to serve a small-sized industrial cluster and the whole community.

3. Sustainable Voluntary Savings Associations: In 2006, Shell worked with Oxfam America on a Voluntary Savings Associations project to give an alternative to existing cash handouts on small community projects. The project has helped farmers save money during the off-season, which they can use to improve farm productivity, purchase improved farming tools, or start small businesses. In addition, the savings system is used by the community residents for small emergencies, lining in the months following the heaviest rains when people still have to visit the doctor or pay school fees. The VSAs have helped build an additional social fabric between communities, which helps them help each other in hard times. More than 2,700 residents in seven communities are estimated to have saved over the equivalent of USD 230,000 in cash, food, shells, clothes, and building materials in 2006. At the end of 2006, the savings showed an impressive 100% increase. Shell and its partners are presently considering other non-operated community sites where this intervention is required.

6. Assessing the Impact of CSR Activities

Assessing the actual impact of activities within the frame of Corporate Social Responsibility (CSR) is a complex process that often requires a mixed approach methodology and the utilization of standard tools and metrics. Activities are promoted in many different forms: through the combination of specific indicators used to evaluate the results and assess the possible negative and positive outcomes in terms of return in terms of health, environmental, cultural, or quality of life fields. However, many of the literature advocates upon focusing on the methodologies and tools according to the typology of activities. We need to underline that inside Oil and Gas framework there are many other fields in which similar activities are conducted and implemented, including the Renewable Energy's sector or extractive industries or any other industry which need to enter local communities. Many activities as appropriations, participatory process and others seem to be specific to this sector and have cross-cutting aspects. Recent papers are starting to investigate the methodologies that can be used in the field,

such as the World Health Organization (WHO) can be used as a useful tool to frame methodologies and approaches.

Our belief is that there is a need to perform a comprehensive analysis of the methods and tools that can be used according to the object and purpose of projects or activities. This is under the assumption that every approach can reflect the stage of the project or complexity of the activity. Assuming that every approach is suitable for focusing on different dimensions, from small scale to larger one, the main question is, what's the range of impacts of CSR activities conducted by the oil and gas companies and mainly directed to local communities in Sub-Saharan African regions? In some cases, operators have commissioned external project evaluation, yet the scope of these is sometimes limited and the findings not always publicly available.

6.1. Methodologies and Tools

6.1. Methodologies and Tools

The main aim of the research was to identify and systematize the modern approaches and the instruments used for the evaluation of the impact of CSR activities within the oil and gas sector. Furthermore, the main attention was paid to the measurement of CSR contribution to local sustainable development. To this end, the applications of various theoretical approaches have been analyzed and issues within existing determinant rights and the actual influence of individual stakeholder groups have been clarified. The methodology of semi-structured interviewing has been established and systematically applied throughout the research to analyze and assess the overall impact of CSR activities on sustainable local development in the case study region.

In different parts, the conception of sustainable development was adopted as a fundamental framework criterion. Whereas, the social consequences of industrial exploitation for local communities (where accountability issues and investment in the local labor force, environment, education, and health care, etc. should be major issues accounting indicators) were considered more appropriate for assessing the CSR activities in the context of corporate accountability. The conducted research showed that the social dimension of CSR is not crucial for the investigated oil and gas companies. Decisively shaped by a utility maximizer—managers are involved in activities designed to provide them with personal satisfaction and happiness.

7. Case Studies of CSR Initiatives in Sub-Saharan Africa

The following list presents a selection of case studies available in the literature, centered around the CSR initiatives from oil and gas companies in Sub-Saharan Africa. These CSR projects usually focus on the needs of the local community, enhancing the quality of life, filling the gaps in the government/community priorities, and mitigating the company's negative externalities. Overall, CSR programs are widely found to have a positive impact on the corporate reputation and brand recognition of the participating companies, as well as fostering greater community relations, creating social value, and allowing the companies to gain or maintain their 'social license' in the countries in which they operate. Furthermore, studies have found that long-term CSR projects may help to rebuild the social capital in some communities, civil war victims in particular, and contribute to the creation of a durable peace; short-term programs were found to be less effective. Some communities expected the CSR initiatives to satisfy the community's needs in the long-term, often raising their expectations too high, which could lead to a backlash against the company if its CSR support was withdrawn or dissipated.

