

**ASSESSING THE EFFECTIVENESS OF CNOOC CORPORATE SOCIAL
RESPONSIBILITY PRACTICES IN HOIMA DISTRICT**

NABISUBI HAULA

S18B44/318

**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF A BACHELOR'S DEGREE IN OIL AND
GAS MANAGEMENT, INSTITUTE OF PETROLEUM STUDIES KAMPALA IN
AFFILIATION TO UCU.**

AUGUST, 2022

DECLARATION

I hereby declare that this study has never been presented for any academic award in any institution or university. All sources used in this research have been rightfully acknowledged.

NABISUBI HAULA
S18B44/318

Date ; 10 AUGUST 2022

APPROVAL

I acknowledge that this dissertation titled: “Assessing the Effectiveness of CNOOC Corporate Social Responsibility Practices in Hoima District.” has been under my supervision and is ready for submission.

MR. JAMES MUGERWA

Date

ACKNOWLEDGMENTS

I dedicate this work to my Parents for they are the driving force that pushes me to achieve more in life. Plus my brothers and sisters who has been a pillar of support and encouragement in pursuing this course and in all my aspirations in life, lots of appreciation to them. I would like to appreciate my dia husband for his support and encouragement throughout this whole period and my two lovely kids Shaquille and Amaya.

I would like to extend my appreciation to my supervisor Mr. James mugerwa for the invaluable professional guidance he shared with me during this project. He was fantastic and brilliant!

I also wish to thank the entire staff of Uganda Christian University, Mukono. Your input during the course is much appreciated.

In addition, I cannot forget to thank my circle of friends and colleagues, who have supported me in different ways throughout the course. God bless you all abundantly.

Above all, I thank the Almighty God for the strength, favor and the endless provision he keeps sending my way.

ABSTRACT

This dissertation aimed to assess the effectiveness of CNOOC corporate social responsibility practices in Hoima district; taking lessons from experiences of other resource rich countries such as Nigeria. Literature was reviewed about the indigenous people, their rights and whether CNNOC's CRS are worth a count to the people of Hoima. The Sustainability reports of Chinese National Offshore Oil Company (CNOOC) has been analyzed, using content analysis, to determine the company's level of engagement in mitigating environmental impacts. CSR practices of IOCs in Nigeria and other resource rich countries were analyzed; to extrapolate lessons for protection of Uganda's society and environment, through CSR. The findings revealed that majority of the locals in Hoima are not contented with the oil operations in the area, about 58.3% were not contented and (41.7%) were contented. If such CRS aren't well managed the current situation will result in poverty stricken, conflict filled and environmentally degraded landscape – in other words another Niger delta.

When CSR goes wrong several issues arise - for instance the community will withdraw its social license to operate and in many cases sabotage production - for example, the case of the Niger delta where oil bunkering and militancy is the order of the day. It's a role for the government implement policies that could mitigate such issues. Lastly, recommendations were made to both the government and international oil companies suggesting that the government should join Extractive Industries Transparency Initiative (EITI) and encourage transparency and compliance, to reduce corruption in Uganda. Companies were advised to engage all stakeholders and ensure technology transfer going forward, in order for citizens (Indigenes) to build businesses in preparation for the production phase and develop capacity to meet the upcoming needs. If all this is adhered to, then this should facilitate Uganda having a sustainably developed Hoima.

Table of Contents

DECLARATION	ii
APPROVAL	iii
ACKNOWLEDGMENTS	iv
LIST OF FIGURES	ix
DEFINITION OF KEY TERMS	x
CHAPTER ONE	1
GENERAL INTRODUCTION	1
1.1 Introduction.....	1
1.1.1 Background.....	1
1.1.2 Background.	2
1.2 Problem Statement	2
1.3 Objectives of the Study	3
1.3.1 Major Objective	3
1.3.2 Specific Objectives	3
1.4 Research Questions or Hypothesis.....	3
1.5 Scope of the Study.....	4
1.5.1 Geographical scope.....	4
1.5.2 Content Scope.....	5
1.5.3 Time Scope	6
1.6 Significance of the Study	6
1.7 Justification	6
CHAPTER TWO	7
LITERATURE REVIEW	7
2.0 Introduction	7
2.1 CSR in Oil and Gas	7
2.2 Why Corporate Social Responsibility?.....	10
2.3 The Importance of Corporate Social Responsibility	10
The Triple Bottom-Line.....	10
2.3.1 Attracts & Retains Investors.....	11
2.3.2 Improves Public Image.....	11

2.4.1 Contentedness of Hoima District Natives with CNOOC Uganda Limited Towards Corporate Social Responsibility.	12
2.5 Negative effects that have arisen from oil activities in relation to oil discovery	14
2.5.1 Land acquisition	14
2.5.2 Destruction of vegetation for wildlife.	14
2.5.3 Movement of animals	14
2.5.4 Silting.....	15
2.5.5 Health hazards	15
2.5.6 In-migration	15
2.5.7 Operational problems	16
2.5.9 Flaring.....	16
2.6 Community Engagement in Oil and Gas Operations.	16
2.7. NIGERIA	17
2.7.1 The Niger Delta Region.....	17
2.7.2 The Impacts of Oil and Gas Industry in Nigeria	18
CHAPTER THREE	20
RESEARCH METHODOLOGY.....	20
3.0 Introduction	20
3.1 Research Design	20
3.2 Area of the Study.....	20
3.3 Study Population	21
3.4 Sampling Procedures.....	21
3.4.1 Sample Size	21
3.5.1 Data Collection Methods and Instruments	21
3.5.1.1 Primary data sources.	21
3.5.1.2 Questionnaires	22
3.5.1.3 Interviewing.....	22
3.5.2. Secondary data sources	22
3.5.2.1 Observations	22
Procedure of data collection	22
3.6 Quality Control Methods.....	23
3.7 Data Management and Processing	24

3.8 Data Analysis	24
3.9 Ethical Considerations.....	24
3.10 Limitations of the Study	24
CHAPTER FOUR:.....	26
PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS	26
4.0 Introduction	26
4.1 Background of the correspondents	26
4.3.1 Socially	29
4.3.2 Economically	29
4.5.1 Effects that have resulted from the company’s operations on their community.....	31
4.1 Conclusions	35
CHAPTER FIVE:	37
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	37
5.0 Introduction	37
5.1 Summary of Findings	37
5.2 Conclusions.....	38
5.3 Recommendations	39
5.4 Suggestions for Further Research	40
References:.....	41

LIST OF TABLES

Table 4.1	Gender composition of the respondents
Table 4.2	To determine what activity the oil company is engaged in
Table 4.3	Are people contented with oil operations in the area
Table 4.4	How respondents rated the company's engagements towards improving people's livelihoods within their society
Table 4.5	Have there been any effects in your community resulting from oil operations.
Table 4.6	Are people aware that the company's operations are affecting them in any way?
Figure 4.7	Perception on who to take part into CSR?
Figure 4.8	Does engaging in CSR reduce company's profitability?

LIST OF FIGURES

Figure 1.5	A map showing a the Albertine region, Hoima District
Figure 2.1.1	A figure showing Members of the Chinese medical team attending to the local patients during the medical camp at Hoima.
Figure 2.1.2	A figure showing how CNOOC sponsors Uganda Amasaza Cup.
Figure 2.1.3	A figure showing how CNOOC boosts Hoima security with Police Beat. (Source, earthfinds.co.ug)
Figure 2.1.4	A figure showing CNOOC awards Hoima Top performing students.
Figure 2.7	A map showing the Niger Delta
Figure 4.1	A pie chart showing Gender composition of the respondents
Figure 4.2	A bar graph showing the frequency of various respondents
Figure 4.3	A pie chart showing the level of contentedness with oil operations
Figure 4.4	A bar graph showing how respondents rated the company's engagements towards improving people's livelihoods.
Figure 4.5	A pie chart showing the frequency of respondents agreeing to effects in their community resulting from oil operations.
Figure 4.6	A pie chart showing whether people are aware of how the company's operations are affecting them.

DEFINITION OF KEY TERMS

Corporate Social Responsibility is a framework for formulating and implementing the expanded roles and responsibilities the corporate sector to include the incorporation of the expectations and needs of a wider community in the business model. (Campbell (2011))

The Albertine Graben is defined as the area within the rift valley and Lake Albert in western Uganda where oil exploration and appraisal is going on, (East African petroleum conference and exhibition 2015),

Environmental sustainability is the study of how natural systems function remain diverse and produce everything it needs for the ecology to remain in balance, it also acknowledges that human civilisation takes resources to sustain our modern way of life.

Environmental effects as a documented evaluation of the adverse and beneficial significance of the direct and indirect effects of a firm are current and planned activities. (Business dictionary n.d)

Pollution, this is the process of making land, water, air and other parts of the environment dirty, unsafe or unsuitable to use.

