

Social Responsibility of the Oil Companies in Sudan

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Abstract:- Social responsibility expresses the things that fall on national institutions and institutions in countries, and is linked to the continuous commitment to improving the standard of living and life of members of the community. The importance of social responsibility lies in improving the services provided to these communities, creating appropriate job opportunities, paying fair wages and occupational safety. The aim of this article to exam the role of oil companies in Sudan within the framework of social responsibility. To achieve this aim, article has been used descriptive and analytical research methods were relied upon to obtain the necessary information and data and analyze them from primary sources such as interviews with stakeholders, questioner and Observations, interviews . And secondary, such as reports and related studies. The article found that the oil companies in Sudan have or have roles that they play towards the local communities in the oil field areas within the framework of social responsibility in accordance with agreements between them and the Government of Sudan, but these roles are tainted by deficiencies in many service sectors and are not sustainable, and as these roles are affected As well as the change in the government's policies towards the development of the oil industry in Sudan. The article recommended that Enact laws and legislation that frame social responsibility and review existing legislation so that it has an effective impact, and also strengthening the partnership between the oil companies and the local community.

Keywords:- Oil Compenies in Sudan, Soical resposibility, Social services, local community, Stockholders.

I. INTRODUCTION

There are many researchers who are concerned with the topic of social responsibility, and the topic of responsibility has attracted researchers from different specializations in social sciences, and in the late last century, after the number of multinational and transcontinental companies increased, as well as the increase in the size of the capital of national companies, and these companies became profitable from During investing in various vital economic sectors, including the oil sector, there were some voices calling for the necessity of these foreign and national companies to have development roles to play for the advancement of these local communities, especially in the production areas in which these companies exploit the geographical space in which they live. These voices have risen and the issue has become of human and human rights dimensions after the growing public awareness about these rights, which has increased pressure on these companies and

institutions, to respond in the end to these pressures and social responsibility becomes one of the priorities of these companies, and they have established departments and departments dedicated to this purpose so that they can address these issues communities better and faster response.

Social responsibility expresses the things that fall on national institutions and institutions in countries, and is linked to the continuous commitment to improving the standard of living and life of members of the community (Melendez, 2019). The importance of social responsibility lies in improving the services provided to these communities, creating appropriate job opportunities, paying fair wages and occupational safety. I saw many definitions of the concept of social, as the Business Council for Sustainable Development defined it as the continuous commitment of business to principles and ethics and contributing to economic development while improving the quality of life for workers, their families and their social surroundings. In another definition, social responsibility is the commitment of the owners of institutions to contribute to sustainable development by improving the conditions of citizens and their families and the surrounding community socially, healthily and scientifically.

The file of social responsibility in the oil and gas sector was associated with the distribution of the signing of the production division agreement between the Sudanese government represented by the Ministry of Oil and Gas and the contractors who obtained the concession for oil exploration and production in a number of blocks, including, for example, the Great Nile Petroleum Companies in blocks 2, 4, 1 Petrodar Company for Petroleum Operations in Blocks 3 and 7, Petroenergy Company in Block 6, in addition to the White Nile Company in 2B (Ministry of Energy and Oil -Sudan , 2018) .

Community development (CD) section of PE set a plan and programs for developing social services which will reflect as a benefit of the local community It is a process where community members are supported by Community development (CD) unit and take action on important issues to the local community. Community development (CD) representative at each village follow the commitment of the company towards the community and to raise their awareness towards risks to health that associated with company activities and how to protect themselves.

Historically, oil production companies in Sudan have contributed to the financing of some social development projects in the production areas. The Ministry of Energy has also established a special department for financing and supervising social development projects, in coordination

with local governments in those areas. The legal framework for the participation of oil companies in achieving the principle of responsibility is represented in the production division agreement, which obliges oil companies to provide material support to contribute to the completion of social development projects.

The Sudanese government, represented by the Ministry of Energy and Oil, has also reached other agreements with oil companies to allocate an item in its annual budget for the implementation of programs. Currently, after the expiry of many production division agreements and the assignment of most of the oil blocks operating for the government, the sources of funding have changed, and funding has become directly through the Social Services Department at the Ministry of Energy and Oil. These changes in oil policies have caused confusion regarding social responsibility programs and created problems on the ground between oil companies and the government on the one hand, and between the local community and local governments on the other, which cast a shadow over social development projects in the production areas, and this is what this article tries to discuss (Ministry of Energy and Oil -Sudan , 2018).

