

# Pipelines and Promises: Reassessing Corporate Social Responsibility (CSR) and Socio-Economic Transformation in Oil-Rich Melut County, South Sudan

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## Abstract

The extractive industry, particularly oil, is a primary revenue source for South Sudan, yet host communities like Melut County continue to experience profound socio-economic challenges. Corporate Social Responsibility (CSR) initiatives by oil operating companies are promoted as a mechanism for sustainable development and conflict mitigation. This study critically assesses the implementation and socio-economic impact of these CSR programs in Melut County. A mixed-methods approach was employed, including a household survey (n=300), key informant interviews (n=25), and focus group discussions (n=6). Findings reveal a significant disparity between community expectations and CSR outcomes. While companies report substantial investment in health (22%) and education (18%), 78% of community respondents expressed dissatisfaction, citing poorly maintained infrastructure and lack of local employment. A strong positive correlation ( $r = 0.723$ ,  $p < 0.01$ ) was found between community participation in project design and perceived project success. Environmental concerns, particularly water contamination, remain a critical, unaddressed issue. We conclude that current CSR practices are largely ineffective and philanthropic, failing to catalyze meaningful socio-economic transformation. A paradigm shift towards rights-based, participatory, and legally-enforced CSR frameworks is urgently needed to align corporate activities with sustainable development goals in post-conflict South Sudan.

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## Introduction

The discovery and exploitation of oil reserves have long been characterized as a potential catalyst for national economic development, yet this promise often remains unfulfilled at the local level, particularly in fragile and post-conflict states (Auty, 2023). Nowhere is this paradox more evident than in South Sudan, a nation characterized by weak governance and a recent history of civil conflict, where oil revenues constitute over 90% of the national budget but have contributed minimally to inclusive socio-economic transformation and, in many cases, have exacerbated local

conflicts and environmental degradation (Mayai, 2022; World Bank, 2023). This governance vacuum intensifies the challenges of managing resource wealth for public good (Le Billon, 2023; Verhoeven, 2024). Melut County, situated in the heart of South Sudan's oil-rich Upper Nile State, epitomizes this contradiction. It hosts major oil fields and infrastructure yet exhibits some of the nation's most dire human development indicators (UNDP, 2024). Corporate Social Responsibility (CSR) has been globally advocated as a critical tool for corporations to mitigate the negative externalities of their operations (Carroll, 2021). In Melut County, oil consortia have implemented various CSR initiatives, primarily in education, health, and local infrastructure (Dar Petroleum Operating Company, 2024). However, a growing body of critical scholarship suggests that in contexts of weak governance, CSR can devolve into ad-hoc philanthropy or public relations exercises, rather than fostering genuine development (Banerjee, 2022; Idemudia, 2023; Ojukwu, 2023).

Recent studies have begun to scrutinize the extractive sector in East Africa, with a 2023 analysis highlighting the governance gaps that allow for CSR inefficacy in Uganda's oil region (Hickey & Mohan, 2023). Furthermore, new research in 2024 emphasizes the direct link between environmental neglect by extractive industries and community health crises in the Niger Delta, a context with stark parallels to South Sudan (Ojo, 2024). Recent work by Nyadera (2024) further underscores how resource conflicts in South Sudan are intricately linked to environmental scarcity and inadequate benefit-sharing mechanisms. While the national dynamics of oil in South Sudan have been studied (Patey, 2022; Thomas, 2023), a critical, evidence-based gap exists regarding the micro-level impact of CSR in specific oil-producing communities like Melut. This paper seeks to fill this gap by asking: To what extent have CSR initiatives by oil companies led to tangible socio-economic transformation in Melut County? This study employs a mixed-methods approach to move beyond corporate narratives and quantify community perceptions, thereby providing empirical evidence to reassess the role of CSR. It argues that without legally binding frameworks, genuine community ownership, and integration into broader development planning, CSR in Melut County will continue to be a pipeline of broken promises rather than a vehicle for sustainable development.