Newman and May (2009) assessed the state of play, progress and challenges across a sample of high-profile, long-term initiatives in Nigeria and Angola conducted by major corporations, including Shell, Exxon and Chevron. They found that the concept of CSR has been widely disseminated, with over 1,000 initiatives aimed at individual or community capacity building. However, CSR could also be aimed at crisis management or risk hedging. They also found that large corporations were often the only source for education facilities and health care in the town or region where they had their headquarters or conducting their business. The TEYM program was most frequently used to illustrate the insights derived from the in-depth case study of Shell, and an equivalent Exxon program in Angola. This case study found that, in spite of some successes, companies' community support at local level in Angola and Nigeria were, in the authors' view, used primarily to shore up legitimacy and shared value programs. In some regions, the CSR programs have made the companies an a de facto extension of the state, forced into both routine administration and management of infrastructure. One of the conclusions of this paper is that the establishment of CSR projects in situations where there is significant societal damage and distrust are problematic. This view conflicts with the business profit and brand marketing model.

7.1. Company A: Sustainable Development Projects

The corporate social responsibility (CSR) landscape has changed remarkably since the beginning of the 21st century, and companies in any field extend their CSR focus beyond the national boundaries. The following section describes the case study that focuses on the research model, which is twofold. On one hand, it includes the economic aspect of the company by presenting a comprehensive financial analysis of Company A. On the other hand, it considers specific CSR activities that Company A implements in Sub-Saharan Africa, focusing on assessing these activities from the local community's perspective in the direction of sustainability. As such, mainly qualitative methodologies were employed, namely, an analysis of secondary data with a such case study containing questionnaires and interviews.

This section presents information about the main establishment facts, processes, mission and regulations; and specifically, its sustainability and community relations. The nature and impact of these CSR activities on the local communities and sustainability will be introduced in the third part of the assessment, according to the framework proposed in the methodology. In pertinence to the confidentiality agreement signed with Company A, this is only possible for Company A's operations in Sub-Saharan Africa. In this current operational intensity, it is clear that the CSR focus is upon the social aspect (e.g., HIV/AIDS, education) and that there seems to be a lack of generally accepted governance regulation in this region, given that no information or strategy with regard to this was available.

7.2. Company B: Local Content and Capacity Building

According to Company B, local capacity building is essential in Sub-Saharan Africa where recruitment largely involves foreign employees. As a result, training is required to effectively exploit resources. Training for the extraction industries is essential given the strategic impact on the company and the environment. Therefore, accelerating training for the industry creates value for the business. To strengthen relations with the local universities, Company B endeavored with their program to promote local content and local capacity development by: 1) increasing personnel available in the local labor market; 2) meeting the tangible needs of the company and the local content policy; and 3) creating social capital by contributing to local and regional socioeconomic development, inspiring confidence in the

company as a development partner. In those regions where they operate, the aim was not to be seen only as an exploiter, but also as a community- and government-responsive enterprise, effectively contributing to — or fostering — local development.

To this end, Company B created a number of CSR initiatives in the area of or linked to employment, capacity building, and core business creation and support, like: training and internship programs; entrepreneurial development programs; social assessments; and, community and SME (small and medium-sized enterprises) capacity building and business support projects. These further consisted of capacity building and business support programs targeting SMEs, cooperatives, CBOs (Community Based Organizations), Cooperative UN (United Nations) Associations and governors. All five provided skills and knowledge in areas such as business planning, accounting, cooperative governance, proposal development, HIV/AIDS, drivers of poverty, leadership, proposal writing, gender awareness and analysis, etc. Implemented projects included (and were largely funded) a bursary project, a scholarship program, technology transfer activities and local partnerships, a traineeship scheme, two capacity building projects (one local to the production host country), and an MSc in Petroleum and International Management.

8. Challenges and Limitations of CSR in the Oil and Gas Sector

Current work on the impact of CSR in the oil and gas sector predominantly concentrates on the investments of individual oil and gas companies. This research sometimes extends to investigating levels of collaboration between companies, other times focusing exclusively on CSR that is directed and controlled by oil and gas companies. However, the concentration of foreign direct investment in the oil and gas sector in Africa has awakened interest in the idea of shared value and broader notions of 'development' that bring host governments and communities within the scope of inquiry. Yet beyond easily acknowledging the need to work with these often empowered, corrupt and ineffective nodal governments, the vulnerabilities of local communities as direct recipients of CSR are largely ignored in the literature of CSR in the oil and gas sector. With an increase in volume, diversity, and complexity of citizens' expectations towards the social role of business, the ability of countries to attract foreign investors is likely to be shaped

by both their respective institutional settings as well as the close proximity of affected local populations.

