



CSR in Guyana's oil sector: Stakeholder perceptions of community benefit, environmental accountability and local content implementation

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Abstract

Purpose: The study examines stakeholder perceptions of Corporate Social Responsibility (CSR) effectiveness in Guyana's oil sector, focusing on community benefits, environmental accountability and local content implementation.

Methodology/Design: Drawing on legitimacy theory and stakeholder theory, the study employed a case study design with 20 semi-structured interviews across four stakeholder groups: community members, civil society organisations, government officials and corporate representatives. Thematic analysis guided data analysis following Braun and Clarke's six-phase framework.

Findings: Three themes emerged for RQ1: insufficient and inequitable benefit distribution, tokenism versus tangible outcomes, and the participation deficit. For RQ2, three themes emerged: contested environmental governance, the local content paradox, and trust as a function of procedural and substantive justice. The findings reveal significant perceptual divides, with community members and civil society expressing profound dissatisfaction while government and corporate representatives offered more favourable assessments, reflecting a fundamental legitimacy gap between corporate CSR claims and community lived realities.

Implications: The findings offer actionable insights for policymakers to strengthen CSR oversight and community engagement, for corporations to align investments with genuine community needs, and for civil society to amplify marginalized voices. Addressing the legitimacy gap, participation deficit, and accountability failures is urgent for translating Guyana's oil wealth into sustainable development.

Originality/Value: The study contributes to CSR scholarship by providing empirical evidence from Guyana, an underexplored petrostate context, and extends energy justice scholarship by demonstrating how perceptions of procedural and recognition justice shape CSR legitimacy.

Keywords: Corporate social responsibility, stakeholder perceptions, Guyana oil sector, extractive industries

Introduction

Guyana's emergence as a major oil producer has fundamentally transformed its economic trajectory, with production continuing to rise and positioning the nation among the world's fastest growing economies. This rapid development, however, presents a paradox: resource wealth coexists with persistent socioeconomic challenges, raising critical questions about how extractive industries can contribute to inclusive and sustainable development (Elias-Roberts, 2021)^[7]. The paradox of plenty, or resource curse, has long preoccupied scholars examining the disparities between natural resource abundance and human development outcomes in developing countries (Gergova & Warren, 2024). Corporate Social Responsibility (CSR) has emerged as a key mechanism through which extractive companies can mitigate negative externalities while maximizing positive contributions to community wellbeing (Mzembe & Downs, 2014).

CSR in extractive industries represents companies' commitments to address socioeconomic and environmental impacts on host communities. The Extractive Industries and Society journal, the premier outlet for socio-economic and environmental analysis of mining and oil production, has extensively documented how CSR practices in developing contexts frequently reveal significant mismatches between corporate interpretations of community needs and lived local realities (Mzembe & Downs, 2014; Attah & Amoah,

2023)^[1]. Research demonstrates that extractive CSR often fails to meet community expectations due to misplaced priorities, inadequate stakeholder involvement, and weak regulatory oversight (Mohammed *et al.*, 2024^[13]; Yousefian *et al.*, 2023). In many resource-rich developing countries, CSR initiatives have been characterized by top-down approaches where corporate decisions about community investments are made with limited consultation with affected populations (Attah & Amoah, 2023)^[1]. This disconnect between corporate intentions and community expectations frequently results in mistrust, conflict, and ultimately, the failure of CSR to achieve its stated objectives (Gergova & Warren, 2024).

In Guyana, CSR implementation occurs within a context of an evolving regulatory framework, including the 2021^[7] Local Content Act (Elias-Roberts, 2021)^[7]. Despite these regulatory advances, persistent stakeholder concerns about community benefit distribution, environmental accountability, and local content effectiveness remain. A critical gap exists in understanding how stakeholders including communities, businesses, activists and policymakers perceive CSR's effectiveness in delivering community benefits, ensuring environmental accountability, and implementing local content provisions. This qualitative study examines stakeholder perceptions of CSR in Guyana's oil sector, contributing to the limited empirical literature on CSR in emerging petrostates. Thus, in amplifying

marginalized stakeholder voices, this research provides nuanced insights into CSR implementation in a rapidly evolving petroleum landscape, informing more inclusive and accountable practices that translate Guyana's oil wealth into sustainable development and improved livelihoods.

Problem Statement

In spite of the significant oil revenues and formal CSR commitments from ExxonMobil, including the US\$100 million Greater Guyana Initiative, deep tensions persist between stakeholder expectations and CSR outcomes. Campaigners characterize these initiatives as "a big greenwash," questioning why a resource rich nation must "go with a begging bowl to get some trickles from Exxon's CSR" (Smith, 2025) ^[19]. Coastal and Indigenous communities remain divided and wary about the oil industry's rise, with fishermen reporting disrupted livelihoods and Indigenous leaders claiming communities were "lured with financial promises and were not properly consulted" (Sweigart, 2025) ^[22]. Environmental governance remains contested, with the Environmental Protection Agency facing legal challenges over permit modifications allowing gas flaring (Parsram, 2024). Research from comparable contexts reveals that extractive CSR frequently fails to meet community expectations due to misplaced priorities, inadequate stakeholder involvement, and weak regulatory enforcement (Mohammed *et al.*, 2024; Gergova & Warren, 2024) ^[13]. These challenges are amplified in Guyana by a production sharing agreement awarding the state only 14.5% of revenues, limited environmental liability guarantees, and persistent public skepticism about transparency (IMF, 2025; Smith, 2025) ^[19]. A critical gap exists in understanding how stakeholders perceive CSR's effectiveness in delivering community benefits, ensuring environmental accountability, and implementing local content provisions. This study addresses this gap by providing empirically grounded insights into CSR's role within Guyana's rapidly evolving petroleum landscape.

