Beyond corporate social responsibility: oil multinationals and social challenges. By Jedrzej George Frynas. Cambridge: Cambridge University Press. 2009. 207pp. £55.00. isbn 978 0 52186 844 0.

George Frynas, an academic and consultant, knows the oil industry. His detailed analysis of the industry's uneasy embrace of corporate social responsibility (CSR) is a drama of sharp pressures on oil multinationals to take on more social functions, and the multinationals' mostly grudging and superficial responses.

The multinationals have used CSR to make virtue of necessity. After brand-threatening publicity in the 1980s and 1990s (such as the *Exxon Valdez* spill, BP's alleged involvement with the Colombian military, and Shell's role in the attempted disposal of the Brent Spar oil storage buoy in the North Sea and Ken Saro-Wiwa's execution in Nigeria), the companies needed to trumpet new and higher standards. And in today's cut-throat game in which the western majors wrestle with Asian national companies for contracts, big oil sometimes reaches for CSR to gain an edge: 'Western multinational companies face strong competitive pressures, are driven purely by commercial concerns and their access to many of the world's oil reserves is limited, so they need to use any available means to gain a competitive advantage over their rivals. CSR may just be one of those means' (p. 36).

The difficulty for these multinationals is that, having accepted more responsibilities, they are then expected to do ever more—more than business priorities can justify. Firms have been loaded with increasing responsibilities in oil-producing countries because the often dysfunctional local governments have been unable to fulfil them. (Indeed Frynas argues that CSR can often just be seen as remedial private action for governance failure: avoiding oil spills counts as CSR in poorly run Nigeria, but only as regulatory compliance in well-governed Norway.) The book shows the oil majors shouldering some of these burdens, but mostly with discomfort.

Environmental CSR is the big success story. Though many problems remain, the majors have made great progress in reducing spills, cutting gas flaring, and reporting on impacts. The firms have been proactive both because environmental harm loves publicity and because the business case for cleaning up has added up. Environmental reforms have been 'win-win': selling gas instead of flaring it can be profitable; installing slower-rusting pipelines can reduce costs. Moreover, environmental reforms are the kinds of challenges liked by the managers and engineers who dominate the industry: these are discrete, technical initiatives with clearly quantifiable outcomes.

The multinationals have let more unwieldy social tasks, such as poverty reduction in oil-producing countries, slip. Poverty reduction, as development professionals know, is hard. Success usually requires dedicated staff with excellent local knowledge and human skills crafting long-term projects that are 'owned' by beneficiaries. The oil companies have instead tended towards short-term spending heedless to the needs of the poorest. Frynas depicts firms using funds labelled 'development' to further their commercial goals: gaining access to oil; protecting their facilities from predation; boosting their brands; and maintaining employee morale. In some cases (one firm's donation to the Angolan president's personal charity) poverty relief seems

foremost in nobody's mind. Yet even in more promising efforts, such as when a company builds a town hall or a hospital, closer inspection reveals a rather shallow business motive: funding showy projects that will keep local leaders, investors or employees happy. Frynas finds little evidence that real poverty reduction flows from such projects.

On the largest macro-issue, the governance of oil states, Frynas captures the exasperation of all concerned. The majors can hardly deny that they are intimate associates of corrupt and authoritarian governments, especially in Africa and the Caspian Basin. Yet their incentives and leverage are severely constrained by competitive forces. The western majors have backed one headline good-governance campaign: the Extractive Industries Transparency Initiative, in which governments divulge their earnings from oil. But progress has been slow, and the evidence shows that transparency on state spending, not revenues, is crucial for improvements.

In the end Frynas doubts whether CSR—seen as a distinct track of corporate action parallel to and often overwhelmed by normal business practices—can be more than a distraction from huge challenges such as governance in oil-producing countries. He speculates that a robust corporate citizenship could increase long-term profitability, yet concedes that agencies above companies (like states making trade treaties) would need to impose common rules on most western firms for this posture to become possible.

Frynas's careful study of an industry provides much material for meditating on what responsibilities we should want corporations to bear. Oil companies are businesses, extremely adept at locating, extracting, refining and selling a minute fraction of the earth's molecules. When pressured to step in where governments fail, they have tended to be reluctant and unreliable. Is there a better model than CSR, then, for what we should ask these businesses to do?

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