Although many oil and gas companies are currently engaged in an expansion of their Corporate Social Responsibility (CSR) programs, implementing CSR activities in fragile countries often pose challenges. This research identifies the challenges and limitations of implementing CSR in Angola and Nigeria and offers insights into the various tools and approaches through which oil and gas companies might aid local development in these countries. Addressing the challenges of implementing CSR in Angola and Nigeria is particularly important due to the large presence of oil and gas companies and the consequent extensive impact of their activities. In Angola, the industry is dominated by the upstream sector (exploration and production) and is dispersed across the geographical areas of Cabinda, Lower Congo, Kwanza Basin, Soyo, and Cabírinzano, while the downstream oil sector – in the form of refining, petrochemicals, and distribution networks – is concentrated along the country's coast. Similarly, the Nigerian oil and gas sector is primarily situated in the resource-rich southern states of the Niger Delta. The Nigerian Joint Venture Operations (NJV) has onshore and shallow water assets in the Niger Delta.

8.1. Resource Constraints

The management of oil and gas activities assumes the implementation of a number of activities aimed at preventing potential negative consequences of this type of activity and, if necessary, minimizing any negative environmental impacts, and increasing the social benefits generated in the area where the respective activity is planned. Thus, management of corporate social responsibility (CSR) related activities in oil and gas companies plays an important role for the opportunities it offers to recipient communities and to the company. Sometimes, it is difficult to implement these policies as the resources allocated to this direction are too low compared to the needs of the recipient communities; moreover, developing countries are less capable of managing resources because of the lower level of skills of employees. The main hurdle for spending money on beneficiaries is related to how to use these limited funds in the most efficient way for the community, while keeping in mind the counter-party interest of the company.

Managing human and financial resources when it comes to carrying out corporate social responsibility seems to be a weak spot worth considering. With respect to the management of financial resources, it has been noticed in many projects not only at the level of the oil and gas industry but also for other projects in different sectors that the allocation of monies is often insufficient, or it is done in the periods of time which would have the minimal effect on the community (if we consider the project implementation over a period of several years). On the other hand, sometimes oil and gas companies may face difficulties in finding suitable projects, or in designating land or financial resources following the direct contribution for carrying out the projects.

8.2. Measuring and Reporting Impact

Measuring and reporting impact. The complexity of CSR activities in the oil and gas sector not only stems from constantly changing local community expectations, the size and scope of operations, and different issues in different communities but also from the often less than transparent nature of many local and national governments where such subsidiaries must operate. Rumple and Seuring note these problems are echoed in all the grey literature and in the few academic studies of CSR activities of the international oil and gas companies in sub-Saharan Africa. However, it is the difficulties in measuring the impact and evaluating the success of CSR programs which is the major challenge across the CSR fields. Whilst there is now a considerable body of literature on how to measure the effectiveness and return on investment of corporate spending on employees and workforce issues, it is impossible to apply these principles to the impact of CSR for the very reason that they often lie outside the primary business model of the company.

These activities and issues are often seen as peripheral, and so the measurement and reporting the value of this is inherently difficult. As they note, there is precious little high-quality research in this area, with the existing research being more negative and anecdotal than statistical or evaluative. There is a similar concern around the CSR programs of the oil and gas companies in terms of both criticism and difficulty measuring their value. Crilly provides a taxonomy of the value of CSR, claiming ten different forms of value including things like anchoring identity, improving signaling to stakeholders of good stewardship, and clarifying position on moral and ethical values to shareholders. Gond criticizes this typology for not

recognizing the unique nature of CSR activities and in particular their long-standing and increasing role in developing the ethos of an organization.

9. Future Trends and Opportunities for CSR in the Oil and Gas Industry

As a major force in today's world, the oil and gas industry has a major impact on the social, economic, and environmental context of the places in which it operates. In 2020, the industry added almost 10% to the total global GDP. However, the oil and gas industry is often associated with environmental degradation, social exclusion, violation of human rights, and deliberate violence. Therefore, oil and gas companies adopt Corporate Social Responsibility (CSR) strategies towards developing the welfare of the people and promoting the welfare of their business community, thereby fostering sustainable social and economic development. Justifying that, this study reviews the CSR programs in top oil and gas corporations operating in Sub-Saharan Africa (SSA) and their impact throughout the project cycle. The findings indicated that oil and gas companies participate in various CSR activities intended to bring about benefits for the companies' businesses, the host community, society, and the world at large.

