

DEVELOPMENT IMPACT OF SOCIAL RESPONSIBILITY PROGRAMS FOR THE NATIONAL OIL CORPORATION IN LIGHT OF SUSTAINABLE DEVELOPMENT GOALS AT OIL CRESCENT REGION

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Abstract

Concern for social responsibility is not far from our religion, which urges community to cooperate with each other for a good society and preserve the environment, and not to ignore the rights of future generations as well. The aim of this study is to identify the role of the National Oil Corporation (NOC) in implementing the principle of social responsibility and illustrate its contributions to the Libyan State in general and Al Burayqah Municipality that was taken as a case study in particular. The NOC plays a vital role through sustainable development programs that directly affect the people and enhance the quality of life as well as reduce cost of living in Al Burayqah Municipality. The NOC has carried out several projects such as water supply, electricity services, and providing engineering laboratories for Bright Star University.

In this research, two criteria were used to assess the benefit of these projects. The first criterion is the percentage of beneficiaries of these services or projects. The second criterion is the financial value saved for the local community as a result of finalizing these projects. As a result, this criterion has been obtained from water projects, which were saved approximately 1,700,000.00LYD. These results reached about 8% and 22% for the beneficiaries of water and electricity services, respectively, whereas the Bright Star University project was about 100%. These results reflect the size of the contribution of corporate social responsibility (CSR) to sustainable development projects.

Keywords: Corporate Social Responsibility (CSR) ; National Oil Corporation (NOC); Al Burayqah Municipality.

1.0 INTRODUCTION

Libya is located in North Africa and has 1,770 kilometers of coastline along the White Sea in the Mediterranean. It borders Egypt to the east, Algeria and Tunisia to the west, and Chad, Niger and Sudan to the south. Currently, the country's oil production is estimated at 1 million barrels per day, but due to the current internal conflicts and political turmoil, oil production varies. After successful drilling, the country began accepting oil production in 1959. The country used to be one of the poorest countries in the world, but later became one of the largest oil producers. By 1969, Libya produced about 3 million barrels of oil per

day. The National Oil Company of Libya (NOC) was established in 1970 and dominates Libya's oil industry and some smaller subsidiaries that together account for half of the country's total oil production. National Oil Corporation (National Oil Corporation) conducts exploration and production operations in cooperation with other companies through its own affiliates or under service contracts or any other types of oil investment agreements[1]. The National Oil Company of Libya (NOC) is a state-owned company that controls Libyan oil and gas production. The company is Africa's largest oil producer. Its mission is

to promote the Libyan economy through the development, management and development of petroleum resources, as well as participation in the planning and implementation of the country's overall petroleum policy (National Petroleum Corporation, 2008). Libya's oil sector is very important because it is the backbone of Libya's economy.

- **Sustainable development**

sustainable development became popular with the definition of the Brundtland Report (World Commission on Environment and Development, 1987). It represents the moral concept of fighting poverty while protecting the environment at the macro level. Sustainable development is the process of achieving sustainable development goals, and its characteristics can be embodied in four sustainability conditions[2]. Sustainable development is defined at the macro level of society. Sustainability organizations call it corporate sustainability when it is incorporated into the organization. It contains all three pillars like sustainable development: economy, ecology and society. These three aspects interact ((Ebner, 2006). Economic sustainability includes general aspects of the organization. In addition to environmental and social aspects, these aspects must also be respected in order to survive in the market for a long time.

- **Corporate social responsibility (CSR)**

In recent years, the social responsibility of corporate organizations has attracted more and more attention, and a strong understanding has been formed among business managers around the world, and organizations need to be managed in a socially responsible manner in order to achieve economic viability and long-term sustainability[3]. The concept of corporate social responsibility (CSR) has a long history. For hundreds of years, it has been possible to trace the business community's attention to society. However, the formal writing on social responsibility is largely a product of the 20th century, especially in the past 50 years[4]. Social responsibility aligns the company's commercial interests with the legitimate interests of different stakeholders who may be affected, and bears the impact of company activities on the entire community and the entire environment. The European Union's definition of corporate social responsibility: "Companies voluntarily incorporate social and environmental issues into their business operations and the concept of interaction with stakeholders." The European Union put forward some new ideas in October 2011 and stated that corporate social responsibility is "corporate Responsibility for impact on society"[5]. In short, corporate social responsibility means acting in a socially responsible and responsible manner, not only to property owners but also to other stakeholders, including employees, customers, governments, partners, local communities and future generations.