Flaring, another environmental issue in the oil industry as the burning of gas that cannot be processed or sold.in Uganda, flaring has been highly discouraged, (Calibre planning (2010))

Stakeholders as those who may be affected by or have an effect towards Community toolbox (2014) Stakeholders are important in the oil industry in a way that directly or indirectly have control over the operations in the industry. They are divided according to the magnitude of power and authority over the industry. Stakeholders in the oil and gas industry include the media, the International oil companies (IOCs), government agencies, among others.

CHAPTER ONE

GENERAL INTRODUCTION.

1.1 Introduction

The introduction chapter will provide the fundamentals of the study and elucidate the proposal that will be provided. The chapter starts off with the introduction and background of case study followed by statement of the problem that we seek to answer. It continues to explain objectives and the research questions. This will be followed by scope of study, the significance of study, the justification of the study and finally an overview of the way in the study will be conducted is provided.

1.1.1 Background

Uganda is widely regarded as a new oil state, but the history of its oil industry is over a century old. Oil seepages along Lake Albert have been well known to local communities for generations. British explorers made their first formal references to this oil in the late 1800s. Some exploration began near the fishing village of Kibiro in the early 1900s, but was halted with the outbreak of World War 1. In 1925, E.J Wayland, director of the Geological survey for the Uganda protectorate, mapped out indications of oil in the country to help re spark exploration interest (PEPD, 2013). In 1938, the Johannesburg based African European Investment Company drilled the first exploration well, Butiabar Waki-1. (PEPD, 2013). However, progress in the oil industry stopped again due to the start of World War 2. History records that a number of attempts were been made since then to exploit the oil wells in Uganda. Consistently, they have been hindered by same problems like war, politics and high operation costs considering Uganda is a landlocked country.

The expectation is that the oil revenues will drive economic growth and improve levels of human development for the citizens (Medas and Zakharova 2009). The existence of prudent fiscal systems, relevant industry laws, independently working institutions and enforcement agencies in some oil producing countries - such as Saudi Arabia, Kuwait, Qatar, and Norway, have helped improve other sectors like tourism, health and education.

As expected, the discovery of oil in a nation automatically has both negative and positive effects towards the neighbouring communities where the oil is directly drilled.

This therefore calls for corporate social responsibility to mitigate such challenges. (Frynas, 2005). This has emerged as a business approach for addressing the social and environmental impact of company activities. The oil business is quite lucrative and the entire nation is excited for the great development it is likely to cause us. However, we must be ready to take it on all its impact first hand especially the negative impacts. We can only mitigate these by using CRS (Frynas, 2005). This research therefore is all about finding the best laws and methods to implement Corporate Social Responsibility and how important it is for us as a nation as we make the best of this.

1.1.2 Background.

CNOOC limited operates as an investment holding company, which is engaged in upstream operating activities of the conventional oil and gas, shale oil and gas, oil sands and other unconventional oil and gas business, (Forbes, 2016). The company through its subsidiaries engages in the exploration, development, production and sale of petroleum and other products. The Company was founded in 1982 by the state council in the regulation of people's petroleum resources in cooperation with foreign enterprises (CNOOC, 2012).

In 2006 when it was declared that Uganda had some deposits of petroleum in the Albertine Graben. CNOOC happened to be amongst the companies that carried out exploration and appraisal works and as per now hold a production licence.as a result of their works; they have an obligation of corporate social responsibility in areas where their operations are carried out.

1.2 Problem Statement

Recently, one of the key signs of environmental engagement oil companies provide extensively is environmental reporting. Indeed, several comparative international studies have demonstrated that environmental reporting amongst oil and gas companies is more extensive compared with other sectors including utilities and various branches of manufacturing, (Frynas, 2009). Although this has partly been a result of the industry's greater environmental impact, the nature of oil and gas operations involves many potential negative environmental effects, particularly during exploration and production. Such activities include land clearance, oil spills and natural gas

emissions. Environmental risks of oil and gas operations are heightened because oil and gas deposits are often located in developing economies near areas of high biological diversity and high ecological, such as rain forests, mangroves and protected national parks like Murchison falls national park in the Albertine Graben, (Frynas, 2009). Therefore, the difference between the ideal and real situation, the researcher needed to investigate upon the situation so as to ascertain himself with which activities in particular has CNOOC been engaged in as part of their corporate social responsibility and its effects.

1.3 Objectives of the Study

1.3.1 Major Objective

The major objective is to examine how feasible and effective are the Corporate Social Activities of China National Offshore Oil CNOOC) in Hoima District.

1.3.2 Specific Objectives

1. To discover whether the natives of the Albertine graben where CNOOC Uganda is operating are contented with what they are doing towards corporate social responsibility.
2. To examine some of the CRS laws and regulations already existing in Uganda
3. To assess the importance of having CRS in the oil and gas industry
4. To assess the negative effects that arises out of CNOOC Uganda's activities in relation to the oil discovery?
5. To examine the extent to which local communities engaged in the oil and gas operations concerning china national offshore oil company?

1.4 Research Questions or Hypothesis

- Are the natives of Hoima district contented with what CNOOC Uganda is doing towards corporate social responsibility?
- What are the negative effects that have arisen out of CNOOC Uganda's activities that are attributed to the oil discovery?
- To what extent are local communities engaged in carrying out operations for china national offshore oil company?

1.5 Scope of the Study

1.5.1 Geographical scope

This study was mainly centred in Hoima since this is where CNOOC's main oil and gas operations are taking place and where there is significant effect due as a result of their work. Further, Hoima district was chosen because of all districts in the Albertine Graben, Hoima was an easily accessible.

A Map Showing the Area of Study, Hoima District

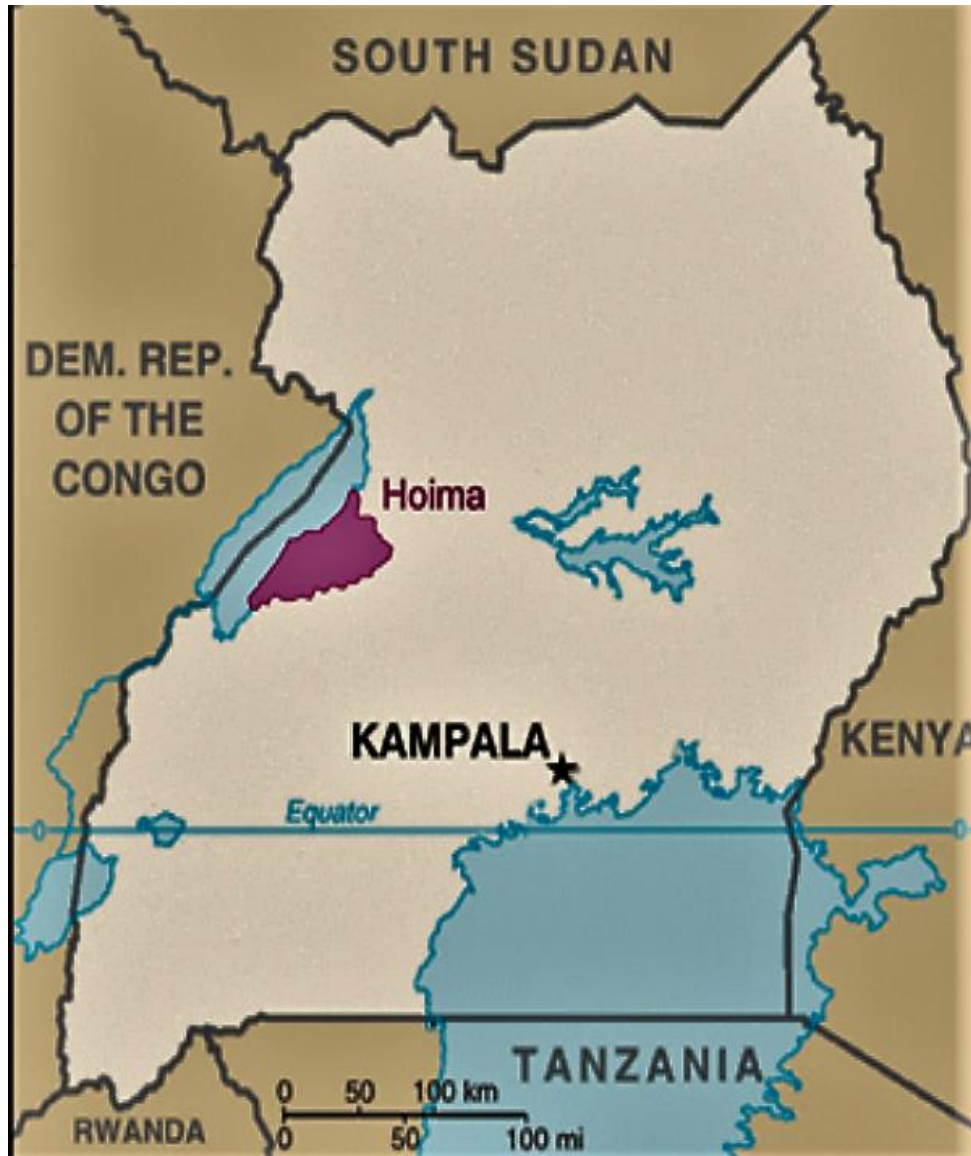


Figure 1.5.1 Albertine region, Hoima (sciencedirect.com 2016)

1.5.2 Content Scope

The study focused on investigating what kind of activities has (CNOOC) in Uganda indulged in as part of their CORPORATE SOCIAL RESPONSIBILITY.