The reviewed oil and gas corporations were observed to execute their CSR activities in a variety of underserved sectors and industries, assisting administration in areas such as education, health, transportation/communication, social/community, etc. Future trends and opportunities revolve around technology that will help in CSR activities, such as automation, virtual reality, and smart solutions, as well as innovation, including nature-based initiatives and improved education and awareness. Finally, it is recommended that, in planning for new or growing enterprises, took into consideration of the potential effects on host environments and included this as an essential element of value continuity consideration for an enhanced competitive edge in their capital investments.

9.1. Innovation and Technology

Corporate social and environmental responsibility (CSR) or the principles of sustainable development increasingly become one of the most important activities and goals in the business activities of corporations, including ones in the oil and gas industry in Sub-Saharan Africa. An increasingly significant aspect of these activities is improving the understanding of possible benefits of supported CSR activities and the sustainability of development in host regions. The authors

assume that some advanced tools of operations research can also be used to display by investments in specific segments of the oil and gas industry. So far, very few previous studies show the application in the research practice of authors' methods of SVM analysis and HRV loyalty program. The obtained results of empirical research enable the selection of organizational consumers from the petrochemical segment from regions of Sub-Saharan Africa with potential for future CSR activities, especially those related to innovation.

In regard to the oil and gas industry, the potential opportunities to connect innovation with Corporate Social Responsibility are emphasized in the conducted conference surveys 'Perception of the Participants in the Oil and Gas Sector in Poland and Denmark with Their Corporate Social Responsibility.' In the course of this research, the view that development of Corporate Social Responsibility would soon coincide with the development of innovation. The strategies of responsible business leaders are not limited to early detection of threats and adverse changes in socio-economic systems, but also provide for the formulation of innovative corporate products and services that trigger groundbreaking changes in society. In fact, leaders engaged in Corporate Social Responsibility have already become innovation leaders, and the concept of corporate responsibility is extended to include verification of the high social and environmental value of the products and services they supply. The obtained results enable the selection of organization-to-business (business-to-business) consumers from the oil and gas sector in Sub-Saharan Africa with potential for future CSR activities.

9.2. Partnerships and Collaborations

Besides direct employment, foreign companies can drive CSR programs by bringing in corporate partners that contribute to local livelihoods in other ways. There is significant opportunity in creating partnership programs which are either based on traditional investments such as land titling and infrastructure or which offer new investments in the nonfarm economy. In many places, the nonfarm economy (services, transport, trade) is quickly becoming the main source of income for the rural elite, especially in areas of higher performing economies.

There are already many corporations looking to make philanthropic or well-targeted investments in Africa. The opportunities, described in this paper and explained in greater depth by Turner and Rahman, are for investments in

communities which complement the new investments by large landholders and governments. By pooling resources and collaborating, companies are also more likely to provide services and opportunities that are attractive to the communities and are more likely to increase emotional and reputational attachment to the industry. In addition, having partnership programs will have an effect of reducing resentment generated by failed contract payments or general grievances about projects. Partnerships are a way for oil and gas companies to create pro-industry public goods which can help to stave off local discontent. Such corporate partnerships can also be useful in global campaigns against companies for human rights, environmental and corruption purposes.

10. Conclusion

The goal of this paper was to investigate corporate social responsibility (CSR) activities in one of the most important regions for the global oil and gas (O&G) sector: Sub-Saharan Africa. The paper aimed to explore two distinct aspects to better understand why and how the O&G companies invest in the areas close to their projects. First, CSR activities were seen from the point of view of finance: exploration of relationships and determinants of investments in local community projects and programmes. Second, we looked at CSR from the perspective of sustainability and development and studied its perceived social, environmental, and economic impacts at the local level. Due to a focus on the concept of corporate social irresponsibility, as well as the extensive idea of CSR, promoting the great corporate good instead of minimizing the negative impact, it was important to critically assess the benefits and drawbacks of CSR interventions from the perspective of the affected local stakeholders. Research indicates that CSR or local content activities may sometimes lead to the degradation of an overall host community. Similarly, the study suggests potential marginalization, community tensions due to lack of inter-community dialogue, or dubious company involvement in shallow or fake social dialogue. Nonetheless, more research is needed in this direction.