Research Question

The study is guided by the following research questions

1. How do stakeholders perceive the effectiveness of CSR initiatives in delivering community benefits and addressing socioeconomic needs in Guyana's oil producing regions?
2. What are stakeholder perceptions of environmental accountability mechanisms and local content implementation, and how do these perceptions shape trust in CSR practices?

Significance of the Study

This research makes three contributions. First, it enriches CSR and natural resource governance literature by providing empirical evidence from Guyana, an underexplored petrostate context where extractive industries intersect with weak regulatory frameworks and high community expectations (Elias-Roberts, 2021 ^[7]; IMF, 2025). The findings extend understanding of how power asymmetries shape stakeholder engagement in emerging economies (Attah & Amoah, 2023 ^[1]; Gergova & Warren, 2024). Second, it offers actionable insights for policymakers

to strengthen CSR oversight and community engagement (Elias-Roberts, 2021) ^[7], supporting national commitments to ensure oil revenues drive sustainable development (Sweigart, 2025) ^[22]. Third, it provides practical guidance for oil companies to align CSR investments with genuine community needs, mitigating conflict and fostering social license to operate (Mzembe & Downs, 2014; Attah & Amoah, 2023) ^[1]. Thus, in amplifying marginalized voices, this study aims to inform more inclusive CSR practices that translate Guyana's oil wealth into sustainable development and improved livelihoods (Mohammed *et al.*, 2024) ^[13].

Literature Review: Theoretical Framework

Two interconnected theoretical perspectives such as legitimacy theory and stakeholder theory that collectively explain the dynamics of CSR implementation in Guyana's extractive sector situate the study

Legitimacy Theory

Legitimacy Theory explains why extractive firms engage in CSR: organizations must demonstrate their actions are socially desirable to maintain legitimacy (Suchman, 1995) ^[21]. When legitimacy is challenged, operations are threatened (Emeseh & Songi, 2014) ^[8]. In weak regulatory contexts, CSR often fails due to misplaced priorities and inadequate stakeholder involvement (Mohammed *et al.*, 2024) ^[13]. The social licence to operate, grounded in this theory, refers to ongoing community acceptance beyond legal permits (Chipangamate, 2020) ^[5], which is particularly relevant in Guyana given resource nationalism and community skepticism (Smith, 2025; Sweigart, 2025) ^[19, 22].

Stakeholder theory

Stakeholder theory posits that firms must consider all stakeholders, not merely shareholders (Freeman, 1984) ^[9]. Community dissatisfaction stems from limited participation in decision-making (Mohammed *et al.*, 2024) ^[13]. Energy justice scholarship adds distributive, procedural, recognition, and restorative justice dimensions (Sovacool & Dworkin, 2024) ^[20]. Critical scholars caution that CSR in weak institutional environments enhances corporate power and dampens resistance (Persson, 2024; Rahmatullah *et al.*, 2025) ^[16, 18]. This study integrates both theories with critical awareness that CSR in extractive contexts often masks structural inequalities (Rahmatullah *et al.*, 2025; Persson, 2024) ^[16, 18].

Both the legitimacy and stakeholder theories provide a sound perspective for examining CSR in Guyana's oil sector. Legitimacy theory explains why firms pursue social acceptance, while stakeholder theory specifies whose perceptions matter. This integrated framework guides investigation into stakeholder perceptions of CSR effectiveness in Guyana's evolving petroleum landscape.

CSR in Extractive Industries

CSR in the oil and gas sector faces a credibility crisis, as programmes are often perceived as inadequate compensation for environmental degradation and social disruption (Emeseh & Songi, 2014) ^[8]. In developing

contexts, CSR frequently fails to meet community expectations, with corporations framing accountability through compliance reporting while communities judge by tangible outcomes (Mohammed et al., 2024; Emeseh & Songi, 2014) ^[8, 13]. CSR is often dismissed as "mere rhetoric" or marketing (Valenzuela & Leiva, 2024).

Stakeholder Perceptions

Stakeholder perceptions of CSR effectiveness are shaped by participation in decision-making. Community dissatisfaction stems from limited involvement, as interventions do not reflect felt needs (Mohammed *et al.*, 2024) ^[13]. This disconnect erodes trust, with CSR viewed as a hegemonic strategy building corporate legitimacy rather than delivering substantive change (Persson, 2024) ^[16]. In Guyana, civil society characterises CSR initiatives as "greenwash" (Smith, 2025) ^[19].

Environmental Accountability

Environmental accountability remains contested, with failures undermining environmental outcomes despite regulatory frameworks (Putri & Rye, 2024) ^[17]. Guyana's EPA faces legal challenges over permit modifications allowing gas flaring, with activists alleging inadequate financial guarantees for oil spill liabilities (Parsram, 2024). Critical scholars caution that CSR in weak institutional environments enhances corporate power and depoliticises environmental issues (Rahmatullah *et al.*, 2025) ^[18].

Local Content Implementation

Local Content Policies foster linkages between extractive industries and national economies (Elias-Roberts, 2021) ^[7]. However, disjunctions between policy and CSR approaches undermine success (Attah & Amoah, 2023). Guyana's 2021 ^[1, 7] Local Content Act prioritises low-skill categories, raising concerns about long-term economic transformation, with employment concentrated in low-technical services despite approximately 6,100 Guyanese employed through local content efforts (Elias-Roberts, 2021; Sweigart, 2025) ^[7, 22].

