

# The Role of Corporate Social Responsibility (CSR) in Libya's Petroleum Sector and Economic Development

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## ABSTRACT

Corporate Social Responsibility (CSR) has emerged as a necessary strategic tool for extractive industries intent on reconciling profitability with sustainable development. In Libya, where the petroleum industry generates over 90 percent of export earnings and nearly 60 percent of Gross Domestic Product (GDP), embedding Corporate Social Responsibility CSR into corporate strategy opens a valuable route to strengthen economic diversification, social cohesion, and environmental stewardship. Using mixed methods, this paper includes a systematic examination of socio-economic CSR disclosures and policies, alongside semi-structured interviews of industry executives, policymakers, non-governmental organization (NGO) personnel, and local stakeholders. Case studies from Sirte Basin, Tripoli, and the Waha region show how local community benefits derived from CSR are measurable, including increased local employment, educational infrastructure, access to healthcare, and environmental remediation. While much progress has been made, long-term impacts remain constrained by ongoing challenges of poor regulatory enforcement, political instability, inadequate legitimacy, and dispersed mechanisms for stakeholder engagement. In response to those gaps, this article introduces a proposed comprehensive governance framework that would be established through an enhanced legal reporting requirement for CSR, more effective multi-stakeholder forums to facilitate engagements among external stakeholders, and new models of cooperation between public and private sectors that reflect national development objectives. A recognition of CSR provides the opportunity, in the future, for the strategic use of CSR with respect to the petroleum sector in Libya, and to promote resilient economic growth, social stability, and environmental stewardship in a post-conflict nation.

**Keywords:** Corporate Social Responsibility, Petroleum Sector, Libya, Economic Development, Sustainability, Oil and Gas Industry, Post-Conflict Reconstruction.

## دور المسؤولية الاجتماعية للشركات في قطاع البترول الليبي والتنمية الاقتصادية في ليبيا

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## ملخص البحث

لقد برزت المسؤولية الاجتماعية للشركات كأداة استراتيجية ضرورية للصناعات الاستخراجية التي تهدف إلى التوفيق بين الربحية والتنمية المستدامة. وفي ليبيا، حيث تدرّ الصناعة النفطية أكثر من 90% من عائدات التصدير وحوالي 60% من الناتج المحلي الإجمالي، فإن تضمين المسؤولية الاجتماعية للشركات في استراتيجية الشركات يفتح طريقاً قيماً لتعزيز التنوع الاقتصادي والتماسك الاجتماعي والإشراف البيئي. باستخدام أساليب مختلطة، يتضمن هذا البحث فحصاً منهجياً للإفصاحات والسياسات الاجتماعية والاقتصادية للمسؤولية الاجتماعية للشركات، إلى جانب مقابلات شبه منظمة مع المديرين التنفيذيين في القطاع وصناع السياسات وموظفي المنظمات غير الحكومية وأصحاب المصلحة المحليين. تُظهر دراسات الحالة من حوض سرت وطرابلس ومنطقة الواحة كيف يمكن قياس الفوائد التي يجنيها المجتمع المحلي من المسؤولية الاجتماعية للشركات، بما في ذلك زيادة فرص العمل المحلية، والبنية التحتية التعليمية، والوصول إلى الرعاية الصحية، والمعالجة البيئية. وفي حين تم إحراز الكثير من التقدم، لا تزال الآثار طويلة الأجل مقيدة بالتحديات المستمرة المتمثلة في ضعف الإنفاذ التنظيمي، وعدم الاستقرار السياسي، وعدم كفاية الشريعة، والآليات المشتتة لإشراك أصحاب المصلحة. واستجابة لهذه الثغرات، يقدم هذا المقال إطار حوكمة شامل مقترح يتم إنشاؤه من خلال متطلبات الإبلاغ القانوني المعززة للمسؤولية الاجتماعية للشركات، ومننديات أكثر فعالية لأصحاب المصلحة المتعددين لتسهيل المشاركة بين أصحاب المصلحة الخارجيين، ونماذج جديدة للتعاون بين القطاعين العام والخاص تعكس أهداف التنمية الوطنية. ويوفر الاعتراف بالمسؤولية الاجتماعية للشركات الفرصة في المستقبل للاستخدام الاستراتيجي للمسؤولية الاجتماعية للشركات فيما يتعلق بقطاع النفط في ليبيا، وتعزيز النمو الاقتصادي المرن والاستقرار الاجتماعي والإشراف البيئي في دولة ما بعد الصراع.