II. MATERIALS AND METHODS

To achieve the objectives of the study, descriptive and analytical research methods were relied upon to obtain the necessary information and data and analyze them from primary sources such as interviews with stakeholders. And secondary, such as reports and related studies.

➤ *Economic Aspect:*

Table 1 Contribution of the productive sectors to the GDP of West Kordofan State 2015-2019

Index	2016	2017	2018	2019
GDP (000SUD)	12.090	12.090	13.040	17.444
Contribution to GDP	-	-	-	-
Agro-pastoral sector	68%	68%	69%	73.5%
Industrial sector	2%	2%	2%	2.2%
service sector	30%	30%	29%	24/3%

Source: (West Kordofan State,Sudan, 2020)

It is clear from the above table that the agricultural and pastoral sectors are the most contributors to the GDP, followed by the service sector, while the weakest contribution emerged from the oil sector at 2%, of which the oil industry is the main pillar.

III. LITERATURE REVIEW

There are some researchers who addressed the issue of responsibility ,Gyane and others dealt with in their study the issue of social responsibility and its applications. The study aimed to provide empirical evidence about the wise social responsibility practices of oil and gas companies. The study found that multinational companies take the main aspects of social responsibility practices seriously. The study concluded that the practice of corporate social responsibility achieves sustainable profits(Gyane et al. 2021). also (F, 2015) mentioned in a study on the Pakistani oil and gas companies, which aimed to know the impact of social responsibility practices on the financial performance of these companies. Social responsibility is in fact the business's responsibility to play its role by sharing its profits with the local community. There is a study conducted by (MISRA, 2016)on the analysis of the social responsibility activities carried out by the oil companies in India, and the study dealt with the main variables, namely environmental protection, community welfare, women's care, etc. The results of the study indicated that the oil companies in India are making good efforts in these areas, but they need to more tread in some areas. In his study, which examined the determinants of social responsibility for some oil companies in Nigeria, the results of the study show that the size of organizations is an important factor affecting the social responsibility of these companies. The study believes that efforts should be directed more to smaller companies. This study attempted to answer the questions asked about responsibility. Societal Societies of the National Oil Company and Shell in Nigeria, and the study confirms that neither the issues nor the companies have changed, but the public relations strategies of the companies are working (Frynas, 2009).

IV. RESULTS

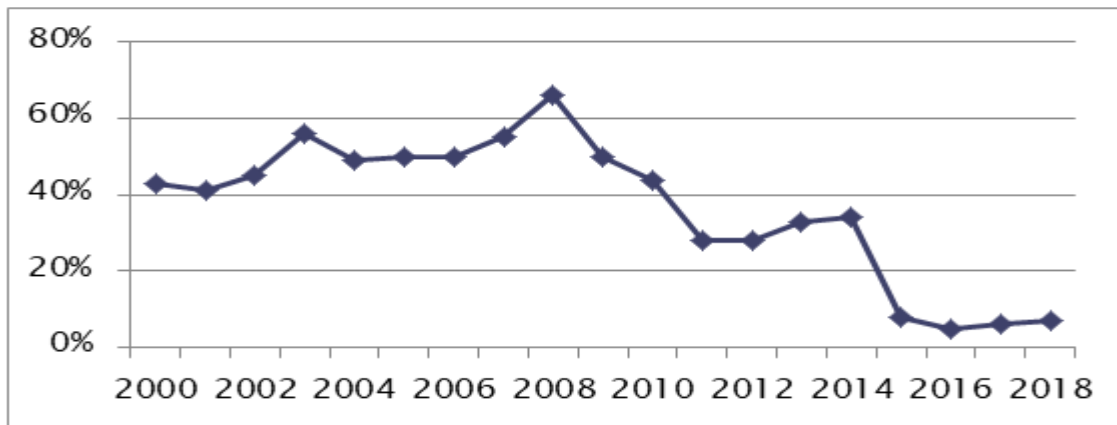


Fig 1 Contribution of Oil to the State's General Budget.
 Source: (Central Bank of Sudan, 2019).