The time scope the researcher chose was three months. This is because this would be a definite period of time to notice the impact the company has done.

1.5.3 Time Scope

Historically, this study will review as far as 1940 but the research itself will be about the last twelve years since the commercial discovery of oil in Uganda.

1.6 Significance of the Study

This research will help CNOOC Uganda to identify the areas that are of concern towards its corporate social responsibility strategy and will also help to identify some of the areas in which CNOOC Uganda. This research will establish the extent of local community engagement in Hoima district in regards with the operations of china national offshore oil company.

This research hopes to find out in detail CRS methods that have been tested and proven by other oil countries. These in addition to what maybe already existing will help the oil company in Uganda to start safe as it ventures in this lucrative business.

This research will establish what China National Offshore Oil Company has done in regards to Corporate Social Responsibility hence contributing to its achievements.

1.7 Justification

The study had to be carried out because it would be of great importance in helping CNOOC Uganda analyse whether they have achieved their desired goal in terms of their corporate social responsibility

There was need to know how best sustainability could be attained while carrying out activities in environmentally sensitive areas like the Albertine Graben.

There was need to carry out the study so as to know how to cooperate with CNOOC Uganda in terms of stakeholder engagement.

Therefore, an in depth study of social corporate responsibility is a necessity because these are the means by which we can guarantee that the negative impacts will be minimal in this sector?

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher critically reviewed and summarized the published literature on CSR in the oil and gas sector. The following notions and their connections to Uganda's oil and gas industry are reviewed: the demand for oil and gas, definitions of CSR, concepts and models, stakeholders within the context of CSR, the interaction between indigenous people - contentedness of Hoima district natives with CNOOC Uganda limited towards corporate social responsibility.

In addition, this chapter explores the impacts of oil production on the people in the Albertine Graben and people from the Niger Delta.

2.1 CSR in Oil and Gas

CSR is sometimes used interchangeably with sustainability, but they do not mean the same thing (Stubbs 2011). In the oil and gas industry sustainability is a complicated word, because this industry deals with a finite resource (hydrocarbon) which depletes over time; hence the industry struggles with how to incorporate sustainability into their industry (Stuewer 2011). In 1980s, the UN definition of sustainability mentions balancing three components - environment, society and economy (UN 1980). Oil and gas is an inherently risky business – as evidenced by incidents such as Piper Alpha (1988), Exxon Valdez and BP's Deepwater Horizon (2010), the Niger Delta conflicts and pollution, (Item and Idemudia 2006). As a result the need for CSR in the industry has increased; as these events cost the IOCs involved reputational damage, expensive clean-ups; in addition to the environmental damage and loss of life. Therefore, companies have to take charge and avert such instances from happening - hence minimizing their footprint on the environment and benefiting both socially and economically (Stuewer 2011).

Corporate Social Responsibility is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders, (Frynas, 2009). It is also broad a term used to describe a company's efforts to improve society in some way.

The nature of oil and gas operations involves many potential negative environmental effects, particularly during exploration and production, including land clearance, oil spills and natural gas emissions.

Environmental risks of oil and gas operations are heightened because oil and gas deposits are often located in developing economies near areas of high biological diversity and high ecological vulnerability, such as rain forests, mangroves and protected national parks.

While the use of terms such as “CSR” and “Sustainability” is relatively new, oil companies were prepared to voluntarily introduce some pollution-related initiatives from at least the 1960s. (Frynas, 2009)

Non-Government Organizations (NGOs) - sometimes referred to as the corporate watchdog’s - notably Amnesty International and Human Rights Watch. In the extractive industries (oil, gas and mining), these organizations usually speak out for the host communities (indigenous people).

Pictures showing CSR activities carried by CNOOC in Hoima district;



Figure 2.1.1 Members of the Chinese medical team attending to the local patients during the medical camp at Hoima. (Source: HKStrategiesUg)



Figure 2.1.4 CNOOC awards Hoima Top performing students, PLE, UCE and UACE. (earthfinds.co.ug, 2016)

2.2 Why Corporate Social Responsibility?

The reason why companies must look beyond profits is also due to the peculiar situation that humanity finds itself in the second decade of the 21st century. Given the political, economic, social and environmental crises that humans as a race are confronting, corporations have a role to play since they contribute the most to the economic wellbeing of humanity and in turn influence the political and social trends.

Corporate businesses Social Responsibility or CSR makes for eminent business sense as well when one considers the knock-on effect that social and environmental responsibility brings to the. For instance, corporations exist in a symbiotic relationship with their environments (the term environment refers to all the components of the external environment and not to ecological environment alone) where their exchange with the larger environment determines to a large extent how well they do in their profit seeking endeavours.

2.3 The Importance of Corporate Social Responsibility

The Triple Bottom-Line

CSR is returnable triple bottom-line investment that achieves positive results and profits to the organization, community and the environment - if well managed. Crane and Matten (2004) stipulate that the triple bottom line considers that companies have objectives that go beyond profit making and consider how to improve society and the environment they operate in. The concept involves sustainable development; which is meeting the needs of the current generation, without compromising the capacity of future generations to meet their needs (World Commission on Environmental Development 1987).

CSR is not going to solve the world's problems, but companies engage in it to benefit themselves and the society in which they operate (Forbes 2012). Companies do it for different reasons - for example enhanced reputation, greater employee loyalty and retention, plus maintaining public support (Moir 2001). While others do it for innovation, cost saving, brand differentiation, long-term thinking, customer and employee engagement (Stuewer 2011). Although many companies carry out CSR, there is often not much to show for it, as the people supposed to benefit, often feel

“conned” (Idemudia 2008). Civil society advocates of CSR increasingly accuse firms of merely paying lip service to the idea of corporate citizenship, yet most are more interested in making profits (Pednekar 2012). Results should be gained from what companies do and not just what is being said in their CSR reports (Crook 2005).

The benefits of using the Triple Bottom Line are summarized in below;

2.3.1 Attracts & Retains Investors

Investors who are pouring money into companies want to know that their funds are being used properly.

Not only does this mean that corporations must have sound business plans and budgets, but it also means that they should have a strong sense of corporate social responsibility.

2.3.2 Improves Public Image

Companies that demonstrate their commitment to various causes are perceived as more philanthropic than companies whose corporate social responsibility endeavours are non-existent.

Corporate social responsibility goes a long way in creating a positive word of mouth for the organization on the whole. Doing something for your society, stake holders, customers would not only take your business to a higher level but also ensure long term growth and success. Corporate social responsibility plays a crucial role in making your brand popular not only among your competitors but also media, other organizations and most importantly people who are your direct customers. People develop a positive feeling for a brand which takes the initiative of educating poor children, planting more trees for a greener environment, bringing electricity to a village, providing employment to people and so on. You really do not have to invest much in corporate social responsibility activities. Do not undertake CSR activities only to gain publicity but because you believe in the cause. There are many organizations which tap remote villages, some of which are even unheard as an initiative of corporate social responsibility.

This section gives a review on the different literature on the objectives of the study which is to assess the kind of activities china national offshore oil company (CNOOC) is engaged in as far as corporate social responsibility is concerned.

2.4.1 Contentedness of Hoima District Natives with CNOOC Uganda Limited Towards Corporate Social Responsibility.

Corporate social responsibility has brought both negative and positive effects in developing countries. The negative effects made the host country realize less revenue from the resource bringing about the whole paradox of the resource curse. The resource curse is that mineral and fuel abundance in less developed countries tend to generate negative outcomes including slow economic development, high levels of corruption and greater political violence. (Royal institute, 2010)

Corporate social responsibility in developing countries brought discontent over natives. It encouraged corruption in some countries like Angola hence it retarded its national development which resulted in corrupt mining and oil extraction practices. (O'Rourke, 2004)

Some oil activities involve flaring, for example when Royal Dutch shell started producing oil in Nigeria in the 1950s, there was no market for natural gas .it is estimated that 95% of Nigeria's natural gas burned off during this period which brings about climate change and its associated effects in the long run like dangerous health hazards. (Burger, 2011). This brought dissatisfaction upon the natives.