Stakeholder Perceptions of CSR Effectiveness in Delivering Community Benefits

Research across extractive contexts reveals persistent gaps between CSR initiatives and community expectations. Studies from Ghana's oil sector demonstrate that while transnational companies actively contribute to infrastructure development and livelihood opportunities, beneficiaries frequently express discontent because CSR interventions do not reflect their felt needs due to limited participation in decision-making (Mohammed *et al.*, 2024) ^[13]. This participation deficit undermines CSR effectiveness, as community acceptance of development projects depends fundamentally on how participatory and inclusive governance structures are (Pera *et al.*, 2025) ^[15]. Without co-production and negotiation of power among stakeholders, projects are more likely to encounter opposition and challenges to social licence (Chipangamate, 2020). Attah and Amoah (2023) ^[1, 5] found that entry negotiated agreements in offshore oil industries yield minimal benefits

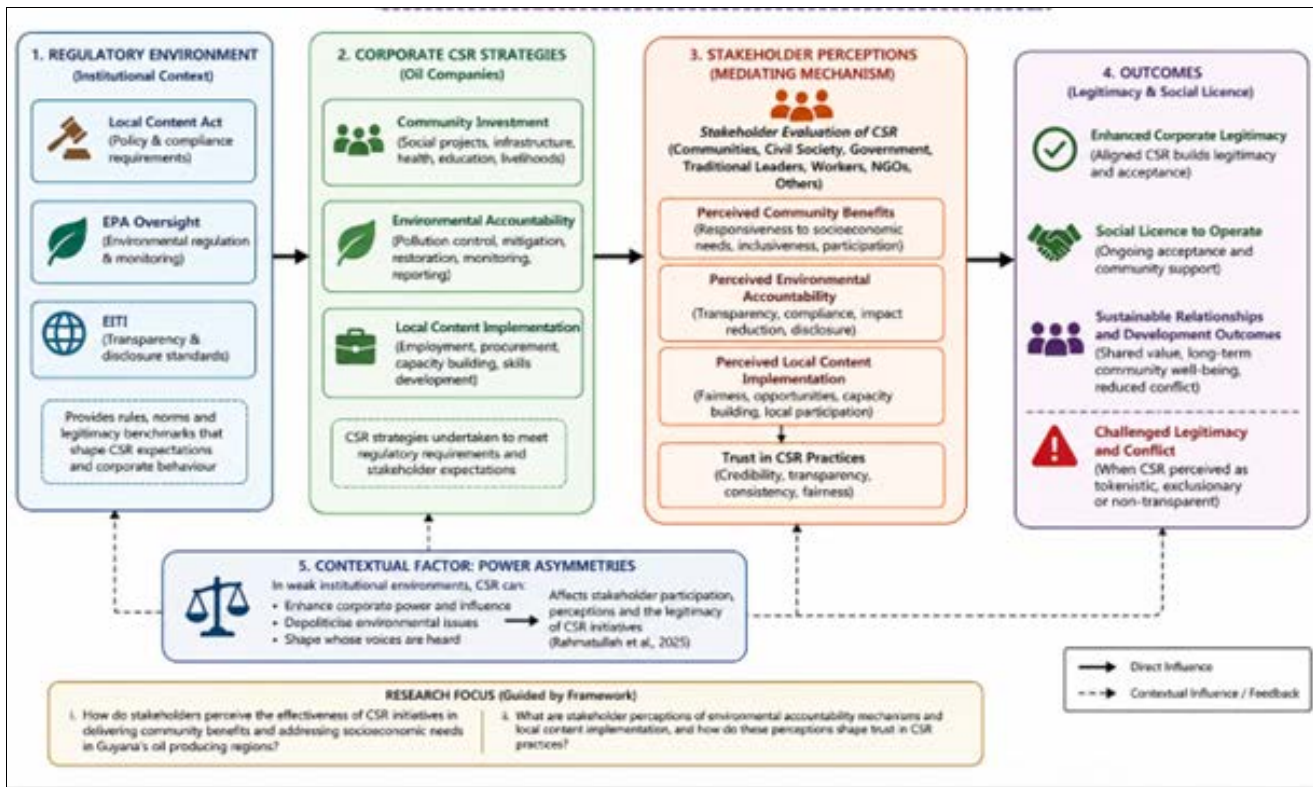
due to lack of linkages with local community economies, with CSR practices directly traceable to resource governance arrangements and institutional plural logics. Similarly, host communities in developing country mining contexts prioritise community development projects, environmental sustainability, employment of indigenes, local enterprise development, communication of social responsibility information, and preservation of local culture and tradition (Attah & Amoah, 2023) ^[1]. The CSR paradox in extractive industries reveals tension between short-term charity-based programs that secure immediate social support and long-term empowerment-oriented interventions that promote sustainable development, with local communities often prioritising immediate tangible benefits (Pera *et al.*, 2025) ^[15]. These dynamics are particularly relevant for Guyana, where resource nationalism and community skepticism amplify the importance of meaningful stakeholder engagement (Smith, 2025; Sweigart, 2025) ^[19, 22].