- **Corporate social responsibility (CSR) and Sustainable development**

CSR and sustainability are discussed by some as near synonyms and by others as completely distinct concepts. In the latter case, corporate social responsibility is usually considered to focus on the sustainability of social and environmental issues[4, 6, 7]. According to the company's ideas, it not only has the responsibility for profit, but also helps to solve some social problems, including social and environmental problems, which is called corporate social responsibility, CSR[8].

As the Libyan National Oil Corporation launched a sustainable plan to develop living conditions, its goals include helping more than a 40,000 people in study area to improve their health and living conditions. For this reason, in this paper we will present what the Libyan National Oil Corporation is doing in order to assume responsibility and achieve the principles of sustainability in the implementation of several projects serving **al-Buraiqah** region, located in the middle area west of Benghazi.

- **Objectives of the Study.**

This study aims to evaluate the role of the National Oil Corporation in Libya in achieving social responsibility in accordance with the concept of sustainable development through a case study in al-Buraiqah area (west of Benghazi) between 2018-2020.

2.0 MATERIAL AND METHODS

2.1. Study area.

The National Oil Corporation in Libya targets all areas of oil services to include the principle of social responsibility. All services provided by the corporation for all sites were within this principle, which includes the concept of sustainability in establishing projects and providing the type of service. Figure 1 shows the map of study area.

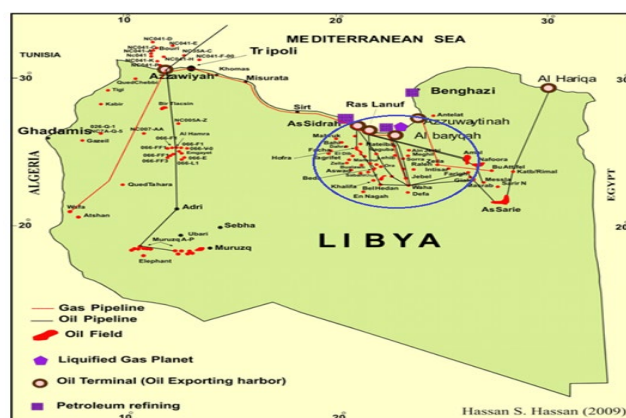


Fig.1. The map of case study area.

The case study we are talking about is al-Buraiqah area. Table 1 gives a description the names of the neighborhoods and the number of people in each area.

Table 1. shows the name of each neighborhood and population in study area.

| | Area | Neighborhood | population |
|-------|-------------------|---------------------------------------|------------|
| 1 | New al Burayqah | Area III | 15,000 |
| 2 | Marsa al Burayqah | Hai khadiga ,Area I, Area II ,Camp5 | 5,000 |
| 3 | Alaqeelah | Alaqeelaa | 3,000 |
| 4 | Khouraw qeeda | Bojdaryea, Hai Latewish, Hai dowas | 4,000 |
| 5 | Basher | Boushrisher, Alshatout, Aleskan Alaam | 13,000 |
| 6 | Alargoub | Alargoub | 5,000 |
| Total | | | 45,000 |

2.2. The implementation of several projects serving al-Burayqah region

The National Oil Corporation has implemented several projects in the field of water, electricity and higher education, which we will be presented according to this classification.

2.2.1. Water section.

The names of the water projects that were implemented in al- Burayqah region, as well as the size of people who got services from these projects that shows in table 2.

Table 2: shows the name of water supply project and size of beneficiaries

| n | Section | Description of project | year | Beneficiaries |
|---|--------------|-------------------------|------|---------------|
| 1 | Water Supply | Providing Boushrisher | 2019 | 500 persons |
| 2 | | Providing, Alshatout | 2018 | 1000 persons |
| 3 | | Providing Aleskan Alaam | 2019 | 2000 persons |

2.2.2. The electricity network section.

The names of the electricity network projects that were implemented in al- Burayqah region, in addition to the number of people who benefited from these projects that shows in table 3

Table 3. shows the name of Electricity network project and size of beneficiaries

| N | Section | Description of project | YEAR | Beneficiaries |
|---|---------------------|---|------|---------------|
| 1 | Electricity network | Electricity connection to Hai khadiga | 2018 | 800 persons |
| 2 | | Upgrading and modernizing the electricity network in Alargoub | 2018 | 5,000 Persons |

| | | | |
|---|---|------|---------------|
| 3 | Upgrading and modernizing the electricity network in Khourawqeeda | 2019 | 4,000 Persons |
|---|---|------|---------------|

2.2.3. Higher education section (Bright Star University)

Sustainability services were provided to Bright Star University as part of a project to supply engineering laboratories .The names of project that were implemented in Bright Star University, as well as the number of students who benefited from these laboratories that shows in table 4.