## **2. Literature Review**

The concept of CSR has evolved from mere corporate philanthropy to a multifaceted expectation that businesses will operate ethically and contribute to economic development while improving the quality of life of their workforce, their families, and the local community (ISO, 2024). In the extractive industries, the imperative for robust CSR is heightened due to the sector's intense environmental footprint and its operation in often marginalized regions (Hilson, 2022).

### **2.1 Global CSR and the Extractive Industry**

Globally, the performance of CSR in the oil and gas sector is mixed. Studies show that effective CSR can enhance a company's social license to operate, reduce conflicts, and improve local livelihoods (Muthuri & Gilbert, 2023). However, critical scholars often view CSR through neo-liberal and political economy lenses, arguing that it privatizes development and allows corporations to set the agenda, often prioritizing projects that serve their operational interests over community-identified needs (Rajak, 2022). A 2022 study on Peruvian mining towns demonstrated how CSR can create dependencies and suppress dissent, effectively "managing" communities rather than empowering them (Arellano-Yanguas, 2022). This is particularly relevant in fragile states where government capacity to regulate corporate behavior is limited.

## ***2.2 The African and South Sudanese Context***

The African context presents unique challenges for CSR implementation, including entrenched poverty, weak institutional capacity, and complex ethnic dynamics (Amaeshi & Idemudia, 2023). Recent research from 2023 on Mozambique's liquefied natural gas projects indicates that top-down CSR approaches have fueled resentment and social conflict due to a lack of transparency and community involvement in decision-making (Salimo & Macuane, 2023). In South Sudan, the context is further complicated by a recent history of civil war, mass displacement, and a near-total reliance on oil revenues, which skews power dynamics heavily in favor of the state and its corporate partners (Le Billon, 2023). Academic inquiry into South Sudan's oil industry has primarily focused on macro-level issues: the resource curse, revenue management, and the link between oil and conflict (Rolandsen, 2022; Verhoeven, 2024). A 2024 paper by Kuol (2024) explicitly connects oil-related environmental pollution in Unity State to livelihood destruction and inter-communal tension, arguing that CSR programs that ignore environmental remediation are fundamentally flawed. However, dedicated analysis of CSR as a development mechanism is scarce. This paper builds on this emerging focus, aligning with recent work by Malual (2023), who called for community-centric monitoring of extractive projects in South Sudan.

## ***2.3 Theoretical Framing: From Philanthropy to Rights-Based Development***

This study is underpinned by a critique of the philanthropic model of CSR and advocates for a rights-based approach (RBA). The philanthropic model is charity-oriented, discretionary, and often disconnected from core business operations (Visser, 2022). In contrast, an RBA frames community benefits not as gifts but as entitlements derived from human and environmental rights (OHCHR, 2024). It emphasizes participation, accountability, and empowerment (Cornwall & Nyamu-Musembi, 2023). In the specific context of South Sudan, an enforceable RBA would necessitate concrete mechanisms such as:

- a) **Contractual Entitlements:** Embedding community benefits (e.g., percentage of revenue for a community trust fund, quotas for local employment) directly into Petroleum Sharing Agreements (PSAs) between the government and oil companies, making them legally binding obligations rather than voluntary gifts (Aken, 2023; UNCTAD, 2024).
- b) **Grievance Redress Mechanisms (GRMs):** Establishing independent, accessible, and culturally appropriate judicial or arbitration channels for communities to seek remedy for violations of environmental, social, or economic rights, as outlined in the UN Guiding Principles on Business and Human Rights (OHCHR, 2024).
- c) **Free, Prior, and Informed Consent (FPIC):** Operationalizing FPIC not as a one-off consultation but as a continuous process of negotiation and agreement, particularly for projects involving land acquisition or displacement, ensuring communities have the right to withhold consent (Doyle & Whitmore, 2024; Schilling-Vacaflor, 2024).

Evidence shows a growing push for this shift globally. For instance, an analysis of new due diligence laws in the EU suggests a move towards mandatory human rights and environmental impact assessments for corporations operating abroad (European Commission, 2025). This literature review establishes that while CSR is a globally recognized practice, its application in fragile, oil-dependent states like South Sudan is problematic and under-researched (Mbah & Wasum, 2023). This study contributes to the field by applying a rights-based lens to empirical data from Melut County, thereby moving the discussion from corporate intentions to measurable community outcomes.