Corporate social responsibility brought dissatisfaction in developing countries in a way that some oil companies have been implicated in government military regimes like during the Abacha regime that resulted in killing of human rights and environmental activists as well as oppression of ethnic minorities. (ibid)

Corporate social responsibility brought discontent in developing countries since the international oil companies are viewed as a principal agent of widespread environmental degradation in the Niger delta, one of the world's biodiversity hotspots. Environmental degradation is defined as disintegration of the earth through consumption of assets for example air, water and soil. (Conserve energy, 2014)

Corporate social responsibility brought discontent to the natives of developing countries as they are characterized with poorly managed oil and gas. Poorly managed oil and gas can lead to conflict between countries and within communities by intensifying disputes over access to natural resources. A study of oil exploration in Uganda for instance found that "while the oil discoveries

have the potential to enrich the national economy and enhance national development, their potential to create new conflicts and intensify existing conflicts at national and local levels is so high.” (Oil and gas scoping study, 2015)

However, there are also some positives to draw from the activities of international oil companies in regards to corporate social responsibility.

A feeling of content lies in natives of countries where international oil companies have operations .This is due to the number of developing countries taking steps forward towards attaining transparency by giving information on their revenues ,expenditures and budgets .participatory budgeting initiatives in Brazil ,oil disclosure programs through the new extractive industries transparency initiative (EITI) are the examples of new trends towards disclosure of information seldom before made public (O’rourke,2004) .EITI is an international standard for transparency in extractive industry payments and receipts.(national resource governance institute 2010)

Satisfaction is felt within locals of countries where international oil companies (IOCs) operate in regards to corporate social responsibility as companies are held accountable to the activities they do in resource-rich countries .This is through the release of corporate social responsibility reports annually .Throughout its stay in Kazakhstan , TCO (Tengizchevroil) has shown great respect towards the agreement and has developed several social investment programs which were included in its natural corporate social responsibility report (Buldybayeva ,2014)

Natives in countries where international oil companies have operations got satisfaction as they offered to train locals with skills that are necessary in the oil and gas industry. This saves the host country from bringing in expatriates who bring about profit repatriation hence less revenue being realized. When it came to education, the company aimed to train its own staff for the further development in order to invoke them in the strategy of nationalizing the staff (ibid). Profit repatriation is defined as the transfer of corporate money or property from a foreign country back to its home country. (Asian development bank, n.d)

A sense of contentedness is felt in areas where international oil companies (IOCs) have operations in resource-rich countries as they build schools and hospitals which develop the community through revenue and employment amongst others .International oil companies(IOCs) participated in partnerships with established agencies such as the united states agency for international

development (USAID) and United Nations Development Programme (UNDP) to implement development programs on ground (Frynas, 2009). For example, CNOOC Uganda Limited donated blankets, fishing nets, rice and flour to dozens of the hardest hit households to help them get back to their normal lives as soon as possible when the county's Buluuka community suffered a fierce rainstorm. (CNOOC, 2013)

There was a sense of satisfaction amongst environmental activists like Greenpeace in countries where international oil companies have operations when they engage in actions that are against the promotion of climate change and which saves the company's costs in the long run and manage risks (simply CSR, 2008). Oil activities that tend to promote climate change include flaring, laying of pipelines, road construction, health hazards like oil spills.

2.5 Negative effects that have arisen from oil activities in relation to oil discovery

Negative effects are those that affect society in a bad way. Most of these effects affect society in an environmental or social manner.

2.5.1 Land acquisition

It can result into loss of homes if the compensation issues are not carefully handled. Permanent loss of land may lead to loss of livelihoods and income for communities which can cause immediate food insecurity (oil and gas scoping study 2015).

2.5.2 Destruction of vegetation for wildlife.

Another demerit is that the place where the animals live will be affected because the construction of the drilling site will involve use of heavy machinery and ground levelling using big machines known as graders which require the vegetation to be removed. This results into destruction of vegetation for wildlife. (Atukunda, Ndyakira, Bibangambah et al, 2011)

2.5.3 Movement of animals

Animals moved away to other areas during drilling was another effect faced. This negatively impacted tourism in the community. A case in point is in Uganda where birds migrated to the Democratic Republic of Congo (DRC) due to the oil drilling activity within the national parks.

2.5.4 Silting

Another shortcoming is that grading and removing of soil has the potential of damaging drainage patterns, which could result in increased soil erosion and silting of wetlands and streams. Silting is defined as the pollution of water by particular land material dominated by silt. (Kashmir, 2009)

This process again is naturally a benefit to conservation of reservoir storage but involves the possible ruin and sacrifice to properties in the lower part of the affected valley.

And here, the deposits in the valley due to the process that is attributable to the new base level created by the reservoir tend to decrease in depth going up in the valley (M.EAkin, July 1936).

The entrenchment of rejuvenated drainage courses extends progressively upstream through headword erosion, and each entrenched section of trunk and tributary stream entails additional sediment production through lateral planation of exposed banks and general slope readjustment. Acceleration of sediment production thus advances at increasing rates through a long period leading up to maturity of a new erosion cycle.

The new erosion cycles that have been developed so extensively throughout the country as a result of human activity are mostly still in incipient and immature stages. It thus appears that the present-day rates of sediment production in many sections

of the country, although now greater or the original geologic norms, may be destined to increase still further for a long time in the future unless countered by corrective interference with the inevitable progress of erosion through various measures already succeeding in, or under development. For erosion control. Natural vegetation will, of course, in time impede. Erosion on large areas, especially where fires are controlled

2.5.5 Health hazards

In cases of poor health and safety measures, oil discovery and its operations can leave its workers exposed to work related hazards like fires, blowouts which do claim people's lives and destruction of property. An example is the piper-alpha incident.

2.5.6 In-migration

Oil discovery and its operations brings about in-migration. Migration is the movement of people from one place to another. Usually in such instances, people migrated in search for jobs. This in-

migration when not managed well can lead to development of slums and creation of an oil dependent economy if the oil revenue is not handled well. This led to an escalation in the cost of living in an area. An example is Luanda, Angola's capital city which due to oil discovery in the area is the most expensive city to live in due to its high cost of living.

2.5.7 Operational problems

Oil discovery through its operations brought about the creation of national oil companies (NOCs). These companies are owned by the state. The environmental and social records of these companies are usually under less scrutiny from civil society groups since we know very little about social and environmental impact. The dealing of these companies led to the company having operations without meeting the required standards.

2.5.9 Flaring

Oil discovery during processes like exploitation, development involves processes like flaring. Flaring involves release of gas into the atmosphere. Gas flaring is the practice of burning off (generally through a tall chimney) gases that cannot easily be captured and put to productive use. It occurs on oil and gas wells, refineries and petrochemical plants, and also landfill sites. Some flaring is still considered necessary at these installations for safety reasons, because it serves as a safety-valve in high pressure systems (Anon., 2012).

2.6 Community Engagement in Oil and Gas Operations.

Community engagement is a planned process with the specific purpose of working with identified groups of people whether they are connected by geographical location, special interest or affirmation or identity to address the issues affecting their well-being (Victoria, 2013).

The potential of CSR for addressing environmental issues can be explained by the convergence of environmental and business interests. Both companies and the environment can benefit from a reduction in gas flaring and energy efficiency, as the sale of previously flared natural gas or energy savings can lead to better financial performance. Indeed, studies show that a business case or win outcomes of Corporate Social Responsibilities strongest with regards to environmental issues, as opposed to "social" issues such as health and safety, labour standards or local development. Interviewed oil company managers and engineers have narrated various examples of instances when they were proud of their company's environmental improvements, for instance, reducing

carbon dioxide emissions, implementing a zero-spill policy for the company or replacing steel tubes with chrome tubes. In various instances, company staff discovered that there was a convergence of environmental and business interests (Frynas, 2009).

2.7. NIGERIA

Nigeria is the most populous country in Africa with about 174 million people covering over 250 ethnic groups speaking different languages (Transparency Nigeria 2010). The country is divided into three geo-political regions: the north, the middle belt and the south. For a long time, the country has had various political conflicts with the Northern part as a result of religious and ethnical conflicts: while in the South, terrorism and militants are fighting for the oil rich Niger Delta- causing security concerns. Within Nigeria, 60% of the population lives in absolute poverty (BBC 2012) surviving on less than 2 dollars a day (Punch 2012).