Table 4. shows the name of the project and size of beneficiaries

| n | Section | Description of project | year | Beneficiaries |
|---|-----------|---|------|---------------|
| 1 | Education | Providing engineering laboratories for Bright Star University | 2020 | 3680 students |

2.0 RESULT AND DISCUSSIONS.

3.0 3.1. first criterion (the percentage of beneficiaries).

The first criterion is the percentage of beneficiaries of these services or projects. The result was 8% ,22% and 100% of the local population of the study area who benefited from water, electricity and high education respectively. That shows in table 5 and chart 1.

Table 5. shows the percentage beneficiaries are based on total population

| Section | Beneficiaries | The percentage beneficiaries are based on the total population |
|-------------------------|---------------|--|
| Water supply | 3500 | 8% |
| The electricity network | 9800 | 22% |
| Higher education | 3680 | 100% |

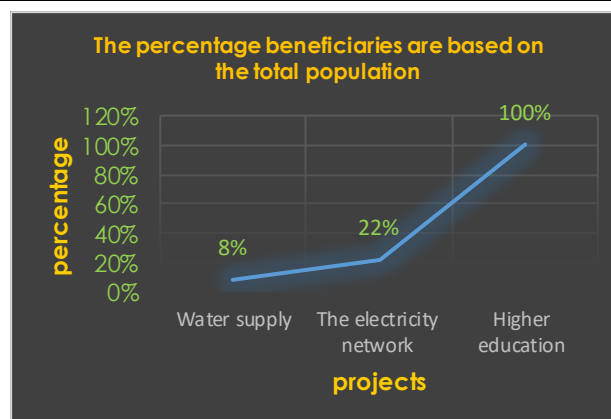


Chart 1. showing the percentage of beneficiaries.

3.2. Second criterion (what is the beneficiaries value for local community)

Table 6 and chart 2. An explain the second criterion: What is the financial value of the local population as a result of establishing this project? This criterion has been implemented on the water projects that have been implemented.

Table 6. shows the water consumption and money saved

| Section | Project | Water consumption m3 | Price | Money saved (dinar/year) |
|--------------|-------------------------|----------------------|----------|--------------------------|
| Water | Providing Boushrisher | 1000m3 /week | 50 dinar | 240,000.0 |
| | Providing, Alshatout | 2000 m3/week | 50 dinar | 480,000.0 |
| | Providing Aleskan Alaam | 4000 m3/week | 50 dinar | 960,000.0 |
| Total | | | | 1,680,000.0 |

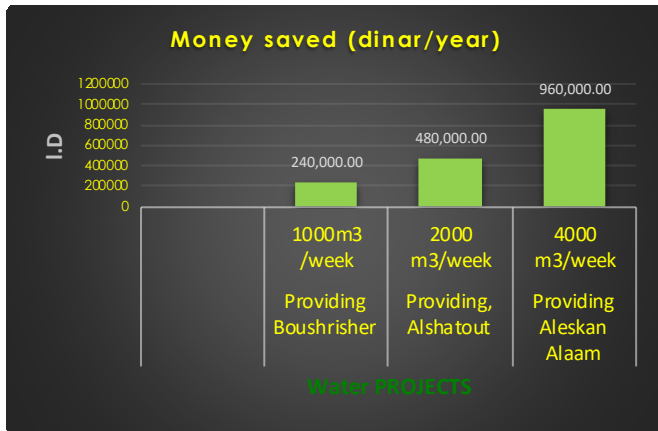


Chart 2. Showing Money saved (dinar/year).

4.0 CONCLUSION

- The National Oil Corporation has implemented several projects in the field of water, an electricity and a higher education in Al- Buraiaqah Region.
- Two criteria were used to assess the benefit from these projects.
- The first criterion is the percentage of beneficiaries of these services or projects.
- The second criterion is the financial value saved for the local community as a result of establishing this project. This criterion has been implemented on the water projects.

- The result was 45% of the local population of the study area who benefited from these projects and approximately 1,700,000.00 Libyan Dinars were saved by establishing water projects in this area.
- This reflects the size of the contribution of corporate social responsibility (CSR) to sustainable development projects.
- The National Oil Corporation assumes that its social responsibilities bring many benefits to the local community in the Al- Buraiaqah region.
- The need for media outlets to focus on raising awareness of spreading the culture of social responsibility, its correct principles and the areas associated with it, and the return on both the facilities that lead to it and on society
- However, the main shortcoming of current corporate social responsibility research is that it is difficult to measure this concept (Abbott & Monsen, 1979; Ullmann, 1985), so it is difficult to rely on a series of measures.

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