The figure above shows the contribution of oil to the general budget of the Sudanese government, and oil played a role in the gross domestic product in Sudan in the first decade of the third millennium, and the government became clearly dependent on it to support the general budget, as we

find that the contribution of oil has reached more than 60% In 2008, however, we find that this contribution began to decline rapidly, until it reached the lowest 10% in the last three years.

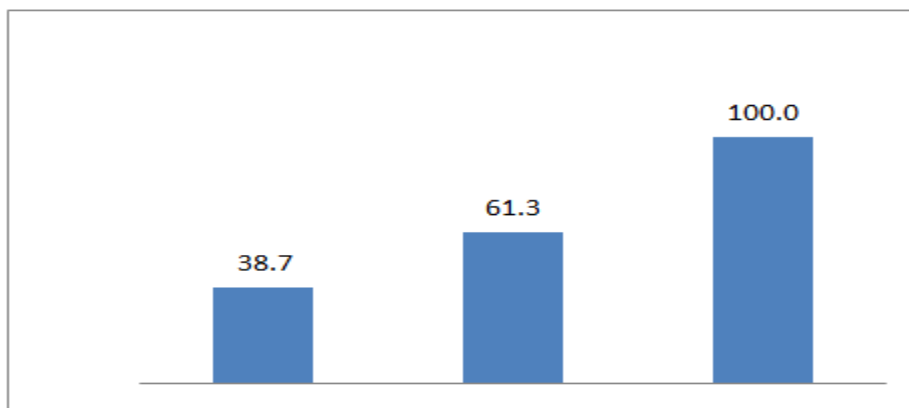


Fig 2 Oil Companies Hire Local People to Work in the Oil Fields
 Source: Author, 2021

From the above figure, we find that there are 61.3% respondents who stated that the oil companies do not provide job opportunities for the local population, while

38.70% believed that the oil companies opened opportunities for employment and absorbed some of the residents in some jobs.

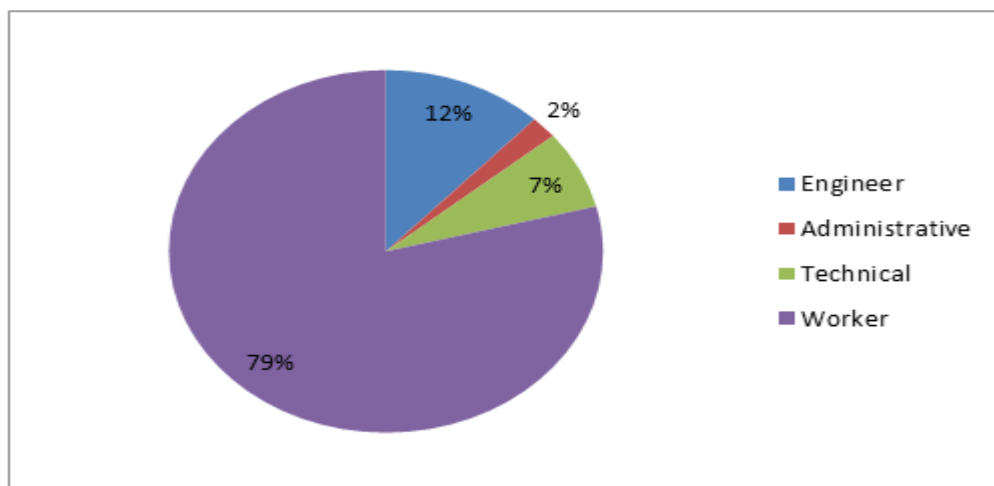


Fig 3 Types of Jobs Occupied by Local Workers in Oil Companies
 Source: Author, 2021

From the above figure, it is noted that 79% of the jobs are concentrated in unskilled labor, while we find that 12% work in engineering jobs, while 7% work in technical jobs, and 2% work as administrators. Although there are

engineering graduates and other fields from the region, they do not get opportunities. They see this as a kind of unfairness.