2.7.1 The Niger Delta Region

Geographically the region is located on the Atlantic coast of southern Nigeria near the River Niger. The region is one of the world's foremost wetlands; it consists of a dense network of streams and creeks, swamp forests and is surrounded by Rivers Benue, on the West, Imo in the East and Niger to the north (ERI 2003). As shown in the map below;

A Map of Nigeria Showing the Niger-Delta Region



Figure 2.7: Map of Niger Delta. (NDDC 2006)

2.7.2 The Impacts of Oil and Gas Industry in Nigeria

In Nigeria the host communities of oil companies are located in the Niger Delta region. The region had the largest wetland in West Africa and large agricultural resources before being degraded by oil and gas operations (NDDC 2004). The Nigerian economy derives huge revenues from that region, it is unfortunate that the communities are poverty stricken and people live far below the poverty line; with no development seen for the five decades these operations have existed (UNEP 2011).

Instead the once flourishing and pristine environment, with lucrative agricultural activities where crops like cashew, raffia palm, cocoa and coconut were grown, is now polluted with oil spills and gas flaring - hence the air and water quality are below acceptable standards (George 2005). Due to the hype surrounding oil money, the farmers abandoned their agricultural activities, hoping to join the oil industry and get a share of the petro dollars (NDDC 2006) - hence the rise of the Dutch disease (Conceicao 2011).

In addition, most families that depended on fishing for a living were affected; since rivers and streams got polluted and fish died or migrate to other locations. The effects on the people without proper compensation and development from either the government and/or (IOCs), has resulted in the people searching for social justice and environmental protection; via various violent means like conflicts, kidnappings, militancy, oil bunkering and pipeline destruction- some of which add to oil spills (Anifowose *et al.* 2012).The spills led to highly polluted land where a study by UNEP (2011) found some soil samples from various areas with Total Petroleum Hydrocarbon(TPH) ten times above the value of intervention 5000 milligrams per kilogram

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter focused on the research methodology the researcher used when conducting the research. It describes the research design the researcher adopted, the sample population, location of the study, sample size and techniques adopted by the researcher. And also continues to describe the methods of data collection and techniques used. The chapter shows the data management and analysis, ethical considerations and the limitation of the study.

3.1 Research Design

This is the overall strategy that you choose to integrate the various components of the study in a coherent and logical way, hereby, ensuring you will effectively address the research problem. It constitutes the blueprint for the collection, measurement and analysis of data, (University of southern California 2001)

Qualitative research was used in this study because it involves an interpretive naturalistic approach to the world (Denzin and Lincoln 2011). In other words, the researcher studies things in their natural settings to understand them, or interpret phenomena in terms of the meaning people bring to them (Hennick *et al.* 2011, Merriam 2002). It also involves participation, observation, interviews.

Therefore, referring to the above research design, the researcher found out the kind of activities international oil companies in Hoima district are engaged in as far as corporate social responsibility is concerned.

3.2 Area of the Study

The study was conducted in Hoima district, found in the Albertine Graben, western Uganda. The researcher chose this location because it is where the oil operations are going on and people who have felt the impact of the international oil companies' work are found.

Secondly, Hoima is convenient being that it is nearer compared to other areas where the operations are taking place. Hoima had enough target population the researcher could use to carry out the study.

3.3 Study Population

The researcher targeted a total of 15 residents (residents in Hoima district where international oil companies have operations, 2 community leaders.

3.4 Sampling Procedures

3.4.1 Sample Size

The researcher used a sample size of 7 members who came from the same locality, Kaiso town. The researcher used Slovin's Formula to come up with the sample size that was used. This was done as shown below;

$$n = \frac{N}{(1 + N * e^2)}$$

Where; n=Minimum Sample Size

N=Total Population

e= Error Tolerance (0.09)

n= 10

3.4.2 Sampling Techniques

3.5.1 Data Collection Methods and Instruments

The researcher applied various methods of data collection during the period of conducting research and they were classified into 2 data sources namely;

- I. Primary data collection
- II. Secondary data collection.

3.5.1.1 Primary data sources.

The primary data sources were obtained from respective respondents for example the residents, the community leaders and the liaison officer. Information was collected by the use of questionnaire

guides and interviews. This was aimed at getting first-hand information, getting facts clear from the respondents that the researcher examined.

3.5.1.2 Questionnaires

This method of data collection was used in respect to the managers with the area offices. A total of 4-5 questionnaires were distributed to the respective respondents to fill under the guidance of the researcher. The questionnaire included closed and open ended questions that were short and precise as possible so as to enhance response.

3.5.1.3 Interviewing

This was used in respect to the 15 respondents who happen to have an effect of CNOOC's activities as well as their community leaders. The former group of respondents was selected randomly while the latter were selected on purpose, to attain clarity on the way things are in accordance with the research. This method enabled a quick way of collecting information from the respondents that were so busy with other commitments.

3.5.2. Secondary data sources

The secondary data was obtained from previous dissertations, and the internet from documentations, reports among others. This was for the purpose of backing up information for the study.

3.5.2.1 Observations

This method of data collection was used in instances where the researcher had to look at documents like the corporate responsibility reports of other companies into the exploration and production in Uganda, and these documents are gotten online, internet sources. The researcher chose this method for ensuring that the information given by all respondents was authentic.

Procedure of data collection

In regards to the data collection, the researcher obtained an introduction letter from the administration which was submitted to the researcher was permitted to interact with the respondents .before the researcher could freely interact with the respective persons ,they were informed that the research was purely for academic purposes .thereafter ,the data collection procedure during the research was

determined by the method by the method of data collection that was used at a particular period of time.

Interviewing

The data collection method involved the researcher and respondents interacting face to face. The researcher opted for this method for the purpose of having a one on one interaction with the different respondents.

The researcher used an interview guide to collect data from the respondents.

Questionnaires

This method involved using distributing questionnaires to the different respondents for example the liaison officer since they are in a right position to provide actual information for the study.

This method was used in order to attain in depth information regarding the topic of study which is assessing the practice of corporate social responsibility in Hoima district.

Observations

The researcher chose this method to collect data in order to attain experience himself, to be in position to analyse, assess. The use of this method is aimed at ensuring the authenticity of the information given by all the respondents.

3.6 Quality Control Methods

Data validity was intended to measure how the research instrument allows the researcher to ask many questions. The process focused on reducing error. Validity helped in interpreting the results of the test that are necessary. The reliability of the research instrument was used to show consistency, steadiness and accuracy of the findings. This was established during preliminary results.

3.7 Data Management and Processing

3.8 Data Analysis

From the field data was cleaned, edited, coded, computed and analysed using to present frequency tables and graphs. Quantitative data was summarized and analysed using descriptive statistics technique of frequency. Qualitative data on the other hand was tabulated in a more meaningful way that enables the researcher to interpret the findings.

3.9 Ethical Considerations

The researcher obtained an introduction letter from the administration of Institute of Petroleum Studies allowing him to go and collect data. The researcher got permission from the Local Councils chairman of the locality by showing them the introductory letter from the Institute thereby giving him lawful permission to allow the researcher interview the various respondents. This was ensured at all times and data collected would report on aggregate basis. The data collected were never being linked to the names of individual participants. Data was kept secure and only available for data analysis. The data manager adhered to the Helsinki declaration, which emphasizes justice, non-maleficence and beneficence. Respondents names were not entered on the questionnaire forms. Respondents were given maximum respect and information given was kept anonymous. Verbal informed consent was obtained prior to the study. Participation was voluntary, anonymity was maintained in the study. The study was non-discriminatory since all tribes within the area of study who met the criteria participated in the study. Languages were interpreted by the researcher to suit different tribal languages. During the collections, all questions answered by the respondents were strictly based on the structured questionnaire developed by the researcher against bias.

3.10 Limitations of the Study

A study of this nature cannot go without challenges, the ones faced in this particular study include; common-method variance and response consistency effects may have biased the observed relationships. However, perceptions of usefulness and ease of use are not objective measures. Because perceptions are necessarily self-reported, such measures are the most effective at measuring these cognitions. Despite having a 100% response rate, the study proved to be very expensive. This was because each respondent had to be met at different time.

CHAPTER FOUR:

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter will consider data gathered, presented, and analyzed, using several content analysis techniques to measure social involvement. A comparison between IOCs CSR practices in Nigeria (mostly Shell) in relation to the IOCs in Uganda. Practices, showing failures and successes, will also be discussed; so that lessons can be learnt to better equip Uganda for the newly commenced oil extraction journey.

As far as the research is concerned, the background of the correspondents, the responses gathered were analyzed and presented as follows. The researcher presented the findings under each objective of the study showing what the study sought to do and how it was done leading to the findings that are presented.