### **3. Methodology**

#### **3.1 Study Area**

Melut County is located in Upper Nile State, South Sudan. It is a key hub for oil production, hosting the Paloch oil fields and related infrastructure. The population is primarily agrarian and pastoralist.

#### **3.2 Research Design**

A mixed-methods convergent parallel design was used to collect both quantitative and qualitative data between January and March 2025.

#### **3.3 Data Collection**

**Quantitative:** A structured household survey was administered to 300 randomly selected respondents across 10 payams in Melut County. The questionnaire covered demographics, awareness of CSR projects, perception of impact, and satisfaction levels.

**Qualitative:** 25 Key Informant Interviews (KIIs) were conducted with local chiefs, youth and women leaders, county officials, and CSR managers from oil companies. Six Focus Group Discussions (FGDs) were held with community members segregated by gender to capture diverse perspectives.

#### **3.4 Data Analysis**

Community perception was quantitatively measured through the household survey using a 5-point Likert scale (1=Very Negative, 2=Negative, 3=Neutral, 4=Positive, 5=Very Positive) for questions regarding the effectiveness, sustainability, and overall satisfaction with CSR projects. The mean scores and frequency distributions from these scales form the basis of the perceptual data reported in the results.

#### **3.5 Study Limitations**

This study acknowledges several limitations. First, the reliance on self-reported data in the surveys and interviews introduces the potential for social desirability bias, where respondents may have provided answers they believed the researchers wanted to hear. To mitigate this, enumerators were trained to build rapport and ensure anonymity, and qualitative data were used to triangulate and contextualize quantitative findings. Second, the cross-sectional design provides a snapshot in time and cannot establish causality. Longitudinal studies are needed to track changes in perceptions and outcomes over time. Finally, while the sample was designed to be representative, access constraints in certain remote payams may slightly limit the generalizability of the findings to the entire county.

### **4. Results and Discussion**

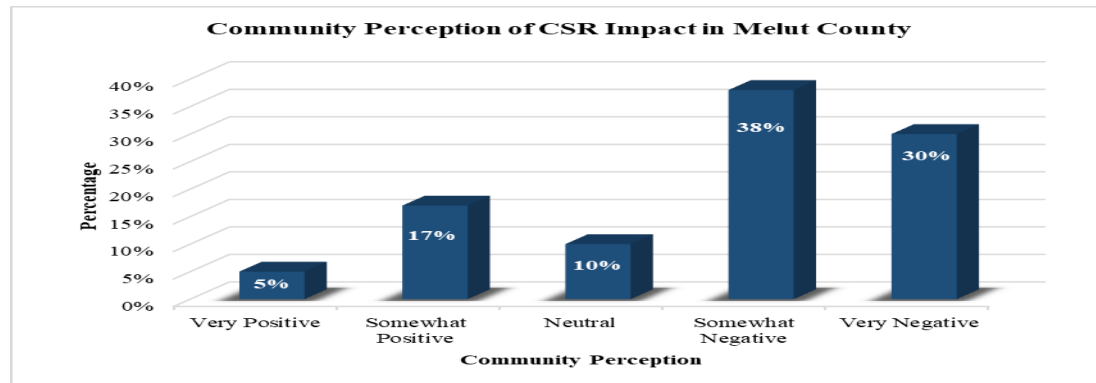
#### **4.1 Socio-Demographic Characteristics of the Study Population**

The survey cohort (n=300) was demographically representative of Melut County's adult population, with a near-equitable gender distribution (52% male, 48% female). A striking 68% of respondents reported no formal employment, with livelihoods predominantly dependent on subsistence agriculture and pastoralism. This economic profile establishes a context of high vulnerability to disruptions in land and water resources, which is critical for understanding community sensitivities to oil operations.