➤ *Social Services Aspects:*

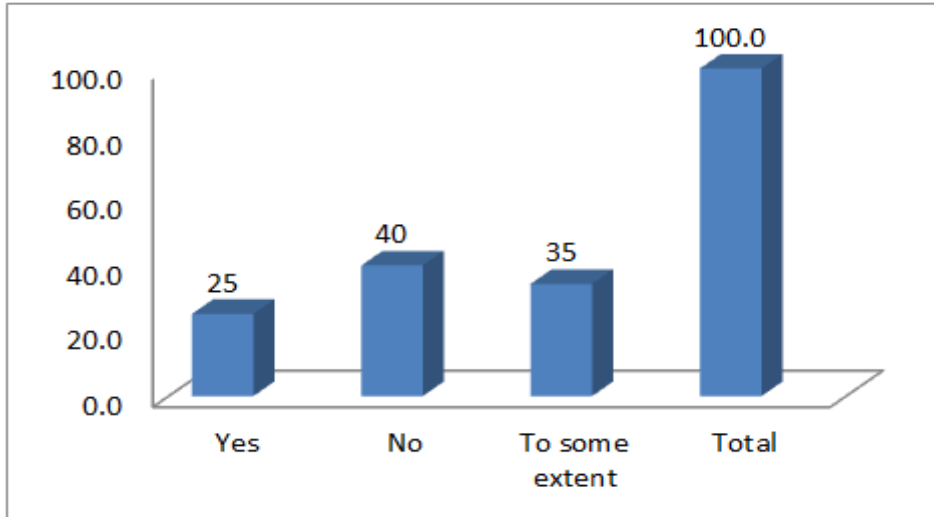


Fig 4 The Oil Companies Contribution To Make In Improving Social Services In The Region
Source: Author, 2021

It is clear from the above figure that the respondents believe that the oil companies do not make any contributions in the field of basic social services, while 25% of the respondents believe that the oil companies have some contributions in the field of social services and that these contributions are

mainly concentrated in providing the villages surrounding the oil fields with water Drinking In addition to some small contributions in the health and education sector, others believe that there is a contribution to some extent by these in the areas of social services.

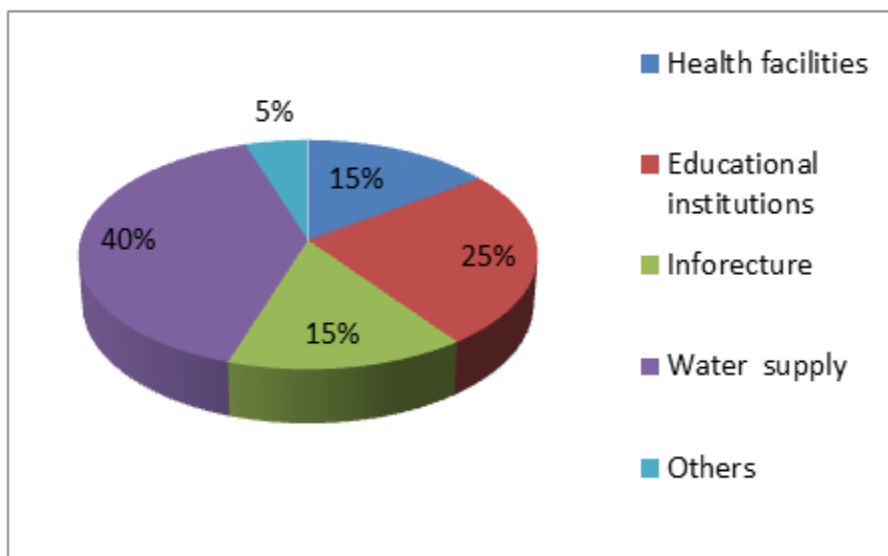


Fig 5 The Service Sectors In Which Oil Companies Contribute To The Production Areas.
Source: Author, 2021

From the previous figure, we find that the contribution of oil companies in the social services sectors is represented in the water supply, where 40% of the respondents say that, while 25% believe that the companies' contribution came in the education sector through the establishment of schools, and 15% goes to the companies' contribution that comes in

the health sector from During the establishment of health centers in villages adjacent to fields and in villages that were newly established by these companies, while 15% mention that the oil companies contribute to the infrastructure, and only 5% believe that the companies' contribution is in the service sectors of sports, culture, etc.