4.1 Background of the correspondents

The research was carried out in Hoima district in a town called Kaiso. It was chosen due to its nearness to an oil and gas field and also its presence of Corporate social responsibility projects in the area .a total of 15 respondents were chosen as the sample size for the study and the response rate was calculated as follows;

Response rate = $\frac{\text{actual number of respondents}}{\text{Sample size}} \times 100$

$$\begin{aligned} &= \frac{12}{15} \times 100 = 80\% \end{aligned}$$

The background of the respondents was analyzed using their gender and their findings are shown as follows;

4.1.1 Gender of the respondents

As the researcher observed during the time at different places the males over the females. The table and chart below show the gender distribution of the respondents.

Table 4.1 Gender Composition of the Respondents

Gender	Frequency	Percentage
Male	10	83.3%
Female	2	16.7%
Total	12	100%

Source: primary data

*Source:
primary data*

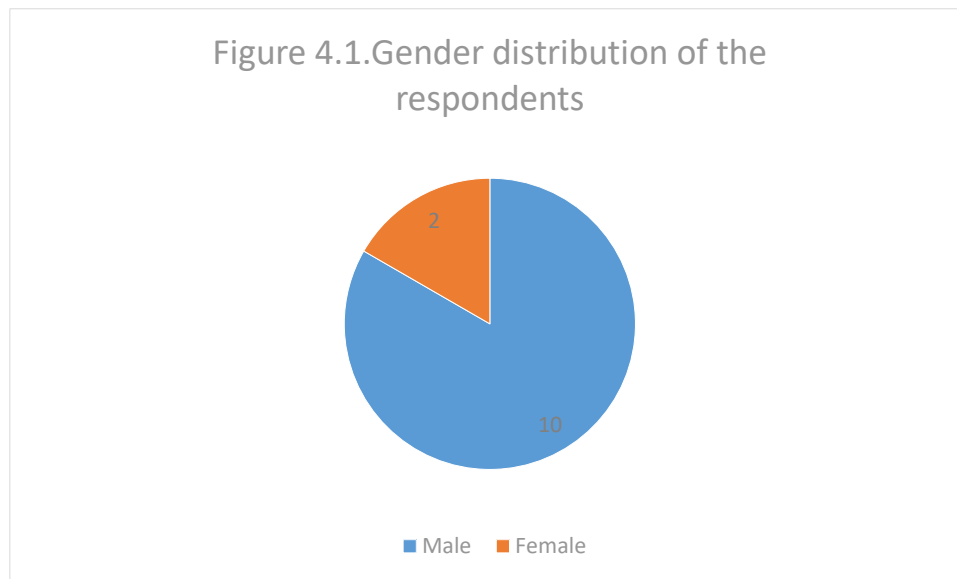
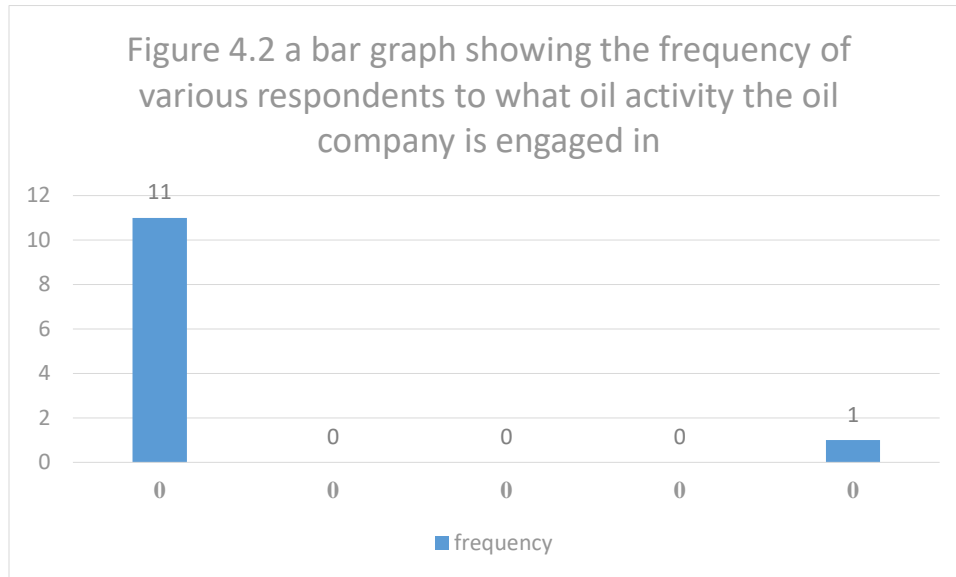


Table 4.2. To determine what activity the oil company is engaged in

Activity	Frequency	Percentage
Exploration and development	11	91.7%
Storage	0	0%
Production	0	0%
Refinery	0	0%
Decommissioning	1	8.3%
Total	12	100%

Source: primary data



The respondents had different options about what oil company in the area was engaged in as follows .11(91.7%)exploration and development,1(8.3%) said decommissioning .the rest of the activities have not yet started .

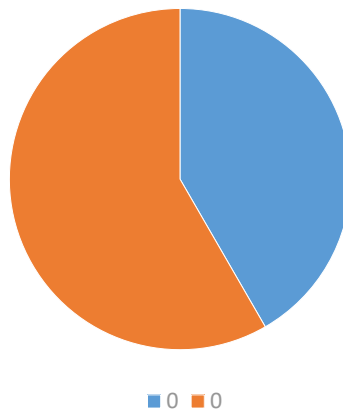
Table 4.3 Are people contented with oil operations in the area

Answer	Frequency	Percentage
Yes	5	41.7%
No	7	58.3%
Total	12	100%

Source: primary data

5(41.7%) of the respondents were contented with oil operations in the area and 7 (58.3%) said no were not.

Figure 4.3 a pie chart showing the frequency of contentedness of oil operations in the area



To determine how the company has contributed to people's wellbeing

4.3.1 Socially

- Oil companies, Tullow oil plc in particular built a primary school in the area that avails people with primary education. They also go an extra mile of providing them with books. Educational-wise, (CNOOC) provides people in the area with bursaries at all levels.
- They have also built health centers which treat people which saves them a journey of 83 kilometres to Hoima town in search of medical treatment.
- The company has also provided boreholes which avail the people of Kaiso with clean water.

4.3.2 Economically

- The company has availed people with employment. Kaiso as a town does not have many people who attained high level of education but they recruited people from this town to work as casual labourers. Kolin construction, the company that built the Hoima – Kaiso – Tonya road also availed people from this town with employment.
- The company has built roads which helps transport their fish to Hoima town. CNOOC, Tullow oil plc had a hand in the construction of the 83 kilometre road.

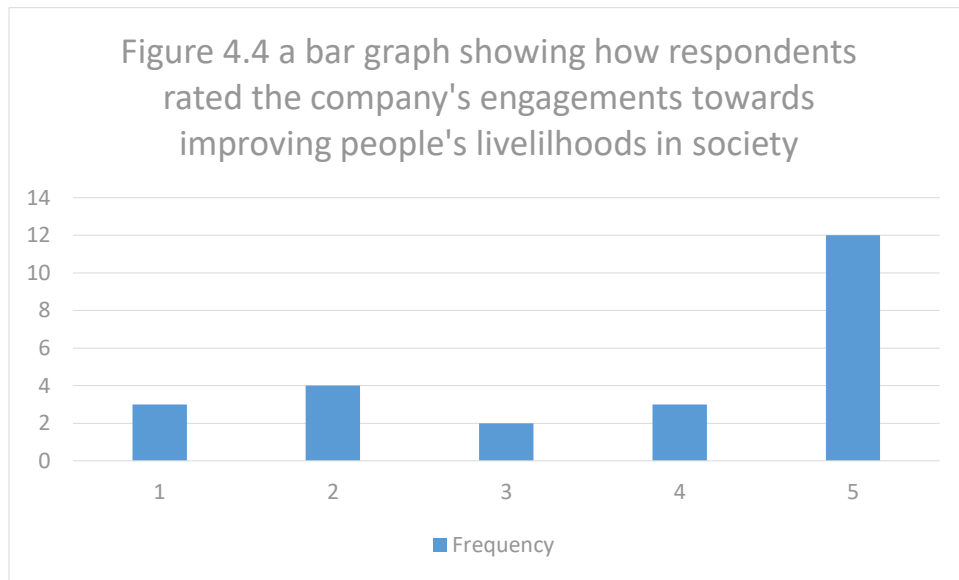
These oil companies occasionally buy foodstuffs from the locals in Kaiso town. This has created market for their fish.

Table 4.4. How Respondents Rated the Company’s Engagements towards Improving People’s Livelihoods within their Society

Rating	Frequency	Percentage
1-not satisfied	3	25%
2-satisfied	4	33.3%
3-more satisfied	2	16.7%
4-most satisfied	3	25%
Total	12	100%

Source: primary data

4(33.3%) agreed that they were satisfied with the company’s engagements, 3(25%) of the respondents were most satisfied and 2(16.7%) were more satisfied with the company’s engagements towards improving people’s livelihoods in their society.