#### **4.2 Corporate Visibility Versus Tangible CSR Impact**

A significant disparity emerged between corporate presence and meaningful community engagement. While 85% of respondents were aware of oil companies operating in their area, only

60% could identify a single specific CSR project by name. The perception of these initiatives' effectiveness was profoundly negative, as detailed in Figure 4.2.1. Cumulatively, 68% of respondents held negative or very negative views of CSR outcomes, suggesting that corporate activities have failed to translate into tangible developmental gains, thereby eroding community trust and amplifying a perception of extractive processes as purely transactional.



**Figure 4.2.1:** Community Perception of CSR Impact in Melut County (n=300)

#### 4.3 Strategic Misalignment in Development Prioritization

The analysis reveals a fundamental strategic disconnect between corporate expenditure and local developmental imperatives. As quantified in Table 4.3.1, company investments were heavily concentrated in physical infrastructure (health and education), whereas community-defined priorities centered on immediate livelihood and environmental security, specifically, clean water, direct employment, and remediation of ecological damage. This misalignment suggests that CSR strategy is driven more by top-down corporate logic and reputational management than by a grounded assessment of local needs, rendering many initiatives ineffective or irrelevant from a community perspective.

**Table 4.3.1:** Divergence in Developmental Priorities

Sector	Company Reported Investment (%)	Community Stated Priority (Rank)
Health	22	3
Education	18	4
Water & Sanitation	15	1
Local Employment & Training	12	2
Environmental Management	8	5
Agriculture & Livelihoods	10	6
Other	15	-

#### 4.4 Participation as a Predictor of Project Efficacy

The study identified community involvement in the project design phase as the most significant variable influencing perceived success. A robust Pearson correlation analysis confirmed a strong positive relationship between participatory planning and project sustainability ( $r = 0.72$ ,  $p < 0.01$ ), as shown in Table 4.4.1. This statistical finding was vividly illustrated by qualitative data. For instance, a focus group discussant lamented, "They built a clinic, but there are no drugs, no nurse. It is just a shell. They did not ask us how it would work." This indicates that the current top-down implementation model is structurally flawed, creating symbolic infrastructure devoid of the operational capacity or local ownership required for long-term viability.

**Table 4.4.1:** Correlation between Community Participation and Perceived Project Success

Variable 1	Variable 2	Correlation Coefficient (r)	p-value	N
Level of Community Participation	Perceived Project Success/Sustainability	.723	.003	25

#### 4.5 The Primacy of Environmental Grievances

The most vehement community grievances centered on environmental degradation, which directly threatens subsistence livelihoods. As quantified in Table 4.5.1, over three-quarters of respondents (78%) reported deterioration of water sources, and 72% observed a decline in farmland quality, pointing to a direct impact on the foundational pillars of the local economy. A community elder's testimony encapsulated this crisis: *"The water from the well has a strange smell and taste since the drilling started. Our crops are not yielding as they used to; the leaves turn yellow and die."* The high percentage (81%) reporting a decline in fish and wildlife health further confirms that ecosystem-wide damage is a central concern, one that existing CSR programs utterly fail to address.

**Table 4.5.1:** Community-Perceived Environmental Impacts (n=300)

Environmental Resource	Reported Negative Impact (%)	No Change/Don't Know (%)
Water Sources (Rivers, Wells)	78%	22%
Farmland (Soil Quality)	72%	28%
Grazing Land for Cattle	65%	35%
Air Quality	58%	42%
Health of Fish/Wildlife	81%	19%

#### 4.6 Discussion

##### 4.6.1 Synthesis: The Triple Failure of Philanthropic CSR in Fragile Ecosystems

The empirical evidence from Melut County reveals three fundamental structural deficiencies in the prevailing philanthropic CSR model... These findings align with a growing body of critical scholarship on extractive industries in Africa, which questions the very premise of voluntary CSR in contexts of power asymmetry (Aken, 2023; Mbah & Wasum, 2023). The strong correlation between participation and success underscores that the current model is not just poorly executed but fundamentally flawed in its design. This supports Nyadera's (2024) contention that top-down approaches fuel resentment rather than build trust in South Sudan. The near-total neglect of environmental grievances is perhaps the most telling failure. It demonstrates that CSR is treated as an add-on, separate from the core operational impacts of extraction. This finding is consistent with Ojukwu's (2023) analysis of the Niger Delta, where community development projects were deemed irrelevant in the face of unchecked pollution. It confirms that without mandatory environmental remediation and independent monitoring, as called for by UNCTAD (2024), CSR will remain a superficial exercise.