**الكلمات الدالة:** المسؤولية الاجتماعية للشركات، قطاع البترول، قطاع البترول، ليبيا، التنمية الاقتصادية، الاستدامة، صناعة النفط والغاز، إعادة الإعمار بعد انتهاء الصراع .

## 1. Introduction

As a result of the country's dependency on its petroleum industry, it has been realized that Libya is oil dependent; it exports more than 95% of its earnings and generates about 60% of its GDP [1]. Although dependence on hydrocarbons has aggressively driven the fast development of the economy, it has simultaneously left Libya exposed to problems like uncontrollable price of oil, irregular income flows, and socio-environmental side-effects in production zones [2, 3]. In response, Corporate Social Responsibility (CSR) has risen to become an essential tool for oil and gas bodies in mitigating adverse effects, supporting local development, and harmonizing with national efforts to diversify economies [4, 5].

Extractive industries describe CSR as picking and choosing the social, environmental, and governance issues that form part of the business activities and interaction with the key stakeholders [6, 7]. The Petroleum Industry is characterized by such common CSR programs that include environmental conservation activities (managing oil spills and stopping flaring), provision of social infrastructure (schools and health facilities), enhancing workers' development opportunities, and partnering with small businesses [8, 9]. Building on the successful implementation of CSR in predictable markets by large energy corporations, the extent to which CSR practices are effectively adapted in conflict-affected, resource-dependent regions such as Libya, which experiences fragile institutions and less regulation [10], is not well understood [11].

As a result of these 2011 upheavals, after 2011, there has been a constant dynamic of political instability and sporadic conflict that have degraded Libya's governance systems and impaired regulatory control

over the public and private sector [12, 13]. Despite continued instability, the NOC, a state corporation, has cooperated with foreign business associates and NGOs in establishing CSR programs that will enhance healthier, educated citizens, better transportation, and an improved environmental standard in key areas such as Sirte Basin, Tripoli, and Waha [14, 15]. Although existing research to date covers these gaps through a mixed-methods design: This research includes three integrated elements: (1) comprehensive analysis of CSR reports, policy documents, and industry publications, (2) deep interviews with stakeholders – oil companies, government ministries, nonprofit organizations and local community leaders (N=25), and (3) close study of three critical areas – Sirte Basin, Tripoli, and Waha.

This work addresses these technical gaps as follows: (1) systematic analysis of CSR reports, policy frameworks, and industry publications; (2) semi-structured interviews with twenty-five stakeholders (NOC executives, joint-venture managers, policymakers, NGO representatives, and community leaders); and (3) three in-depth case studies in the Sirte Basin, Tripoli, and Waha region. The paper aims to map out the scope of CSR, measure local outcomes, and identify institutional barriers in guiding the creation of a governance setup that deepens CSR's integration in Libya's petroleum activities and facilitates sustainable economic development.

## 2. Literature Review

### 2.1 Theoretical Frameworks of Corporate Social Responsibility

Corporate Social Responsibility (CSR) is underpinned by a range of theories on which researchers and professionals both have a sure footing to interpret. The most common model is Carroll's CSR Pyramid, which defines CSR as consisting of four interdependent dimensions. Under this approach is outlined that businesses should begin with the pursuit of economic viability, legal compliance, ethical behavior, and philanthropic involvement in their communities. The hierarchical structure continues to inform both scholarly and practical discussions about CSR across various sectors, with the perform - the perform-extractives industry being an example.

As stakeholder theory (also described by [16]) also explains, companies should give priority to the well-being of all stakeholders, including shareholders, employees, community members, and governments. By providing a strategic platform for responding to social expectations, CSR, through this prism, minimizes the possibility of conflict between companies and their surrounding communities.

### 2.2 Global CSR Practices in Petroleum Industries

The application of CSR activities varies significantly across the world, attributable to differences in the level of institutional development, regulatory dispensation, and social and economic objectives. As one example, Norway shows excellent regulation scrutiny of CSR activity to be in line with the nation's bigger environmental and social responsibilities. Norwegian petroleum firms, such as Equinor (previously Statoil), are required by EU guidelines to invest in sustainability and environmental protection and are obliged to do so at a constant interval.