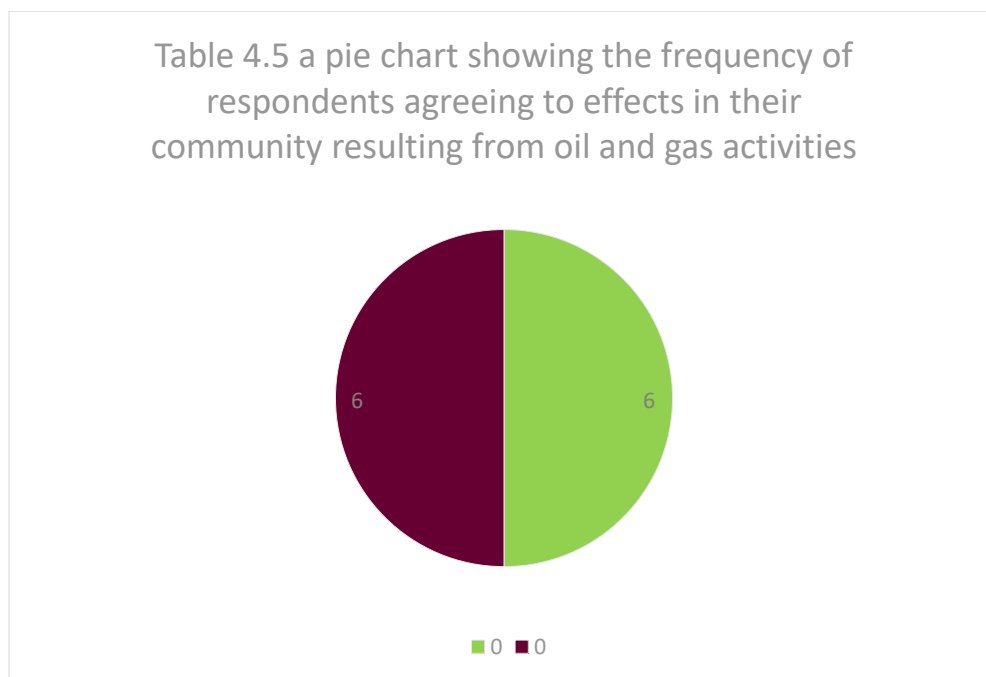
Source: primary data

Table 4.5 have there been any effects in your community resulting from oil operations.

answer	frequency	Percentage
Yes	6	50%
No	6	50%
total	12	100%

Source: primary data

6 (50%) of the respondents agreed to effects in their community resulting from oil and gas activities while 6(50%) didn't agree.



Objective 2

4.5.1 Effects that have resulted from the company's operations on their community.

Fishing Activity interrupted

During the exploration phase, fishing as an economic activity was interrupted hence affecting the native in Hoima. Kaiso is a town located on the shores of Lake Albert that heavily relies on fishing as a major economic activity.

Air pollution

Air pollution is another problem that came up most of the machines these companies used like rigs release toxic gases into the atmosphere hence affecting them.

Low pay

Some of the locals who worked for these oil companies worked as casual labourers who felt that their pay was not worth the amount of work they used to do.

Price fluctuation

Prices of food began to increase over time in Kaiso, this was due to the increase of population in the area.

Overpopulation

Overpopulation was also another effect mentioned, this was due to all the activities that came up in the area after the oil discovery like road construction, availability of a school to teach their children.

Migration of fish in the area leading to a reduction in the number of fish caught.

Cultural sites were destructed

Destruction of their cultural site that locals felt was very essential in foretelling where fish was.

Lack of sensitization

Lack of sensitization to the locals to inform them about how oil activities are going to affect their fishing schedule.

Increased divorce

Increase in divorce rates amongst married couples increased because workers from the Turkish company, Kolin construction, took their wives who used people's wives for sexual harassment offenses.

Corruption

It is imperative to note that corruption has not received systematic attention in CSR, mostly due to the belief that corruption is a government issue and therefore, companies have limited influence and control over it (Terracino 2007). However, it is arguable that although it is mostly influenced

by the culture within the government, there can still be a joint effort to avert the problem. Due to the effects of corruption; which directly impact businesses, companies should put in more effort to reduce the problem. Given that anti-corruption efforts and CSR both revolve around principles of transparency, accountability and reciprocity and have significant affinities and synergies and that corruption can undermine and jeopardize a firm’s CSR efforts, companies are left with no choice but to integrate anti-corruption measures within an expanding CSR agenda, more forcefully and systematically (Rodriquez et al 2007; Watts 2009) to be able to mitigate the impacts caused by their operations

What has been done to limit the effects that have come up?

Training locals from their area in skills like fabrication, computer.

Advising them to use to fish from other areas while they continue to use the area for oil exploration works.

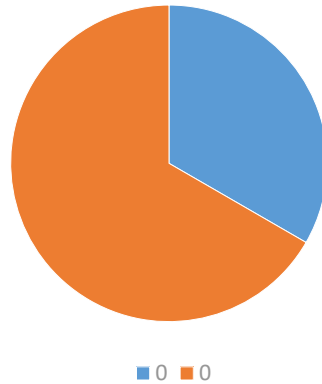
Table 4.6. Are people aware that the company’s operations are affecting them in any way?

Answer	Frequency	Percentage
Yes	4	33.3%
No	8	66.7%
Total	12	100%

Source: primary data

(66.7%) of the respondents were not aware that the company’s operations were affecting them in any way .4(33.3%)were aware .this was due to the literacy rate in the area being low .most people in Kaiso town did not study to attain high levels of learning.

Figure 4.6.A pie chart showing if respondents are aware that the company's operations are affecting them in any way



Objective 3

Ways in which the company engages the community in which their operations are being held.

They held sensitization programs to teach people on how they will benefit from the presence of oil companies in the area.

They employed a couple of locals to go and work as casual laborers in their company. As earlier explained, most people in Kaiso town did not attain high levels of education so that is where they work.

They have educated locals from their town by providing scholarships and to scholars in oil-related courses like petroleum engineering.

They have held seminars in their town about oil extraction.

Figure 4.7 Perception on who to take part into CSR?

Perceptions	Mean
Large companies should engage in CSR	5.36
Multi-national companies should engage in CSR	5.32
Medium sized companies should engage in CSR	5.20
Small companies should engage in CSR	5.06

Source: Primary source

A mean of 5 indicates that most managers believe that companies all companies regardless of their size should engage in CSR.

Figure 4.8 Does engaging in CSR reduce company's profitability?

Respondent Category	Number
Agree	2
Disagree	5

Source: Primary source

4.1 Conclusions

According to my research, the researcher was able to come to the following conclusions;

There is a sense of satisfaction amongst locals with what oil companies are doing towards corporate social responsibility.

They have been negative effects that have arisen out of international oil company but locals are ignorant to know that they affect them in one way or another.

Measures to mitigate corruption in Uganda should be put in place like joining the EITI, this would lead to transparency and accountability. EITI among other initiatives they sign up to run responsible businesses and reduce their social and environmental impacts on the communities in which they operate.

There were engagements going on between locals and international oil companies but currently since there is not any oil activity going on, there are none.

The researcher found that most people disagree that the company's engagement in CSR reduces company's profitability.

A researcher discovered that most managers believe that companies all companies regardless of their size should engage in CSR.

CHAPTER FIVE:

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter talks about the summary of the findings, summarized the study, and the researcher came to a couple of conclusions as well as well as suggested recommendations with reference to the study. The conclusions and recommendations were made from the findings after analysis, and presentation in the previous chapter. The study aimed at assessing the practice of oil and gas companies in Hoima district.

5.1 Summary of Findings

The study was conducted for the purpose of assessing the kind of activities the international oil companies in Hoima district are engaged in as far as corporate social responsibility is concerned .The descriptive method of research was used and the questionnaire /opinion based technique was used for collecting data . The questionnaire served as an instrument for collecting data .in Kaiso, the researcher interviewed 12 respondents. The interviews were held in November 2016.

The major objective of the study was to assess the kind of activities the international oil companies in Hoima are engaged in as far as corporate social responsibility is concerned.

The research questions were;

- 1) Are the natives of Hoima district contented with what the international oil companies were doing towards corporate social responsibility?
- 2) What are the negative effects that have arisen out of international oil companies' activities that are attributed to oil discovery?
- 3) To what extent are local communities engaged in carrying out operations for international oil companies?
- 4) Does engaging in CSR reduce company's profitability?

5) Should companies regardless of their size engage in CSR?

Of the 12 respondents, 4 or (33.3%) of them were satisfied, 3 or (25%) not satisfied, 3 or (25%) were satisfied and 2 (16.7%) were more satisfied.