In terms of policy, the findings give some interesting insights into CSR targeting marginalized people in remote areas or minority ethnic groups. Against this background, an observatory of CSR effects in host communities partnering with business, governments, and NGOs could be established as part of company CSR activities in order to provide these entities with constructive criticism and advice

on their intervention strategy. Companies may invest in the independent work of NGOs, academic research in designated CSR areas (whether environmental, social, or economic), or by creating partnerships with development actors to catalyze the pro-poor impacts of their intervention resources in the target community. The positive contribution of CSR established by the research is, however, limited and subjective. Focused on the exploitation of key CSR stakeholders (the local community) and the examination of their views, the paper has displayed the cost-effectiveness and a limitation in the positive outcomes (social, environmental, and economic) of corporate social responsibility. The creation of positive assets, including trusts, by companies is a complexity still to be investigated by more applied and theoretical research and the focus of the paper. Additionally, the independent verification of positive CSR impact should be performed by these bodies. Company lobbying for its own best self-regulatory behavior should, however, be observed, as should awards for 'extremely sustainable' O&G activities. This is another matter to be addressed by more research.

10.1. Summary of Findings

Technological advance has led institutions to look more keenly and take into account their social responsibilities along the curve of time. One vital component for the reinforcement of Corporate Social Responsibility (CSR) activities in the oil and gas sector operating in Sub-Saharan Africa is creating close relationships with stakeholders, comprising the local communities. It has been universally upheld in the field of corporate finance, development studies, economics, environmental science, and social psychology that there is the potential of financial and sustainability returns from CSR activities of ventures.

Below is a comprehensive summary of the significant findings emanating from the rigorous examination of the Corporate Social Responsibility (CSR) activities of oil and gas companies operating in the diverse and rapidly developing region of East Africa. 1. The frequent thematic areas that receive substantial funding under CSR from these companies encompass a wide range of crucial sectors. These include health, infrastructure development, water resource management, land and agriculture, youth empowerment, women's empowerment, and education. By strategically investing in these vital areas, these companies aim to contribute to the overall development and welfare of the local communities they operate in. 2. It is

disconcerting to note that the majority of firms within the vibrant energy sector appear to lack a well-defined, structured strategy or policy for CSR. This deficiency is particularly problematic as a comprehensive CSR policy is essential to ensuring the long-term sustainability and effectiveness of CSR initiatives. Therefore, urgent attention needs to be given to developing and implementing robust CSR policies by these companies. 3. Unearthing the actual financial and sustainability impact of CSR activities on local communities is an arduous task due to the dearth of comprehensive and in-depth studies focused on identifying the true effects of these initiatives. Therefore, it is imperative to undertake meticulous impact assessment studies to comprehensively evaluate CSR projects and verify the claims of success or effectiveness put forth by these companies. This step is vital to ensure that CSR initiatives truly uplift and empower local communities. 4. One key finding highlights the importance of stakeholder dialogue and the inclusive approach that companies adopt during the planning and implementation phases of CSR projects. These critical factors play a significant role in generating sustainability impacts in the communities they serve. By engaging with stakeholders, including local communities, government bodies, and non-governmental organizations, companies can harness their collective expertise and resources to enhance the overall success and effect of CSR initiatives. In conclusion, the findings from the examination of CSR activities undertaken by oil and gas companies operating in East Africa shed light on both commendable efforts and areas that require immediate attention. By focusing on crucial sectors, developing comprehensive CSR policies, conducting rigorous impact assessments, and embracing inclusive stakeholder dialogue, these companies can truly make a profound and lasting positive impact on the communities in which they operate.

In 2001, the Governor-General of Mauritius stated: "For businesses to be fully accepted in society, economic development needs to be combined with an adoption of ethical behaviour and social responsibility." Corporate responsibility, which refers to the concept of sustainable development by the private sector, therefore requires the integration of CSR procedures in business operations. How can business be configured to reduce the negative impacts of growth while improving social and environmental performance? The CSR programme of oil and gas companies is expected to play a pre-eminent role in achieving the SDGs, particularly in the Sub-Saharan African region. Energy companies are typically

closely integrated with other sectors of the economy and their products are indispensable requirements for effective economic, social infrastructure, public health, education, and rural development. CSR enables oil and gas companies to invest in alleviating socio-economic lifestyles of communities within the countries of operations, thereby affecting them directly and/or indirectly. There has not been an overall attempt to verify at the concept/philosophy level of scholars in the application of the term "Corporate Social Responsibility" (CSR) in cross-country studies. In the light of this, this research agenda seeks to uncover such gaps and present an all-encompassing synthesis.

10.2. Implications for Practice

Implications for practice: Analysis of CSR focuses on activities of oil and gas companies in Sub-Saharan Africa. A recommendation for oil and gas companies is to revisit and revise their CSR policies to contribute concretely to the development and well-being of local or host communities through the establishment of long-term social investment policies that are aligned with the Sustainable Development Goals.