By contrast, Nigeria is defined by voluntary CSR activities that tend to compensate for the failures of government oversight. Niger Delta region, where oil reserves were abounded, has seen environmental degradation and community unrest drive Shell and Chevron; oil companies into undertaking CSR activities such as providing water access, schools and healthcare facilities [8]. However, these endeavors are frequently condemned for their reactive nature, scattered form, inability to provide consistent outcomes, largely due to poor governance and rampant corruption [5]. Table 1 summarizes these differences in CSR implementation.

Table 1. Comparative CSR Practices in the Petroleum Industry

Country	CSR Regulation	Key Focus Areas	Implementation Challenges
Norway	Legally enforced	Environment, gender equality, and climate	High compliance, high transparency
Nigeria	Voluntary	Community health, infrastructure	Corruption, conflict, weak enforcement
Libya	Mixed (NOC-led)	Local development, basic services	Political instability, weak oversight
Canada	Policy-driven	Indigenous rights, safety, and sustainability	Balancing economic and cultural interests

### 2.3 CSR in Developing and Fragile States

Corporate social responsibility (CSR) initiatives are important in such post-conflict states like South Sudan, Iraq and Libya, where there is generally a low institutional structure. The 2021 analysis by the United Nations Development Program points out that CSR activities in fragile countries, at the same time, fill in basic service gaps and promote corporate credibility.

However, the looseness of concerted action is at times clearly apparent because of fragmented governance and varied local agendas. Like [17] has pointed out, in conflict-prone environments, firms at times are forced to act as service providers to the public, thereby stretching their abilities and creating unrest within populations without.

What this implies is that this fusion of political fragmentation with feeble public services in Libya has contributed to petroleum companies, the National Oil Corporation (NOC) in particular, influencing regional development as a top priority. Even though some initiatives are being taken in the areas of healthcare and education in the oil-rich regions, responses are sporadic and not sufficiently widespread [15].

### 2.4 CSR in Libya and the Middle East and North African MENA Region

Although there is scant literature regarding CSR in Libya, the number of research works is continuously increasing. A study by [18] shows that state-owned entities, NOC being the foremost, the research revealed that, in most cases, CSR projects did not effectively involve communities or evaluate their impact, thereby reducing their overall value.

As compared to other MENA countries such as the United Arab Emirates and Saudi Arabia, they have much more advanced CSR landscapes. For instance, in the UAE, for example, Aramco promotes CSR within its strategy, and uses oil revenues to fund education and sustainability programs. Al the ADNOC of the UAE makes an active connection between its CSR activities and the country's goals, offering an Arab context blueprint for overall CSR integration.

In comparison, Libya has not yet created a full structure for CSR. Roaming institutions provide a special opportunity for researchers and policymakers to improve strategies and approaches after the conflict.

### 2.5 Research Gaps

Despite the petroleum sector's dominance in Libya's economy and its increasing role in community development, little empirical work has assessed the scope, impact, and limitations of CSR initiatives. Existing studies tend to be descriptive and lack a grounded, stakeholder-based analysis. Moreover, few studies apply recognized theoretical models—like Carroll's Pyramid or stakeholder theory—to Libya's unique political and institutional context.

There is also a lack of comparative analysis linking Libya's CSR performance to other fragile or transitional states, which could help refine strategies and identify best practices. Finally, most CSR

programs in Libya are not subjected to rigorous impact evaluations, making it difficult to determine whether these efforts achieve their stated developmental outcomes.

This paper seeks to address these gaps by applying a theoretical framework to Libya's CSR landscape, combining qualitative and case-based evidence to provide policy-relevant insights.

### 3. Methodology

This research work seeks to gain a deep and full understanding of the CSR initiatives in Libya's petroleum sector through the use of both qualitative and quantitative approaches. This mixed-methods approach enables us to have a macro perspective of corporate behaviour, compliance with policy, and stakeholder views, as well as a deep one within Libya's post-conflict time.

#### 3.1 Research Design

This study adopts a convergent and parallel approach that collects and analyzes quantitative and qualitative data separately, while integrating both during interpretation. This model supports the use of more than one data source to draw sufficient and reliable conclusions about the research topic (Creswell and Plano Clark, 2018) [19]. Figure 1 illustrates the mixed methods research design process.