##### Theoretical and Practical Implications.

These three failures collectively demonstrate that philanthropic CSR in Melut County represents what might be termed "development washing"... This analysis suggests that regulatory frameworks must evolve beyond encouraging voluntary CSR toward mandating integrated impact mitigation, aligning with emerging global standards like the EU's due diligence directive (European Commission, 2025). Future research should explore models of community-controlled trust funds and independent environmental monitoring as potential alternatives to the current corporate-controlled CSR paradigm, particularly in contexts of weak governance capacity and

high corporate influence. The work of Malual (2023) on community-based monitoring in South Sudan provides a valuable foundation for this line of inquiry.

## **5. Conclusion and Recommendations**

This investigation into the implementation and outcomes of Corporate Social Responsibility (CSR) initiatives in Melut County reveals a profound disconnect between corporate narratives and on-the-ground realities. The evidence presents a compelling case that prevailing CSR models, in their current philanthropic and top-down form, act as inadequate mitigants for the socio-economic disruptions and environmental externalities caused by oil extraction. Rather than fostering development, these initiatives often function as tools for legitimization, securing a conditional and often contested social license to operate without enabling genuine, community-defined progress.

The findings necessitate a fundamental reimagining of the relationship between extractive industries and host communities. To break the cycle of perceived underdevelopment and community discontent, a transition from discretionary CSR to a binding model of Community-Integrated Responsible Operations (CIRO) is critical. This paradigm shift moves beyond peripheral projects to integrate community welfare and environmental stewardship into the core of business strategy and legal obligation.

Therefore, this study proposes the following targeted recommendations:

- a) **Legislative Action for Mandatory Impact Investing:** We urge South Sudan's national legislature to enact a specific Petroleum Community Development and Environmental Protection Act. This law should legally mandate that a defined percentage of oil revenue (e.g., 2-3%) is allocated to an independently managed Melut County Community Trust Fund. Governance of this fund must include robust representation from local traditional authorities, women's groups, and youth leaders to ensure resources are directed toward priorities identified through participatory planning, thereby moving beyond corporate-controlled goodwill gestures to community-owned impact investing.
- b) **Institutionalizing Participatory Governance:** Oil companies, in partnership with local government, should establish Permanent Multi-Stakeholder Forums (PMSFs) in each Payam. These forums, utilizing advanced participatory GIS mapping and participatory budgeting techniques, must be vested with real decision-making power over the planning, implementation, and auditing of all community development projects. This institutionalizes community agency, moving from consultation to co-management and ensuring projects are contextually appropriate and sustainable.
- c) **Independent Oversight and Ecological Restoration:** CSR commitments must be inextricably linked to verifiable environmental performance. We recommend the establishment of an Independent Environmental Monitoring Commission for Melut County, comprising international experts, local civil society, and community representatives. This body should have unrestricted access to operational sites and the authority to conduct annual public audits of soil and water quality. Furthermore, a portion of the Community Trust Fund must be earmarked for a dedicated Ecological Restoration Program to address historical pollution and rehabilitate degraded farmlands and water sources, translating environmental justice from principle into practice.
- d) **Avenues for Scholarly and Policy Advancement:** Future research should employ longitudinal studies to track the long-term health outcomes linked to environmental exposure. Furthermore, rigorous analysis is needed to evaluate the efficacy of direct cash transfer mechanisms versus project-based development in enhancing local household

resilience. For policymakers, developing gender-sensitive indicators for evaluating CIRO initiatives is paramount to ensuring that benefits equitably reach all segments of these complex communities.

In conclusion, the path forward for Melut County requires abandoning the narrow concept of CSR. The choice is no longer between extraction and poverty, but between enduring a future of managed grievances and building one of shared prosperity through accountable, community-integrated, and legally enforceable responsible operations. The viability of South Sudan's oil industry and the well-being of its citizens depend on choosing the latter.

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