Perceptions of Environmental Accountability and Local Content Implementation

Environmental accountability in extractive governance remains contested, with persistent accountability failures undermining meaningful environmental and social outcomes despite extensive regulatory frameworks (Putri & Rye, 2024) ^[17]. Research from Nigeria demonstrates that corporate actors predominantly frame accountability through compliance reporting and discretionary CSR delivery, while communities judge accountability by tangible outcomes, enabling companies to exploit local power dynamics to weaken collective resistance (Emeseh & Songi, 2014) ^[8]. Cultural norms related to power distance and elite capture shape whose voices are recognised in governance processes, reinforcing structural inequalities (Putri & Rye, 2024) ^[17]. In Guyana, EITI implementation represents a critical mechanism for ensuring transparent management of natural resource revenues, with the multi-stakeholder group comprising government, industry, and civil society representatives (GYEITI, 2026). However, concerns have emerged regarding governance processes, including the selection of civil society representatives and the preservation of independence within oversight structures (GYEITI, 2026). These challenges amplify questions about whether accountability mechanisms translate into equitable community benefits, particularly for Indigenous communities who continue to raise concerns regarding consultation, land rights, and free prior and informed consent (Sweigart, 2025) ^[22]. Trust in CSR practices thus depends on whether stakeholders perceive environmental accountability as substantive rather than procedural, and whether local content provisions genuinely translate into meaningful economic participation (Mohammed *et al.*, 2024; Elias-Roberts, 2021) ^[7, 13].

Conceptual Framework

This study is guided by a conceptual framework integrating legitimacy and stakeholder theories to examine CSR effectiveness in Guyana's oil sector. Figure 1 presents the construct



Source: Author's construct, 20026

Fig 1: Conceptual Framework for Stakeholder Perceptions of CSR Effectiveness in Guyana's Oil Sector.

The conceptual framework in Figure 1 integrates Legitimacy Theory (Suchman, 1995) ^[21] and Stakeholder Theory (Freeman, 1984) ^[9] to examine stakeholder perceptions of CSR effectiveness in Guyana's oil sector. It proposes that CSR practices, including community investment, environmental accountability, and local content implementation, influence stakeholder perceptions of community benefits, environmental responsibility, and trust. Positive perceptions enhance corporate legitimacy and the social licence to operate, while negative perceptions may reduce trust and challenge legitimacy. The framework guides the exploration of how stakeholders evaluate CSR effectiveness in addressing socioeconomic needs and environmental accountability in Guyana's oil producing regions.

Methodology

Philosophical Research Paradigm

This study adopted an interpretivist paradigm, recognising that reality is socially constructed and stakeholder groups hold diverse perceptions of CSR effectiveness (Lincoln & Guba, 1985) ^[11]. This approach enabled exploration of participants' subjective meanings and lived experiences (Creswell & Poth, 2018) ^[6], aligning with the aim to understand stakeholder perceptions of CSR in Guyana's oil sector.

Research Design

A qualitative case study design was employed, focusing on Guyana's oil sector and CSR practices of ExxonMobil and its partners operating in the Stabroek Block. The case study approach allowed for in-depth, contextualised investigation within its real-world setting (Yin, 2018) ^[23]. Guyana represented a critical case due to its emergence as a major oil producer since 2015, the enactment of the 2021 ^[7] Local

Content Act, and persistent stakeholder skepticism regarding CSR effectiveness (Elias-Roberts, 2021; Smith, 2025) ^[7, 19].

Sampling and Data Collection

Purposeful sampling selected participants across four stakeholder groups: community members, civil society, government officials and corporate representatives. Participants were identified through stakeholder mapping of organisations and communities impacted by Guyana's oil sector. Community members were recruited via local leaders, civil society through environmental advocacy groups, government officials via formal letters to relevant ministries, and corporate representatives through direct contact. Maximum variation sampling captured diverse perspectives. Thirty-five participants were targeted, with saturation reached at 20 interviews (Guest *et al.*, 2006) ^[10]. Semi-structured interviews were supplemented by document analysis (Bowen, 2009) ^[3]. Interviews were conducted in person and virtually, lasting 60-90 minutes, and audio-recorded with consent.

Data Analysis

Thematic analysis followed Braun and Clarke's (2006) ^[4] six-phase framework: familiarisation, coding, theme generation, review, definition, and reporting. Interviews were transcribed verbatim and coded inductively using NVivo software. Codes were grouped into themes reflecting stakeholder perceptions across the three research foci. Themes were compared across stakeholder groups to identify patterns, divergences, and power dynamics.

Trustworthiness

Trustworthiness followed Lincoln and Guba's (1985) ^[11] criteria. Credibility was ensured through triangulation

(interviews, documents, field notes), member checking, and peer debriefing. Transferability was achieved through thick description of context and participant accounts. Dependability was established through an audit trail documenting all research decisions and analytical processes. Confirmability was ensured through reflexivity, with the researcher maintaining a reflective journal to acknowledge positionality and biases.

Ethical Considerations

Informed consent was secured from all participants, who were assured of confidentiality and the right to withdraw. Pseudonyms protected participant identities, and data were stored securely with restricted access.

Findings

Demographic Characteristics of Respondents

A total of 20 participants completed interviews, representing four stakeholder groups. The sample comprised 12 females (60%) and 8 males (40%), reflecting greater willingness among women to participate in qualitative research on socioeconomic issues. Participants ranged in age from 25 to 72 years, with a mean age of 47 years. In terms of stakeholder representation, 7 participants (35%) were community members from oil-impacted coastal and Indigenous regions, 5 (25%) were civil society representatives and environmental activists, 4 (20%) were government officials from the Ministry of Natural Resources and Local Content Secretariat, and 4 (20%) were corporate representatives from ExxonMobil and its partners. Regarding education, 9 participants (45%) held tertiary qualifications, 6 (30%) had secondary education, and 5 (25%) possessed basic education. In terms of occupational status, community participants predominantly engaged in fishing and small-scale farming, while government and corporate participants held managerial and technical positions.