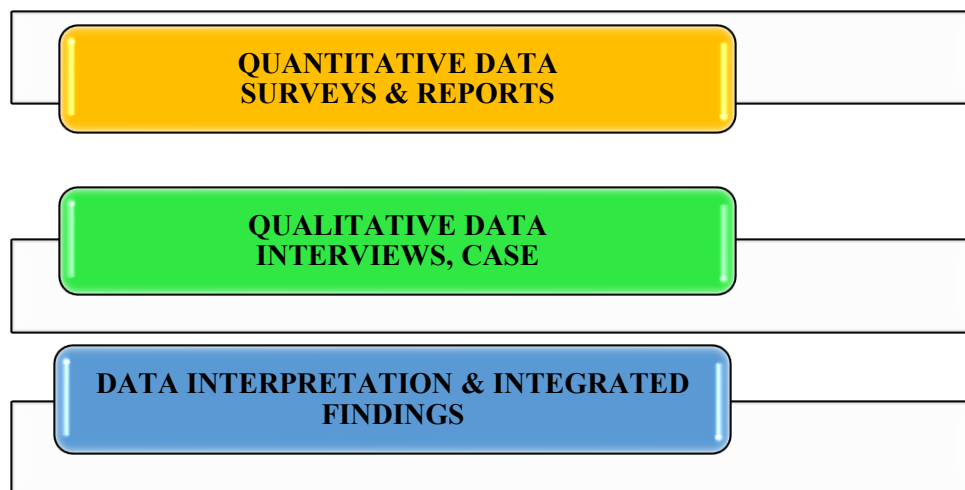


Figure 1. Mixed-Methods Research Design Flow

#### 3.2 Data Collection Methods

Information was obtained through the help of three main sources:

1. Semi-structured interviews with 25 key stakeholders: Interviews were held with National Oil Corporation (NOC) representatives, representatives of different foreign oil joint ventures (instances like those from Waha Oil), policymakers, non-governmental organizations (NGOs), and local community members. The distribution of these stakeholders is presented in Table 2, which outlines the sample structure for the qualitative interviews.
2. Analysis of Corporate Social Responsibility (CSR), organization reports, journalism, and national policy frameworks for the years 2010–2024.
3. Case studies in three regions: the Sirte Basin, Tripoli, and operations from the Waha Field, chosen on account of their central role to Libya's broader oil economy.

Table 2. Sample Structure for Qualitative Interviews

Stakeholder Group	No of Respondents	Justification
NOC Executives	5	Insight into CSR design and national policy
Foreign JV Representatives	6	Corporate implementation perspectives
Government Officials	4	Regulatory and policy oversight
NGOs and Development Orgs	5	Independent views on community outcomes
Community Leaders	5	Direct beneficiaries of CSR programs
<b>Total</b>	<b>25</b>	--

### 3.3 Data Analysis

The study relies on NVivo 12, a leading software for qualitative data analysis, to code qualitative data. Data were systematically collected from interviews and case studies to determine, in particular, the extent of stakeholder engagement, regulatory constraints, and socioeconomic impacts. Furthermore, the study relied on descriptive statistics from the Statistical Package for the Social Sciences (SPSS) to statistically analyze CSR budget amounts, project completions, and quantitative employment statistics data. The integrated approach combining qualitative and quantitative tools is summarized in Table 3, which outlines the data collection sources and corresponding analysis techniques.

Table 3. Data Collection and Analysis Strategy

Data Source	Collection Tool	Analytical Method	Outcome Focus
<b>Interviews</b>	Semi-structured guide	Thematic coding (NVivo)	Stakeholder insights
<b>CSR Reports</b>	Document review	Content analysis	Policy-practice alignment
<b>Case Studies</b>	Field observation	Narrative synthesis	Regional CSR effectiveness
<b>Development Statistics</b>	Government records	Descriptive statistics	Economic contribution

### 3.4 Ethical Considerations

Careful consideration was given to all ethical protocols that have been promulgated by international bodies in this research. Each interviewee gave consent after knowing the rationale of the study and the promise to hold their anonymity. To maintain participant anonymity, all interview data were de-identified. Countries like Libya have continued to experience political instability, and this prompted researchers to take additional measures in protecting participants and organizations from potential counterattacks. A regional academic body's institutional review board approved the study.