➤ *Education:*

Table 2 The Number of Schools in the Oil-Producing Areas Compared to the Contribution of Oil Companies in the Education Sector.

The number of secondary and basic schools in the state	Number of schools built by the oil sector	Percentage of the oil sector’s contribution to building schools
612	107	%17

Source: (West Kordofan State,Sudan, 2020)

The above table shows the total number of schools in the state and the extent of the contribution of the oil sector represented by companies in the construction of schools, whether at the secondary or basic levels, where this contribution amounted to 17%, which is a small percentage

if compared to the item allocated for this sector in the budget of oil companies, and the percentage The largest of these modern schools are located in the new villages that have been established by the oil and gas sector in the production areas.

➤ *Health care:*

Table 3 That the Total Number of Facilities in West Kordofan State.

Number of hospitals, centers and health units in the region	Percentage of health coverage to population.	Number of hospitals and centers built by the health sector.	Percentage contribution of the oil sector to the construction of health units.
507	34%	93	18%

Source: (West Kordofan State,Sudan, 2020)

Table (3) that the total number of facilities in West Kordofan State is 507 facilities, which include public and private hospitals, family care centers in addition to health units, according to the data extracted from the West State Executive Performance Report for the year 2018, according to the reports of the Social Services Department, the development system of the Ministry of Energy and Mining It built 93 health facilities, which is 18% of the total health facilities in the state.

In addition to groundwater wells, “Hafiers” for animal use. Villages near BBC, like Baleela and Elferdoose got their water supply by Tankers availed by the Company.

The main stated needs by the community and top priority for them are shortage of water supply and health in all areas.

Access to water is essential for all life. Water quality and availability can impact health and well being of individuals and communities. Access to water can be restricted by low coverage, poor continuity, insufficient quantity, poor quality and excessive cost5.

➤ *Water Supply:*

The companies distribute water for community daily by tankers. One of the main stated needs in the area is water supply especially villages far from the company.

In area the quality and availability of water is a paramount concern. Residents were also concerned that the voices of many in the community were not being addressed adequately to solve shortage of water supply.



Fig 6 Drinking/Service Water Well

V. INFRASTRUCTURE

Before the emergence of oil, the region did not witness any kind of paved or paved roads, according to the aforementioned evidence, and with the entry of oil companies into the region to explore and prospect for oil, there must be roads to facilitate movement and help in transporting equipment and mechanisms for these companies, so these companies began to work the rubble And preparing the roads leading to the oil fields. Many bridges were also built because the area is interspersed with many valleys, which impede movement during the rainy season.

These roads and bridges spanned along pipelines and oil field wells in the area. That is why some say that these roads and bridges were not built in an optimal way in order to last for a longer period and perform their purpose better. Rather, it was temporary and subjected to continuous erosion by rain because it was not asphalted, and even bridges faced with challenges.

These infrastructures have been used before in their daily movement between the areas that contain oil fields, so these companies have seen that this falls in the aspect of the social responsibility of these companies, and some of the respondents go to say that the roads must be paved with asphalt in order to be able to withstand the face of The rains and bear the increasing pressure on them, but these companies do not want to do this task and bear the costs, which is at the heart of the corporate social responsibility program for these companies.

VI. DISCUSSION

On the economic side, when oil was discovered and produced in these areas at the end of the last century, expectations and hopes were high that a development boom would occur in the economic and social aspects, and that this oil industry would contribute to advancing the other sectors, agriculture, grazing, etc., and that the residents of those areas would be greeted with better job opportunities. An improvement in the standard of living, but this was not to the extent of these expectations, as the results were completely less than the hoped-for, and the industrial sector in the state in general only contributed 2% of the GDP in most of the years that followed oil production in West Kordofan State. The found these oil companies did not fulfill their promises to provide sufficient jobs for the people of the region to work in the oil fields, according to the opinion of most of the respondents. Operating oil companies, also there are some respondents mention that Companies that bring labor from outside the region, despite the presence of people in the region who have the same qualifications for these jobs, and this has created a kind of dissatisfaction among the local communities about these companies and they consider it a clear breach of the obligations within the framework of social responsibility promised by these companies to the people of the region. Therefore, most of the respondents feel that neither the oil industry nor the companies that lead this industry in the

region have brought about an economic and developmental transformation that can be referred to.