Research Question One: Stakeholder Perceptions of CSR Effectiveness in Delivering Community Benefits

This research question explored how diverse stakeholders perceive the effectiveness of CSR initiatives in delivering community benefits and addressing socioeconomic needs in Guyana's oil-producing regions. The findings reveal significant divergence in perceptions across stakeholder groups, with three themes emerging: (1) insufficient and inequitable benefit distribution; (2) tokenism versus tangible outcomes; and (3) the participation deficit.

Theme 1: Insufficient and Inequitable Benefit Distribution

Community members and civil society representatives predominantly viewed CSR benefits as insufficient and inequitably distributed. One community participant stated, "We see the oil money flowing, but our roads remain unpaved, and our young people have no jobs" (Participant 6, Community). Another observed, "The Greater Guyana Initiative sounds good on paper, but in our community, we have not seen any tangible projects" (Participant 11, Community). A community elder expressed frustration, stating, "They came to us with promises of schools and clinics. Years later, we still wait. The only thing we see is the smoke from the flares" (Participant 2, Community). An Indigenous community representative added, "We were

lured with financial promises and were not properly consulted about what our people actually need" (Participant 15, Community).

Civil society participants echoed these concerns with notable intensity. One activist stated, "Exxon's CSR is a drop in the ocean compared to what they extract. They spend millions on public relations while communities struggle" (Participant 18, Civil Society). Another activist remarked, "We are expected to go with a begging bowl to get some trickles from Exxon's CSR. It is demeaning and insufficient" (Participant 14, Civil Society). A third civil society participant stated, "They choose projects that make them look good, not what we actually need. It is about their image, not our development" (Participant 10, Civil Society). Government officials offered more positive assessments. A government representative stated, "The Local Content Act has created opportunities for Guyanese businesses. Over 1,200 companies are now registered, and we are seeing genuine local participation" (Participant 9, Government). Another official noted, "We have made significant progress since the Act was passed. The oil sector is opening doors that were never there before" (Participant 13, Government). However, even government participants acknowledged implementation challenges, with one official stating, "We face capacity constraints in monitoring and enforcement. The Secretariat is under-resourced relative to the scale of activity" (Participant 3, Government).

Theme 2: Tokenism versus Tangible Outcomes

A persistent tension emerged between corporate claims of substantive investment and community perceptions of tokenism. Corporate representatives framed CSR effectiveness in terms of measurable outputs. An ExxonMobil representative stated, "We have invested \$8.6 billion in community projects in 2024^[13] alone, focusing on education, health, and environmental sustainability. We are committed to being a good neighbour" (Participant 20, Corporate). Another corporate participant added, "Our partnerships with local organisations have reached thousands of Guyanese. We track our impact rigorously" (Participant 5, Corporate).

However, community members expressed skepticism about whether these investments translated into meaningful change. One participant stated, "They say they spend billions. But where does it go? We do not see it in our community" (Participant 4, Community). An activist added, "The numbers sound impressive until you compare them to the billions Exxon extracts. It is a fraction, a token. They want us to be grateful for crumbs" (Participant 19, Civil Society). This resonates with characterizations of CSR as "greenwash" in extractive contexts (Smith, 2025)^[19]. Corporate participants themselves acknowledged the gap, with one stating, "We have done a lot, but we know there is always more to do. We listen to feedback and adapt" (Participant 17, Corporate).

Theme 3: The Participation Deficit

Across stakeholder groups, limited community participation in CSR decision-making emerged as a central concern. Community members consistently reported being excluded from decisions about which projects were funded and how benefits were distributed. One participant stated, "They come with their plans already made. They do not ask us what we need. They tell us what they will give us"

(Participant 7, Community). Another added, "We are not part of the conversation. We are informed after decisions are made. That is not participation" (Participant 16, Community).

Civil society participants reinforced this concern. One activist stated, "Genuine participation means involving communities from the beginning, not bringing them in at the end to rubber stamp decisions. That is what happens here" (Participant 14, Civil Society). A government official acknowledged this gap, stating, "We need to do more to ensure communities have a voice. The structures exist, but they are not always effective" (Participant 9, Government).

Research Question Two: Stakeholder Perceptions of Environmental Accountability and Local Content Implementation

This research question examined stakeholder perceptions of environmental accountability mechanisms and local content implementation, and how these perceptions shape trust in CSR practices. Three themes emerged: (1) contested environmental governance; (2) the local content paradox; and (3) trust as a function of procedural and substantive justice.

Theme 1: Contested Environmental Governance

Environmental accountability emerged as a deeply contested domain. Community and civil society participants expressed profound distrust in environmental governance mechanisms. One activist stated, "The EPA is supposed to protect our constitutional right to a clean environment. But here they are, partnering against us in court" (Participant 14, Civil Society), referencing legal challenges where the EPA and ExxonMobil jointly defended environmental permits against community lawsuits. Another participant noted, "Exxon flared almost half a million cubic feet of gas in August. Where is the accountability? The EPA allows this to happen. They extended the flaring permit from 3 to 60 days. How is that protecting the environment?" (Participant 18, Civil Society). A community member expressed similar frustration, stating, "We breathe the smoke every day. Our children get sick. But nobody asks us. Nobody listens" (Participant 7, Community). These perceptions align with critical scholarship demonstrating that CSR in weak institutional environments enhances corporate power and depoliticizes environmental issues (Rahmatullah et al., 2025)^[18].