### 3.5 Limitations

The study faced several limitations. Safety concerns in Libya hindered field visits to some areas, which limited the supply of observation data. Second, the absence of publicly available CSR documents could have affected the depth of the policy analysis. However, the interpretation of other interviews because of language and cultural barriers may have influenced the richness of participants' statements, although we tried to overcome these barriers as best as possible.

## 4. The Petroleum Sector in Libya: Overview and Challenges

The Libyan petroleum industries play a critical role in the country's economy, producing over 90% of exports and a significant part of the government's income [14]. Operations are dominantly through partnership with foreign companies since the National Oil Corporation (NOC) is at the core of managing

oil Production. Libya has vast oil reserves, but the industry is hampered by political volatility, the collapse of infrastructure, and rampant corruption.

The residual effects of the civil war of 2011 have left the region marred by continued instability, threatening regular interference in oil production and the forced closure of facilities. Moreover, corruption in the industry hinders efficient resource allocation, thereby making it a more complicated situation for Libya to develop its oil resources for national gain [15]. Environmental issues are also important because ageing infrastructure and drilling regulation deficiency are primary pollution sources that damage both the local population and ecosystems. Lack of proper infrastructure in producing areas hampers current activities and makes it very difficult to achieve sustainable development in terms of the oil sector.

Community involvement and sustainable measures, CSR thus offers a way out of addressing most of the challenges that Libya's oil sector is grappling with, as clarified in Table 4. International and national oil companies can increase sustainability, promote educational programs, and enhance higher employment in oil-producing regions. Even without strict regulations, recognition of the necessity of CSR in mitigating the unfavorable effects of oil production on nearby communities is increasingly accredited.

Table 4. Overview and Challenges in Libya's Petroleum Sector

Area	Overview	Challenges	Opportunities for CSR
<b>Oil Reserves</b>	Large reserves; major source of national revenue	Declining reserves in some areas; dependence on oil	Diversification of the economy through CSR initiatives
<b>National Oil Corporation (NOC)</b>	Oversees all petroleum activities	Political instability is affecting NOC operations	CSR to enhance NOC's public image and legitimacy
<b>Foreign Companies</b>	Joint ventures with Libyan companies	Corruption and lack of trust from the local population	Collaborations with NGOs for community development
<b>Environmental Impact</b>	Significant extraction; potential for innovation	Oil spills, pollution, and ecological damage	CSR for environmental protection programs
<b>Infrastructure</b>	Critical for oil extraction and distribution	Poor maintenance and lack of investment	Investment in local infrastructure through CSR

## 5. CSR Practices in Libya's Petroleum Sector

Although more attention has been paid to CSR efforts in Libya's oil industry in the recent time, they are still well behind the rest internationally in terms of oil-rich areas. The National Oil Corporation (NOC) and foreign oil firms both have started numerous projects addressing the issue of environmental sustainability, job opportunities for locals, healthcare, and educational outreach.

Through CSR efforts in environmental protection have been largely geared at the avertance of the probability of oil spills and the use of greener technologies. Waha Oil Company, a cooperative between the NOC and international partners, has implemented a climate and pollution reduction management initiative based at its operations [5].

Dominant funding has gone to education and healthcare in areas with a potent impact of petroleum activities. For example, Libyan oil firms have promoted the development of local schools and health clinics in order to meet the needs of the surrounding population. Another CSR priority has been vocational training programs for young people in the oil sector, for reducing the levels of unemployment in these communities and providing additional opportunities.

However, these CSR programs are frequently unchallenged due to the lack of regulatory surveillance and the continued political upheaval in Libya. Much of the Corporate Social Responsibility (CSR) work is still viewed as short-term measures rather than long-term development solutions with a view to maintaining operational licenses and local reputations by international companies.