This comprehensive analysis on finance and corporate social responsibility (CSR) activities in the vibrant region of Sub-Saharan Africa carries a multitude of highly significant and far-reaching practical implications that cannot be overlooked. By delving deeply into this analysis, a vast array of invaluable and pragmatic insights can be derived regarding the level of responsibility incumbent upon oil and gas companies in effectively and proactively addressing and fulfilling the unique and diverse needs of the local and host community stakeholders that they interact with and impact. It is an essential undertaking to understand and recognize these implications in order to ensure sustainable development and harmonious growth within the region. Through this analysis, it becomes increasingly evident that companies operating in the financial and energy sectors have a crucial role to play in fostering positive social change, promoting economic development, and actively contributing to the well-being and progress of the communities they operate in. Their active involvement and commitment to fostering inclusive growth and development are not only ethically imperative but are also essential for long-term success and resilience in these dynamic and evolving markets. As such, this analysis serves as a robust tool that facilitates informed decision-making, dynamic policy formulation, effective stakeholder engagement, and targeted

resource allocation. It lays the foundation for fostering collaborative partnerships, responsible business practices, and impactful initiatives that will ultimately lead to meaningful and sustainable outcomes for all stakeholders involved. By recognizing and embracing the responsibility to address the specific needs and aspirations of the local and host community stakeholders, oil and gas companies in Sub-Saharan Africa have the potential to become catalysts for positive change and drivers of progress in the region. Through comprehensive and careful analysis of the financial and CSR landscape, this study paves the way for transformative actions that will yield tangible social, economic, and environmental benefits. Ultimately, this analysis underscores the importance of integrating financial considerations with social and environmental goals to achieve a holistic and balanced approach that contributes to the overall prosperity and well-being of Sub-Saharan Africa and its vibrant communities.

Oil and gas companies have the potential to have an incredibly transformative impact on local development, even without explicit attention or personalized social support. This is primarily because these companies play a vital role as custodians of natural resources, which are absolutely crucial for the sustenance and welfare of local communities. In the modern era, oil and gas companies possess an extraordinary ability to actively contribute towards sustainable social, economic, health, and safety benefits through the robust implementation of comprehensive corporate social responsibility (CSR) initiatives across all aspects of their operations. These initiatives are carefully designed to enhance and improve the quality of life for individuals living in close proximity to company activities. By conducting a thorough analysis and evaluation of these CSR activities, we can establish an undeniable and powerful correlation between socially responsible management practices and the overall impact and contribution of oil and gas companies towards society at large. This opportunity holds unparalleled importance, particularly for companies operating within the oil and gas sector in developing countries. In such contexts, the private sector has the remarkable potential to play a transformative role in creating tangible and positive changes that will inevitably lead to lasting transformations. It is important to note that the successful implementation of CSR initiatives by oil and gas companies goes beyond mere philanthropy or token gestures. Instead, it requires a deep-rooted commitment to fostering sustainable development, empowering

local communities, and safeguarding the environment. This comprehensive approach includes initiatives aimed at promoting education and skills development, supporting healthcare systems, encouraging entrepreneurship, and establishing local partnerships. Additionally, effective corporate social responsibility practices involve transparent and ethical business conduct, responsible resource extraction, and meticulous waste management. By adopting these approaches, oil and gas companies can enhance the overall well-being of communities, promote social inclusivity, and contribute to the achievement of the United Nations' Sustainable Development Goals. Furthermore, the positive impacts of comprehensive CSR initiatives extend beyond the immediate vicinity of oil and gas operations. They have the potential to catalyze broader societal changes by serving as positive examples and inspiring other industries to adopt similar practices. Through sharing best practices and collaborating with local stakeholders, these companies can play a significant role in enhancing regional development strategies and fostering economic diversification. Importantly, CSR initiatives empower local communities to become active participants in decision-making processes, increasing their resilience and capacity to address social challenges. In conclusion, oil and gas companies have a unique opportunity and responsibility to contribute significantly to local development through the implementation of comprehensive CSR initiatives. Their standing as custodians of natural resources places them at the forefront of sustainable development efforts. By embracing this role, companies can foster positive change, drive economic growth, and enhance social well-being. It is crucial that oil and gas companies continue to prioritize CSR and collaborate with stakeholders to ensure a more sustainable and inclusive future for all. Such collaboration and commitment to sustainable development will undoubtedly lead to a world where communities thrive and natural resources are preserved for generations to come.