In general, there have been effects that have arisen out of oil activities attributed to oil discovery. Though, according to the researcher, his respondents were ignorant to notice that they came from oil activities, all they know is that international oil companies are conniving with government to force off their land.

Local communities are involved in the operations of the international oil companies' should be doing more in terms of local engagement, in terms of employing more locals from Kaiso town and making them more knowledgeable about the resource.

The researcher found that most people disagree that the company's engagement in CSR reduces company's profitability.

A researcher discovered that most managers believe that all companies regardless of their size should engage in CSR.

5.2 Conclusions

In corporate life, if something is not sustainable, it cannot survive. With the global population projected to increase to 9 billion by 2030, the energy needs will increase to 110mbl/d (ExxonMobil 2013). Meeting the increasing demand will definitely increase the impacts from oil and gas operations. The most affected parties will be the societies and environments of host communities where the operations take place. Therefore, sustainability (CSR) has to be the focus for any company that cares about the future generations. CSR can mitigate the social and environmental impacts of oil and gas operations, but only up to a point as it is sometimes limited by the government and other stake holders.

In Hoima, 58.3% of the locals are not contented with the oil operations in the area, from the researcher's findings. This would be because there weren't adequate sensitization programs held to equip them with knowledge about oil exploration.

IOC's have done their best to ensure that CSR is implemented; however it should be more enforced than never before. We need not to see another Niger Delta tragedy

From the researcher's findings, it is discovered that 66.7% respondents were not aware that international oil company operations were affecting them in any way.

5.3 Recommendations

5.3.1 There is need to involve host communities before projects are embarked upon and carry out proactive CSR rather than reactive

5.3.2 The local content policy should be strengthened to ensure that it has real meaning to enhance job opportunities, capacity building, and enable citizens to adhere to international standards.

5.3.3 There is need for the government to manage oil revenues in a transparent way and join EITI to curb corruption. Also to invest in other sectors such as agriculture, tourism, and fishing to avoid overreliance on petroleum revenues hence avoiding the Dutch disease

5.3.4 There is a need to sensitize people about the activities international oil companies are doing in their area in regards to oil .this can be by local community leaders passing on information to their locals ,holding more sensitization programs and seminars that educate locals on the activities involved in oil exploration up to the production /downstream phase.

5.3.5 More needs to be done to improve the livelihoods of locals in the area .this can be through the construction of more health centers ,buying the local's produce like fish and maintaining the built roads. In such a way, locals will feel the international oil companies support their businesses in a certain way.

5.3.6 More needs to be done to address the effects that have arisen out of oil discovery this can be through increasing the wages of casual laborers

5.3.7 Investment programs should be devised to teach people who live in such areas so that they do not waste money given to them as compensation for their land this can be through putting up investment clubs ,SACCOs ,microfinance groups.

5.3.7 Measures should be put in place for technological transfer and also drill responsibly using international standards in their operations in Uganda, as IOCs do in other international ventures.

5.3.8 There is need for IOC's to create avenues for independent CSR reporting so that activities mentioned are country specific.

5.4 Suggestions for Further Research

The main aim of this research was to assess the practice of corporate social responsibility on oil and gas companies in Hoima district .the researcher suggests that further research should be done to companies that offer services to these companies, also known as service companies.

The research was based on what these companies have done in terms of corporate social responsibility ,further research should be carried out focusing on government agencies that operate alongside the international oil companies and the results be compared.

Due to the limitations of the study, future research could look more closely at CSR practices in Norway and Botswana in more detail, to adopt a suitable CSR model for the Ugandan oil and gas Industry.

References:

Addressing community concerns around oil and gas mining in south Sudan, available on www.coradid.org/en/news/addresscommunity-community-concerns-around-oil-and-gas-mining-south-sudan/ (3rd November 2016)

Both sides of CSR practice: a case of CSR practice in Kazakhstan, Gulzhan Buldybayeva, Almaty, Kazakhstan, 2014. (18th October 2016)

CNOOC limited social responsibility report 2012-2013 (18th October 2016)

Conserve energy future, available on www.conserve-energy-future.com/causes-and-effects-of-environmental-degradation.php (24th October 2016)

Community based guide for monitoring impacts on oil and gas activities, Samantha Atukunda ,Alex Ndyakira and Harriet bibangambah,2011(18th October 2016)

Corporate social responsibility in the oil and gas sector, Jdrzej George frynas, Middlesex University, UK (18th October 2016)

Natural resource governance institute, available at www.resourcegovernance.org/analysis-tools/publications/extractive-industries-transparency-initiative-eiti (18th October 2016)

Oil and gas scoping study, UNICEF extractive pilot

Opportunities and obstacles for corporate social responsibility reporting in developing countries, Dara O'Rourke, university of Berkeley, March 2004. (24th October 2016).

Renaissance oil and gas, available at www.renogas.com/community-engagement (7th November 2016)

Royal institute, what is the resource curse, available on www.realinstitutoelcano.org/wps/portal/web/rielcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano_in/sub-saharan+africa/ari/72-2010 (24th October 2016)

Shell in Nigeria: oil, gas, development and corporate social responsibility, available on www.triplepundit/2011/07/shell-nigeria-csr-corporate-social-responsibility/ (24th October 2016)

Simply CSR, available at www.simplycsr.co.uk/the-benefits-of-csr-html. (18th October 2016)

The importance of community engagement in renewables; a tale of 2 wind farms in Kenya, available on www.equitableorigin.org/2016/04/kenya-wind (3rd November 2016)

Tullow oil plc, community road shows and theatre available at www.tulloil.com/media/casestudies/community-road-shows-and-theatre (7th November 2016)

What is community engagement, available at www.dse.gov.au/au/effective-engagement/what-is-community-engagement. (3rd November 2016)

De Bakker, F. G., Groenewegen, P., and Den Hond, F. (2005) 'A Bibliometric Analysis of 30 Years of Research and Theory on Corporate Social Responsibility and Corporate Social Performance'. *Business & Society* 44 (3), 283-317

Donovan, S. (2013) 'Beyond Policy: Botswana and the Resource Curse'. *Featuring: An Interview with Marc Lynch on the Ramifications of Revolution in the Middle East* (44), 88

E Ite, U. (2006) 'Multinationals and Corporate Social Responsibility in Developing Countries: A Case Study of Nigeria'. *Corporate Social Responsibility and Environmental Management* 11 (1), 1-11

E Ite, U. (2006) 'Multinationals and Corporate Social Responsibility in Developing Countries: A Case Study of Nigeria'. *Corporate Social Responsibility and Environmental Management* 11 (1), 1-11

E Ite, U. (2006) 'Multinationals and Corporate Social Responsibility in Developing Countries: A Case Study of Nigeria'. *Corporate Social Responsibility and Environmental Management* 11 (1), 1-11

The Guardian (2014) *Shell Faces Payouts in Nigeria Oil Spill Case* [online] available from <August 28th> [2018]

The State House of Uganda (2014) 'About Uganda' [online] available from: <<http://www.statehouse.go.ug/about-uganda>> [26th August, 2018]

Trading Economics (2014) 'Ease of Doing Business in Nigeria' [online] available from: <<http://www.tradingeconomics.com/nigeria/ease-of-doing-business-index-1-most-business-friendly-regulations-wb-data.html>> [26th August, 2018]

Trading Economics (2014) 'Ease of Doing Business in Uganda' [online] available from: <<http://www.tradingeconomics.com/uganda/ease-of-doing-business-index-1-most-business-friendly-regulations-wb-data.html>> [26th August, 2018]

Trading Economics (2014) 'Uganda GDP' [online] available from: <<http://www.tradingeconomics.com/uganda/gdp>> [27th August, 2018]

Transparency International, 2013. *Corruption Perception Index*. [Online] Available at: <http://www.transparency.org/cpi2011/results> [27th August 2018].

Tullberg, J. (2012) 'Triple Bottom line—a Vaulting Ambition?' *Business Ethics: A European Review* 21 (3), 310-324

Tullberg, J. (2012). Triple bottom line—a vaulting ambition? *Business Ethics: A European Review*, 21(3), 310-324.

Frynas, J. G. (2005) 'The False Developmental Promise of Corporate Social Responsibility: Evidence from Multinational Oil Companies'. *International Affairs* 81 (3), 581-598

Frynas, J. G. (2009) 'Corporate Social Responsibility in the Oil and Gas Sector'. *The Journal of World Energy Law & Business* 2 (3), 178-195

Genasci, M. and Pray, S. (2014) 'Extracting Accountability: The Implications of the Resource Curse for CSR Theory and Practice'. *Yale Human Rights and Development Journal* 11 (1), 4

Gjøølberg, M. (2010) 'Varieties of Corporate Social Responsibility (CSR): CSR Meets the “Nordic Model”'. *Regulation & Governance* 4 (2), 203-229