Concerns about oil spill liability also featured prominently. A community leader stated, "If there is a spill, who will pay? The EPA failed to secure adequate financial guarantees from Exxon. The people will suffer the consequences" (Participant 8, Community). An activist added, "We have seen what happens in Nigeria, in the Gulf of Mexico. The same companies, the same promises. And when disaster strikes, they leave the communities to clean up the mess" (Participant 19, Civil Society). Another community participant stated, "They tell us there will be no spill. But we have seen the boats. We have seen the accidents. We know the risk. We need guarantees, not promises" (Participant 4, Community). This reflects broader anxieties about the adequacy of regulatory oversight, consistent with findings that extractive governance in developing contexts is

characterised by persistent accountability failures (Putri & Rye, 2024)^[17].

Government and corporate representatives offered more favourable assessments while acknowledging limitations. A government official stated, "We have strengthened our environmental regulations. The EPA now requires financial guarantees from oil companies. We are learning and improving every year" (Participant 3, Government). However, another official noted, "We are building institutional capacity. It takes time to develop the expertise and systems needed for effective environmental governance" (Participant 13, Government).

Theme 2: The Local Content Paradox

Local content implementation revealed a paradox: while significant numbers of Guyanese businesses and workers had been registered and employed, perceptions of meaningful economic participation remained limited. Community members expressed frustration that local content provisions had not translated into quality employment. One participant stated, "I hear about local content, but my son cannot get a job on the rigs. The jobs go to foreigners with qualifications we do not have" (Participant 6, Community). Another observed, "We see the trucks and the infrastructure, but our children still lack skills training. We need long-term investment in education, not just contracts for companies from Georgetown" (Participant 11, Community). A community elder added, "Our young people want to work. They want to learn. But there are no schools here. No training centres. How can they compete with people from other countries?" (Participant 16, Community).

Civil society participants raised concerns about the quality of local content participation. An activist noted, "Guyanese are employed, yes, but in low-skill services. The high-value technical jobs go to expatriates. That is not real local content. It is window dressing" (Participant 14, Civil Society). Another civil society representative stated, "They measure success by numbers, not by what those numbers mean. A person carrying a bag or driving a truck is not the same as a petroleum engineer or a financial analyst" (Participant 10, Civil Society). This reflects Elias-Roberts' (2021)^[7] concern that the Local Content Act prioritises low-skill categories, raising questions about long-term economic transformation.

Government officials emphasised achievements while acknowledging the skills gap. A government representative stated, "We have over 1,700 Guyanese companies registered to support the oil sector. Approximately 6,100 Guyanese are employed through local content efforts. This is significant progress" (Participant 9, Government). However, one official noted, "We need to invest heavily in technical education and training. Without this, local content will remain limited to low-skill services" (Participant 3, Government). Corporate representatives highlighted training programmes but acknowledged challenges in sourcing specialized skills locally. An ExxonMobil representative stated, "We are investing in local capacity building. Currently, 65% of our workforce in Guyana is Guyanese. But the talent pool for technical roles is not there yet. We are working with universities to address this" (Participant 20, Corporate).

Theme 3: Trust as a Function of Procedural and Substantive Justice

Trust in CSR practices emerged as contingent on perceptions of both environmental accountability and local content implementation. Community and civil society participants who perceived environmental governance as weak and local content as tokenistic expressed low trust. One community participant stated, "I do not trust them. They say one thing but do another. They care about their profits, not about us" (Participant 4, Community). An activist added, "Trust is earned. And Exxon has not earned it. They have spent billions on PR, but the communities have seen nothing" (Participant 19, Civil Society).

In contrast, government and corporate participants who emphasised regulatory progress expressed greater confidence. A government official stated, "I believe we are heading in the right direction. The systems are improving, and companies are complying" (Participant 3, Government). A corporate representative added, "Trust takes time. We understand the skepticism. But our actions speak for themselves" (Participant 20, Corporate).

Community participants emphasised procedural and restorative justice as prerequisites for trust. One participant stated, "If they want us to trust them, they must include us. They must listen. They must admit when they are wrong and fix it. That is what trust means" (Participant 8, Community). Another added, "Trust is not about how much money they spend. It is about whether we believe they care about our wellbeing" (Participant 11, Community). This divergence underscores the importance of procedural and substantive justice in building trust.

Discussion

This study examined stakeholder perceptions of CSR effectiveness in Guyana's oil sector, focusing on community benefits, environmental accountability, and local content implementation. The findings reveal significant perceptual divides across stakeholder groups, with community members and civil society expressing profound dissatisfaction while government and corporate representatives offered more favourable assessments. This discussion interprets these findings through the lens of legitimacy and stakeholder theories, relating them to existing literature and the Guyanese context.

The Legitimacy Gap in CSR Implementation

The findings reveal a fundamental legitimacy gap between corporate CSR claims and community perceptions. While corporate representatives emphasised substantial financial investments and measurable outputs, community members perceived these initiatives as insufficient, inequitable, and disconnected from their lived realities. This gap reflects what Suchman (1995)^[21] identified as the core challenge of legitimacy: organizations must demonstrate that their actions are desirable and appropriate within a given social context. When community members perceive CSR as tokenistic or "greenwash" (Smith, 2025)^[19], corporate legitimacy is challenged, threatening the social licence to operate (Chipangamate, 2020)^[5].