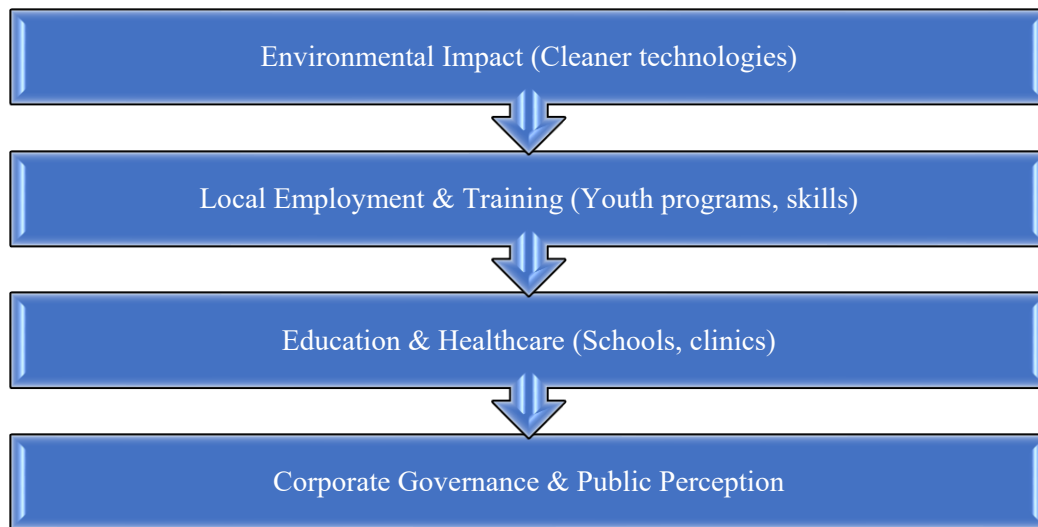


Figure 2. CSR Practices in Libya's Petroleum Sector

The diagram in Figure 2 highlights four key areas of corporate social responsibility in the Libyan oil sector: environmental management, employment and training, education and healthcare, and corporate governance. These efforts aim to reduce environmental damage, support local communities, and enhance public confidence in oil companies.

## 6. CSR and Economic Development in Libya

CSR initiatives are becoming more important in promoting the economic growth of Libya, with the initiatives for oil companies in the petroleum sector playing as primary catalysts of community development because they have direct interventions. In an environment where there is weak infrastructure and political instability, the private sector uses CSR as a way to interact with national development goals through specific investments in community welfare, diversification of the economy, and social unity.

Community members' lives have made notable improvements through the efforts of CSR. In oil-rich regions like the Sirte Basin and Murzuq, enterprises have offered health clinics, guaranteed access to clean water, and increased mobile health care services that the locals need, which remain deficient in local governments. The provision of scholarships, the establishment of schools, and the training of teachers have improved literacy levels and made the youth employable over the long term in Libya to build upon its human capital [20].

Furthermore, firms have enhanced economic diversification through the development of vocational training programs, microenterprise projects, and initiatives that promote entrepreneurship. Such programs strengthen industries outside of the fossil fuel realm, like agriculture and trade, such that they help reduce Libyan reliance on oil exports. The application of such an approach also offsets the resource curse phenomenon, which promotes more diversified and equitable economic participation in Libya [21].

Importantly, the corporate social responsibility itself also improves social cohesion and adds to stability. Involving communities in planning will make oil companies feel responsible, alleviate conflicts, and deepen trust in managing resources. In places torn by conflicts or tribal tensions, such efforts become a



forum for productive talk and cooperative peacebuilding in the course of common development goals [5].

Many companies have invested in substantial infrastructure improvements, such as road construction, electricity grid expansion, and water supply, as noted in Table 5. In addition, the Arabian Gulf Oil Company has initiated projects to ensure the development of roads and water networks in most of the less developed southern regions [14].

Table 5. CSR Contributions to Development in Libya's Petroleum Sector

CSR Focus Area	Examples of Impact	Development Outcome
<b>Health</b>	Clinics, mobile units, and medical supplies	Improved community health access
<b>Education</b>	Scholarships, school rehabilitation, teacher training	Higher literacy, youth employability
<b>Economic Diversification</b>	Vocational training, SME funding, agri-projects	Reduced reliance on the oil sector
<b>Infrastructure</b>	Roads, water systems, and electricity	Better connectivity and rural development
<b>Social Cohesion</b>	Community engagement in CSR design	Conflict mitigation, increased trust

