



## 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.

**Keyword:** Corporate Social Responsibility (CSR), National Oil Corporation (NOC), Al Burayqah Municipality

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### 1.Introduction.

Libya is located in North Africa, with 1,770km of coastline along the Mediterranean White Sea. It is bordered by Egypt from the east, Algeria and Tunisia from the west, and Chad, Niger and Sudan from the south. Oil production in the country is currently estimated to be 1 million barrels per day, but the amount of oil production has been observed to vary due to the current ongoing internal conflict and political instability. The nation embraced oil production in 1959 following successful drilling. The nation was previously one of the poorest in the world before it rose to become one of the biggest oil producers. By 1969, Libya produced about 3 million barrels of oil per day. National Oil Corporation (NOC) of Libya was established in 1970 and it dominates Libya's oil industry, along with a number of smaller subsidiaries, which combined account for approximately half of the country's oil output. National Oil Corporation carries out exploration and production operations through its own affiliated companies, or in participation with other companies under service contracts or any other kind of petroleum investment agreements (Ali Shurbagi & Zahari, 2013). NOC of Libya is a state-owned company that controls Libya's oil and gas production. The company is the biggest oil producer in Africa. its mandate is to promote the Libyan economy by undertaking development, management and exploitation of oil resources as well as by participating in planning and executing the general oil policy of the state (National Oil Corporation, 2008). The petroleum sector in Libya is very important because it is the backbone of Libyan economy.

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- **Sustainable development**

Sustainable development became popular with the definition of the Brundtland Report (World Commission on Environment and Development, 1987). It represents an ethical concept concerning fighting poverty while protecting the environment on a macro-level. Sustainable Development is the process to reach the goal of sustainability, which can be characterized by four sustainability conditions (Robert K-H, 2002). Sustainable development is defined on the macro-level of societies. Sustainable development when incorporated by the organization is called corporate sustainability and it contains, like sustainable development, all three pillars: economic, ecological and social. These three dimensions interact ((Ebner, 2006). Economic sustainability embraces general aspects of an organization that have to be respected next to environmental and social aspects in order to remain in the market for long time.

- **Corporate social responsibility (CSR)**

The social responsibility of business organizations is getting increased attention in recent years, and a strong perception has developed among the business managers worldwide and that organizations need to be managed in a socially responsible way for economic viability and long term sustainability (NIMALATHASAN, 2009). The concept of corporate social responsibility (CSR) has a long and varied history. It is possible to trace evidences of the business community's concern for society for centuries. Formal writing on social responsibility, however, is largely a product of the 20th century, especially the past 50 years (Carroll, 2016). Social responsibility allows the company's business interests to be reconciled with the legitimate interests of the different stakeholders that may be affected, and also assumes the impact of the company's activities on the community in general and the environment. EU Definition of CSR: "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." In October 2011, the EU introduced some new thinking and stated that CSR is 'the responsibility of enterprises for their impacts on society' (Hopkins, 2006). In sum, corporate social responsibility means acting in a manner that is socially responsible and accountable, not only to the owners of property rights but to other stakeholders, including employees, customers, government, 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 scenario, CSR is oftentimes considered to be focused on social issues and sustainability on environmental issues (Carroll, 2016; Dahlsrud, 2008; Strand, Freeman, & Hockerts, 2014). The idea according to companies have responsibility not only to make profit, but also to help in solving some societal problems among which socials and environmental issues, is known under the name of Corporate Social Responsibility, CSR (Idemudia, 2007).

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.

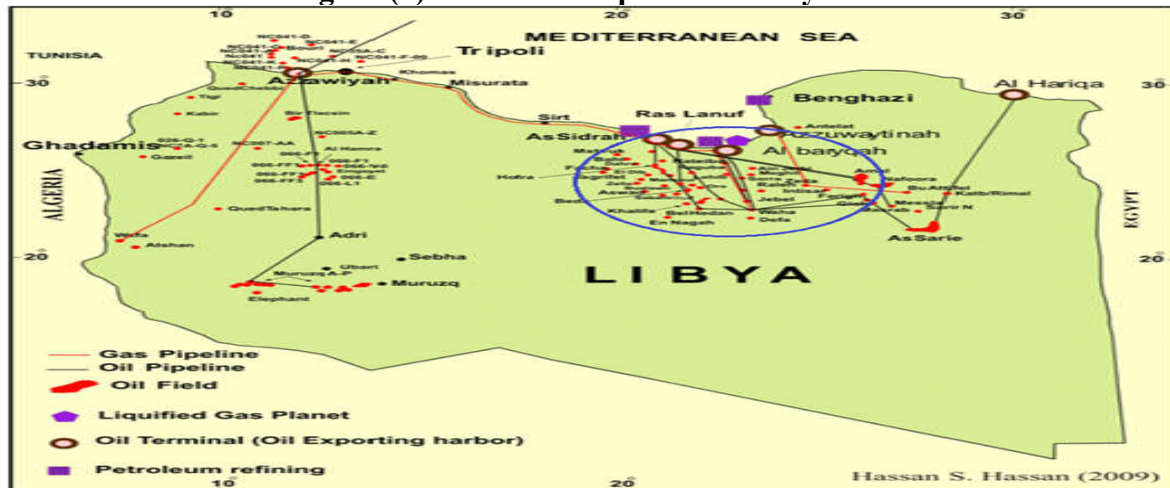
## **2. Material and Methods**

### **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.

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Figure (1) shows the map of case study area.