The legitimacy gap is particularly pronounced in Guyana due to the paradox of plenty: significant oil wealth coexists with persistent socioeconomic challenges. This paradox amplifies community expectations and skepticism, as citizens question why resource abundance has not translated

into tangible improvements in their daily lives. As one activist stated, "We are expected to go with a begging bowl to get some trickles from Exxon's CSR" (Participant 14, Civil Society). This sentiment reflects a broader critique of CSR in extractive industries: that it functions as a hegemonic strategy building corporate legitimacy while masking structural inequalities (Persson, 2024; Rahmatullah *et al.*, 2025)^[16, 18].

The Participation Deficit and Procedural Justice

A central finding is the pervasive participation deficit in CSR decision-making. Community members consistently reported exclusion from decisions about CSR priorities, resource allocation, and project design. This participation deficit undermines CSR effectiveness, consistent with Mohammed *et al.*'s (2024)^[13] finding that community dissatisfaction stems primarily from limited stakeholder involvement in decision-making processes.

Energy justice scholarship provides a valuable framework for understanding this deficit. Sovacool and Dworkin (2024)^[20] identify procedural justice (inclusive decision-making) and recognition justice (acknowledging marginalized voices) as essential dimensions of CSR effectiveness. The findings suggest that both procedural and recognition justice are lacking in Guyana's oil sector. Communities are informed about decisions after they are made rather than included in deliberation processes, and their voices are not adequately recognised in governance structures. This absence of procedural justice erodes trust and undermines the legitimacy that firms seek to achieve.

The participation deficit also reflects deeper power asymmetries embedded in Guyana's extractive governance. Critical scholars caution that CSR in weak institutional environments enhances corporate power at the expense of community interests (Persson, 2024)^[16]. In Guyana's context, where the state receives only 14.5% of oil revenues and regulatory capacity is limited, communities are structurally disadvantaged in their engagement with powerful multinational corporations. This power imbalance shapes not only CSR outcomes but also the processes through which decisions are made, reinforcing the structural inequalities inherent in extractive capitalism (Rahmatullah *et al.*, 2025)^[18].

Contested Environmental Accountability

Environmental accountability emerged as the most contested domain of CSR practice. Community and civil society participants expressed profound distrust in environmental governance mechanisms, citing inadequate regulatory enforcement, permit modifications allowing gas flaring, and insufficient financial guarantees for oil spill liabilities. These concerns reflect what Putri and Rye (2024)^[17] describe as persistent accountability failures in extractive governance, where extensive regulatory frameworks fail to translate into meaningful environmental and social outcomes.

The findings reveal a fundamental disconnect between corporate and community framings of accountability. Corporate actors frame accountability through compliance reporting and measurable outputs, while communities judge accountability by tangible environmental outcomes and corporate responsiveness to grievances. This disconnect echoes Emeseh and Songi's (2014)^[8] finding that multinational corporations predominantly frame

accountability through compliance reporting while communities judge accountability by tangible outcomes, enabling companies to exploit local power dynamics to weaken collective resistance.

The contested nature of environmental accountability in Guyana raises important questions about the role of the state in regulating extractive industries. Government officials emphasised regulatory progress and capacity building, while activists accused the EPA of "partnering against us in court" (Participant 14, Civil Society). This tension reflects the broader challenge of state capture in resource-rich developing countries, where regulatory institutions may be co-opted by powerful corporate interests, undermining their ability to protect community and environmental interests (Ayelazuno, 2014) ^[2]. For CSR to gain legitimacy, environmental accountability must be perceived as substantive rather than procedural, and regulatory institutions must demonstrate genuine independence and effectiveness.

The Local Content Paradox

Local content implementation revealed a paradox: while significant numbers of Guyanese businesses and workers have been registered and employed, perceptions of meaningful economic participation remain limited. Community members expressed frustration that employment opportunities were concentrated in low-skill services rather than high-value technical roles, reflecting what Elias-Roberts (2021) ^[7] identified as the prioritization of low-skill categories in Guyana's Local Content Act.

This paradox reflects deeper tensions in local content policy design and implementation. While the Act has successfully created opportunities for Guyanese businesses, the skills gap constrains meaningful participation in high-value activities. As one government official acknowledged, "We need to invest heavily in technical education and training. Without this, local content will remain limited to low-skill services" (Participant 3, Government). This skills gap is not unique to Guyana; research from Ghana reveals that disjunctions between Local Content Policy perspectives and CSR approaches undermine project success (Attah & Amoah, 2023) ^[1].

The local content paradox also reflects the challenge of balancing short-term employment creation with long-term economic transformation. While the Act has generated immediate employment and business opportunities, questions remain about whether these opportunities will translate into sustained economic development. This tension between short-term charity-based programs and long-term empowerment-oriented interventions reflects the broader CSR paradox identified by Pera *et al.* (2025) ^[15], where local communities often prioritise immediate tangible benefits while scholars advocate for sustainable development.

Trust, Power and Social Licence

Trust in CSR practices emerged as contingent on perceptions of environmental accountability and local content implementation. Community and civil society participants who perceived environmental governance as weak and local content as tokenistic expressed low trust, while government and corporate participants who emphasised regulatory progress expressed greater confidence. This divergence underscores the importance of

procedural and substantive justice in building trust (Sovacool & Dworkin, 2024) ^[20].