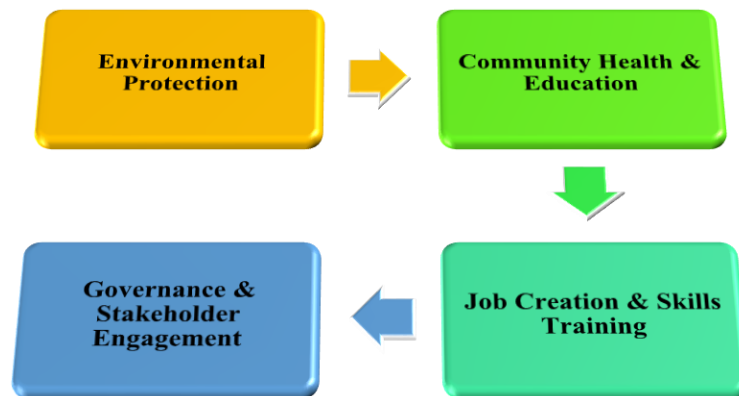


Figure 3: Core Pillars of CSR in Libya's Petroleum Industry

These four interconnected pillars, shown in Figure 3, form the basis for implementing CSR in the Libyan oil sector, enabling companies to balance profit motives with social impact. Environmental mitigation, local development, and inclusive governance are essential factors for sustainable relationships between the sector and society.

## 7. Challenges and Barriers to Effective CSR in Libya

On the back of somewhat constructive CSR results in Libya, there is room for deeper achievements but they are stymied by systemic political, regulatory, and institutional failures. A major obstacle is political disintegration. Because of competing governments and an unstable administration, oil companies find it difficult to coordinate CSR across Libya. Power and governance changes often lead to holdups, duplication, or outright termination of the project [15].

Moreover, without a consolidated national structure for CSR, planning, and monitoring become difficult for companies working in Libya. In the absence of legal or policy frameworks around CSR, the initiatives are comparatively random and hard to coordinate. Because there are no laid down guidelines, companies implement CSR work on an ad hoc basis, leading to varied results for different communities.

Institutional incapacity is also a very pressing issue. Stakeholders mandated with the responsibility of managing the CSR initiatives are typically under-budgeted and under-staffed, which means a compromised monitoring system and transparency. When corruption or bad management steps in, it can ruin even the best CSR endeavors and cause community trust to suffer.

Table 6 shows the main barriers to effective CSR in Libya. There is a persistent lack of public understanding of and participation in CSR activities. A certain percentage of communities may be unaware of CSR or have no say in how CSR programs are developed and implemented. Therefore, efforts often focus on issues that do not adequately address community needs or expectations.

Table 6. Key Barriers to CSR Effectiveness in Libya

Challenge	Description	Impact on CSR Initiatives
Political Instability	Fragmented authority and conflict zones	Disruption or cancellation of projects
Lack of Legal Framework	No national CSR policy or enforcement mechanism	Voluntary and inconsistent company efforts
Institutional Weakness	Limited oversight by public institutions	Low transparency and risk of misuse
Low Public Engagement	Minimal community involvement in CSR planning	Poor alignment with local needs and priorities
Corruption & Misallocation	Misuse of funds or favoritism in project execution	Reduced community trust and long-term impact

## 8. Recommendations

### Policy Recommendations for Enhancing CSR in Libya's Petroleum Sector

Effective policy reforms and institutional strategies are important in mobilising the developmental potential of CSR in Libya's petroleum sector. The strategies outlined are intended to address identifying challenges, increase openness, and synchronize business practices with national priorities for growth.

#### 8.1 Create an exhaustive National CSR Policy Framework.

The Libyan petroleum sector does not operate under a unified CSR policy that describes corporate duties. A national CSR policy should be developed in consultation with the government, oil industry stakeholders, civil society, and community representatives. This policy should explain corporate obligations, outline reporting procedures, define measurement criteria, and define steps to be taken to prevent non-compliance. A clear perspective of legal obligations will support (streamline) responsibilities and increase accountability from oil companies [5].

#### 8.2 Develop a Central Office Focused on CSR Regulation

A separate CSR oversight office that would be independent and established within the Ministry of Oil and Gas or National Oil Corporation (NOC) would be charged with monitoring, evaluating and coordinating all CSR activities. Such an institution can help eliminate duplication of efforts, ensure equitable distribution of resources, and enforce compliance with national goals, including poverty reduction, education, and environmental conservation. The publication of annual CSR performance reports is needed to raise public transparency.