In the education sector, we find that the social responsibility has been reduced to building schools with the provision of some study aids to students and school bags, but it was limited according to the opinion of some of the interviewees and did not last long, and the contribution to building schools has also succeeded recently, assures Muhammad Hassan, one of the leaders The locals said that the support for education by the oil companies within the framework of social responsibility has become lost promises and they have not obtained anything so far. Also, the schools in some villages are facing overcrowding in classrooms, which has led to an increase in the dropout process and a high percentage of educational losses in these villages. . Another thing worth noting is the deterioration and neglect due to the absence of periodic maintenance of schools, which made some classrooms vulnerable to collapse, and the lack of interest in the facilities built by oil companies within the framework of social responsibility and leaving them without guiding stakeholders on how to maintain and sustain them, which (Frynas, 2009), confirms in his study on social responsibility. For the National Oil Corporation and Shell in the Niger Delta in Nigeria.

With regard to the social responsibility of oil companies in the health sector, the study found that these companies have built some health centers in villages near the oil fields, as well as in newly established villages. It is also noted that these facilities were provided with some medical equipment, but we find that some These centers work intermittently and others have been closed since their construction has not been opened until now. The buildings and some equipment have been neglected and damaged. Some respondents believe that the oil companies have built these centers, but the absence of the medical staff has rendered the whole matter useless, which affected the seeds of any Contribution under the responsibility of these companies in the health sector.

In the infrastructure sector, which is meant the roads and bridges that were built by oil companies in the areas of oil production, this study found that these roads were mainly established for the purpose of linking the oil fields with each other, but the local community has become using them for the purpose of moving between villages, according to some of the respondents. These roads and bridges have greatly helped to connect the regions to each other. Another aspect that should be noted is that these unpaved roads are exposed from time to time to erosion by rain, and among the promises made by the oil companies to asphalt these roads, this has not happened so far, and it is worth noting that the oil production areas in West Kordofan have only less From 550 km of asphalted roads according to the Ministry of Infrastructure in the state.

With regard to the water supply in the oil production areas, the study found that the oil companies, within the framework of responsibility programs, have dug some holes and wells in the villages near the oil fields, and these

companies have undertaken, within the framework of collective responsibility, the periodic maintenance of these water facilities, but according to some of the respondents, these have fulfilled these The companies have fulfilled their commitments for a period of time, but recently these pledges have retracted, and this is one of the companies' shortcomings in implementing responsibility programs. Therefore, most of the respondents believe that the oil companies, despite what they have done in the water supply sector, is not enough, and many of the companies are still The areas in the oil fields suffer from scarcity of water supply, especially during the dry season.

VII. CONCLUSION

Based on the foregoing about the social responsibility of the oil companies in Sudan, it can be said that there is a legal framework that was established from the beginning by the government to organize and govern the social responsibility programs in the production areas, and that these legal frameworks and agreements between the oil companies and the Sudanese government have contributed to the implementation of Some development projects and the provision of some job opportunities for the local community in the production areas, but there is a regression that has occurred as a result of the change in the policies and legislations that govern the oil sector in Sudan in general. There is another aspect worth noting, which is the absence of follow-up and monitoring in the implementation of these development projects within the framework of social responsibility, which affected these projects in playing their role towards local communities, whether in the water, education, health, infrastructure, etc. sectors, which explains that these projects and programs When it is implemented, the local community is not involved in it until they are part of it, which makes them preserve it to perform its function in an optimal way.

Finally, the social responsibility programs of the oil companies are not like the public relations programs carried out by companies in other sectors, but rather they are development projects that are planned, implemented and monitored to ensure their long-term sustainability.

RECOMMENDATIONS

- Enact laws and legislation that frame social responsibility and review existing legislation so that it has an effective impact.
- To place this responsibility among its priorities and to allocate a budget for this purpose effectively buy local communities in social planning and by identifying community needs and linking them to the policies on the table.
- Strengthening the partnership between the oil companies and the local community.

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