Community participants emphasised procedural and restorative justice as prerequisites for trust, including meaningful consultation, recognition of community voice, accountability for past harms, and transparent grievance mechanisms. These findings align with the social licence to operate literature, which identifies transactional, transitional, and transformational engagement processes as essential in building the legitimacy and trust that underpin dynamic phases of social licence (Chipangamate, 2020) ^[5]. The findings also highlight the role of power asymmetries in shaping trust. In Guyana's oil sector, power imbalances between communities and multinational corporations constrain meaningful engagement and accountability. These power asymmetries are embedded in Guyana's governance structures, including the production-sharing agreement that awards the state only 14.5% of revenues, limited environmental liability guarantees, and weak institutional capacity. For trust to be built, these structural inequalities must be addressed through policy reform, institutional strengthening, and genuinely inclusive governance mechanisms.

Implications for Theory and Practice

The findings contribute to CSR theory in three ways. First, they demonstrate the utility of integrating legitimacy and stakeholder theories with critical awareness of power asymmetries. While legitimacy theory explains why firms seek social acceptance and stakeholder theory specifies whose perceptions matter, critical perspectives reveal how CSR can function as a hegemonic strategy that masks structural inequalities (Persson, 2024; Rahmatullah *et al.*, 2025) ^[16, 18]. This integrated framework provides a more comprehensive understanding of CSR in contexts characterised by weak regulatory environments and significant power imbalances.

Second, the findings extend energy justice scholarship by demonstrating how perceptions of procedural and recognition justice shape CSR legitimacy. Community participants emphasised not just distributive justice (what benefits they receive), but also procedural justice (how decisions are made) and recognition justice (whether their voices are heard). This multidimensional understanding of justice is essential for understanding CSR legitimacy in extractive contexts.

Third, the findings contribute to the social licence to operate literature by demonstrating how participation deficits and accountability failures undermine social acceptance. Social licence is not simply a function of corporate investments but depends on genuine engagement, transparent accountability, and recognition of community rights and voice. Building social licence requires not just financial investment but institutional reform and power sharing.

The findings also have practical implications for policymakers, corporations, and civil society. For policymakers, strengthening CSR oversight, enhancing transparency, and improving community engagement mechanisms are essential. For corporations, aligning CSR investments with genuine community needs, ensuring meaningful stakeholder participation, and demonstrating environmental accountability are critical for building trust and social licence. For civil society, amplifying marginalized voices and holding corporations and

government accountable are essential for ensuring that CSR translates into sustainable development.

Conclusion

The study examined stakeholder perceptions of CSR effectiveness in Guyana's oil sector, focusing on community benefits, environmental accountability, and local content implementation. The findings reveal significant perceptual divides across stakeholder groups, with community members and civil society expressing profound dissatisfaction while government and corporate representatives offered more favourable assessments. These divides reflect a fundamental legitimacy gap between corporate CSR claims and community lived realities, underscoring the limitations of current CSR practices in addressing the socioeconomic and environmental concerns of oil-impacted communities.

Theoretically, the study demonstrates the utility of integrating legitimacy theory and stakeholder theory with critical awareness of power asymmetries. While legitimacy theory explains why firms pursue social acceptance and stakeholder theory specifies whose perceptions matter, critical perspectives reveal how CSR can function as a hegemonic strategy that masks structural inequalities (Persson, 2024; Rahmatullah *et al.*, 2025) ^[16, 18]. The findings extend energy justice scholarship by demonstrating how perceptions of procedural and recognition justice shape CSR legitimacy (Sovacool & Dworkin, 2024) ^[20].

Recommendations

Based on the findings, the following recommendations are offered:

For Policymakers

1. Strengthen CSR oversight by establishing mandatory community consultation requirements for all oil sector CSR initiatives;
2. Enhance transparency through public disclosure of CSR expenditures and project outcomes;
3. Invest in institutional capacity building for the Local Content Secretariat and EPA to strengthen monitoring and enforcement and;
4. Develop and enforce clear environmental liability frameworks with adequate financial guarantees from oil companies

For Corporations (ExxonMobil and Partners)

1. Move beyond tokenistic CSR by aligning investments with community-defined priorities through genuine consultation;
2. Ensure meaningful stakeholder participation from project design through implementation and evaluation;
3. Demonstrate environmental accountability through transparent reporting, independent audits, and accessible grievance mechanisms and;
4. Invest in long-term skills development and technical education to enable meaningful local content participation beyond low-skill services

For Civil Society Organisations

1. Continue amplifying marginalized voices through advocacy, research, and community mobilization;
2. Engage actively in policy advocacy for stronger CSR regulation and enforcement

3. Participate in multi-stakeholder oversight bodies such as the EITI to ensure accountability and;
4. Build partnerships with communities to strengthen their capacity to engage in CSR decision-making

For Communities

1. Build collective capacity through community-based organisations to strengthen voice in CSR decision-making;
2. Engage proactively with government and corporate stakeholders to articulate community priorities and;
3. Document and report CSR grievances through formal and informal channels

Limitations and Future Directions

The study has limitations. The sample size of 20 participants, while sufficient for qualitative saturation, limits generalisability. The study focused on four stakeholder groups; future research could include Indigenous leaders, youth, women's organisations, and trade unions. The cross-sectional design limits understanding of how perceptions evolve; longitudinal research is recommended. Despite these limitations, this study provides important insights into CSR dynamics in Guyana's oil sector. Addressing the legitimacy gap, participation deficit, and accountability failures is urgent. Without meaningful reform, the paradox of plenty will persist. Ultimately, translating oil wealth into sustainable development requires genuine partnership between communities, government, and industry, grounded in procedural justice, recognition justice, and shared accountability.

Disclosure

The author declares no conflicts of interest. No funding was received for this research. Ethical approval was obtained and informed consent was secured from all participants. Participant identities are protected through pseudonyms, and data are stored securely. The findings and interpretations are solely those of the author.

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