#### 8.3 Engage Locally in the Planning of CSR Projects

The involvement of local stakeholders in the planning of CSR activities will help to ensure that efforts are doing more than just ticking the right box, but are responding to avenues for real needs to occur and address the primary common good matters. To encourage more social participation, it is recommended that oil companies employ participatory planning methods with town hall meetings, stakeholder

consultations, and a feedback system. It is crucial to ensure that decision-making committees represent input from local leaders, youth groups, and NGOs in order to win legitimacy and trust with stakeholders.

#### ***8.4 Incentivizing CSR through Tax Relief***

Grinstein and Martmeshadd would mean that allowing tax relief or breaks for companies with documented records of social excellence and environmental viability is a Libyan government tactic of rewarding CSR. Companies should be awarded incentives according to verifiable achievements, such as job statistics or progress made on school infrastructure, or even milestones achieved in environmental cleanup.

#### ***8.5 Integrate CSR into Corporate Strategy***

There must be a linkage between the CSR responsibility and the most important business objectives of a business to form part of the overall strategic direction. Adoption of internationally recognized sustainability reporting standards, like the GRI and ISO 26000, by oil organizations will go a long way in improving their performance metrics and guiding their management decisions. By placing CSR at the strategic heart of the board, firms can make community development as much of a goal as hitting financial goals.

#### ***8.6 Encourage Public–Private Partnerships (PPPs)***

When businesses collaborate with public agencies, corporate social responsibility (CSR) programs run much more smoothly. Collaboration through PPPs gives companies and governments access to resources for large projects that will help improve education, infrastructure, and health care. Such a sharing of responsibilities, for example, co-financing by oil companies and governmental bodies for rural infrastructure or training centers, helps ensure that these projects do not lose effectiveness and sustainability.

#### ***8.7 Capacity Building and Training***

Having competent staff in the private sector and at regulatory levels is the primary prerequisite for the accomplishment of CSR objectives. To enhance the implementation of CSR, Libya has to facilitate training opportunities that will reinforce CSR personnel and government and NGO personnel involved in monitoring. Institutions of higher learning should design and offer educational programs in CSR management to create a skilled workforce.

#### ***8.8 Put in Place Monitoring and Evaluation (M & E) Systems.***

There is a need to put in place a national monitoring and evaluation framework to measure the CSR program performance. Pre and post-project evaluations using KPIs have to be carried out for each of the CSR programs. Hiring impartial external organizations for pursuing audits can guarantee that CSR initiatives prove successful and lead to advancements.

### **9. Conclusion**

The current needs of companies to practice Corporate Social Responsibility (CSR) have increased in the Libyan petroleum sector as the country is trying to establish a stable and sustainable economy. Considering its principal function within the Libyan economy, the oil sector is strategically placed to alleviate socio-economic problems, particularly in underdeveloped regions where threats of conflict and lack of public services abound. By a variety of CSR initiatives, oil companies have contributed to important infrastructure projects, educational reform, improved access to health care, expanded employment opportunities, as well as conservation of the environment, toward relieving development issues resulting from diminished state institutions.

Notwithstanding these initiatives, CSR efforts in Libya still have hurdles caused by a lack of regulation, broken politics, weak institutional capacity, and low local participation. In circumstances where

governance is weak and an all-encompassing national policy is absent, CSR endeavors can be corrupted by inconsistency, lack of durability, and inadequate alignment with local goals. As a result, a lack of accountability and open reporting causes a breakdown of trust, duplication of tasks, and unnecessary spending.

The greatest impact of CSR requires setting clear policies, consolidation of regulatory efforts, and collaboration with stakeholders. A national legal silo is required to lay out express CSR duties and provide recommendations on planning, executing, and evaluating CSR initiatives. In addition, community involvement in governance and the development of partnerships with public and private sectors can facilitate grassroots harmony and increase inclusive growth.

An analysis of the petroleum sector's role in Libya's future cannot be reduced to its profitability; it should rather demonstrate how the industry can enable social development and economic diversification. Corporate Social Responsibility (CSR) is not some form of goodwill gesture in post-conflict, resource-dependent cases like Libya; it is a crucial development asset. It is possible that justifiably embedded into the larger national plan, CSR initiatives could very much contribute to the restoration of trust, peacebuilding efforts, and economic opportunities outside the oil dependency.

sample between corporations and the communities served, the public sector and the private economy, and national organizations and foreign exemplars. Libya needs to think about social responsibility at the core of its petroleum activities, if it is to create a robust, just, and sustainable economy for posterity.

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