The case study we are talking about is al-Burayqah 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	Alaqeela	3,000
4	Khourawqeeda	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 neighborhood with drinking water	2019	500 persons
2		Providing, Alshatout neighborhood with drinking water	2018	1000 persons
3		Providing Aleskan Alaam neighborhood with drinking water	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	YEA R	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

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### 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 electricity network project and size of beneficiaries**

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

### 3. Result and Discussions.

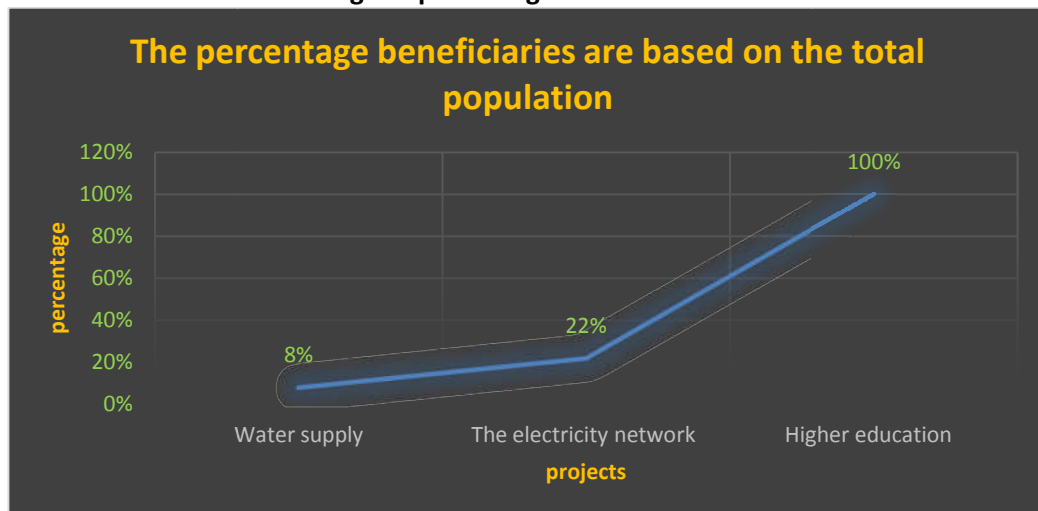
#### 3.1. first criterion (the percentage of beneficiaries).

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
<b>Water supply</b>	3500	8%
<b>The electricity network</b>	9800	22%
<b>Higher education</b>	3680	100%

**Chart 1. showing the percentage of beneficiaries.**



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

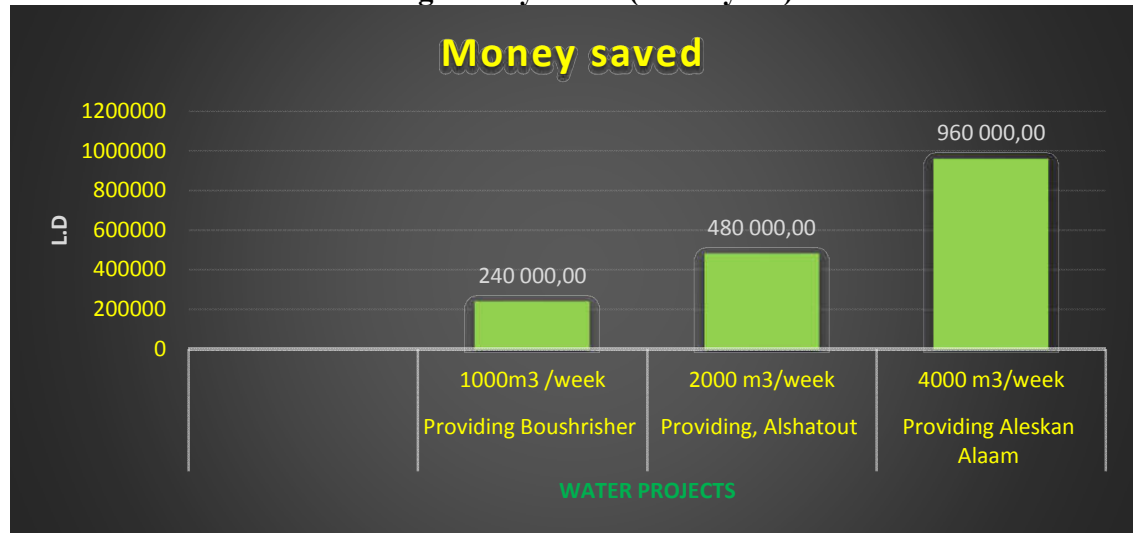
Table 6. and chart 2. An explain the second criterion: What is the financial value of the local population as a result of establishing this project? This criterion has been implemented on the water projects that have been implemented.

**Table 6. shows the water consumption and money saved**

Section	Project	Water consumption m <sup>3</sup> /week/neighbourhood	Price (10 m <sup>3</sup> /week)	Money saved (dinar/year)
Water	Providing Boushrisher neighborhood with drinking water	1000m <sup>3</sup> /week	50 dinar	240,000.00
	Providing, Alshatout neighborhood with drinking water	2000 m <sup>3</sup> /week	50 dinar	480,000.00
	Providing Aleskan Alaam neighborhood with drinking water	4000 m <sup>3</sup> /week	50 dinar	960,000.00
<b><u>Total</u></b>				<b>1,680,000.00</b>

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



## CONCLUSION

- The National Oil Corporation has implemented several projects in the field of water, an electricity and a higher education in Al- Buraiqah 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- Buraiqah 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, major shortcomings in current research in corporate social responsibility have been the difficulty of measuring that concept (Abbott & Monsen, 1979; Ullmann, 1985) and consequent reliance on a limited set of measures.

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