

The Role of Kenena Sugar Company's CSR in Community Development

Case Study: Fangoa Cluster Communities, White Nile State, Sudan

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Abstract

Corporate social responsibility (CSR) backed to strategies corporations of firms or company conduct their business in a way that is ethical, society friendly to community in terms of development. This paper highlights to the role of Kenena Sugar Company's CSR in community development on Fongoga Cluster community. Primary data was collected using a questionnaire designed to cover all study aspects in open and closed-ended questions filled in face to face interview session..42 households participated in the study. Analyses, show there have been positive outcomes to the livelihoods of some of the households as a result of company intervention and its operations in the studied community.

Keywords: Corporate Social Responsibility, physical and natural capital assist

1. Introduction:

The issue of corporate social responsibility (CSR) has been debated since the 1950s. Latest analyses by Secchi (2007) and Lee (2008) reported that the definition of CSR has been changing in meaning and practice. The classical view of CSR was narrowly limited to philanthropy and then shifted to the emphasis on business-society relations particularly referring to the contribution that a corporation or firm provided for solving social problems. In the early twentieth century, social performance was tied up with market performance. The pioneer of this view, Oliver Sheldon (1923, cited in Bichta, 2003), however, encouraged management to take the initiative in raising both ethical standards and justice in society through the ethic of economizing, i.e. economize the use of resources under the name of efficient resource mobilization and usage. By doing so, business creates wealth in society and provides better standards of living.

The present-day CSR (also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) is a concept whereby business organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as their environment.

This obligation shows that the organizations have to comply with legislation and voluntarily take initiatives to improve the well-being of their employees and their families as well as for the local community and society at large.

CSR simply refers to strategies corporations or firms conduct their business in a way that is ethical and society friendly. CSR can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, customers and their families, and involving in activities for environmental conservation and sustainability.

The main aim of this paper is highlights the role of Kenena Sugar Company's CSR in community development (physical and natural capital assist of Fangoa cluster communities) based on an international perspective due to the heterogeneity of CSR in its understanding and practices in various countries of the world.

Kenena Sugar company (KCS) is the an example of largest scale activities that require large area of land, land allocation to meet large scale requirement, in many cases, provided without consideration to its traditional uses or the impact of such exploitation on indigenous livelihood, the environment and biological degradation. (*kenena report2011*).

Fangoa cluster is located in White Nile State, it's one of the big planned areas that was designed to become model village, it is composed of a number of small villages, and divided into two main neighborhoods (north and south) and total number of population around 2340 persons. It was existed since 1936, and dominated by one tribe (Nabha). Nabha has different linkages such as Kawahla and Kenana. The main pattern of farming in this area is rain-fed agriculture. People also rear some animals such as cattle and small ruminants

White Nile is one of the fifteen states of Sudan, is situated in central Sudan and has 85 percent of population live in rural areas and around 15 percent are in urban areas. It's accommodates about 6% of Sudan's livestock wealth and ranks fourth in the total livestock numbers and livestock density (7.1 TLU/ km²) amongst

the 15 Northern states of Sudan. However, this indicates that livestock ownership is primarily restricted to resident households who own limited numbers of small ruminants and poultry that nevertheless give sales to pay for food and medical expenses. On the other hand dairy farming is expanding in the State and the area is famous for cheese manufacturing especially in and around Eldueim and Kawwa towns.).(kenena report2011).

2. Methodology:

Study focused on Fangoa cluster is directly affected by policies and activities of Kenana Sugar Company. Multi-stages sampling was used to select households from the village as follow:

Stage1: The nature of this area a collection of small villages, which are divided into two clusters (South- North) with a total number of350 households, I was put figures 1&2 to represent the cluster.

Stage2: after clustering was made, a random sampling was used to select the first respondent.

Stage 3: The Snow ball method was used to select the other respondents to complete the sample size to 41 respondents (38male& 3 female).

3. Results and Discussion:

Categories of physical capital that are dealt with include: housing, roads, communications, education facilities and health services

3.1.. Source of livelihood of the households

Table (1)

Source of livelihood of the households				
Source	Before		After	
	Frequency	%	Frequency	%
Pastoralist	7	16.7		
Agricultural activities	26	61.9		
Non-agricultural activities	8	21.4		
Waged labour in farm or factory			26	61.9
Small scale business			16	38.1
Total	42	100	42	100

The research revealed that ,the most important livelihood source for the assessed communities in Fangoa cluster before1976, was agricultural activity for (61.9%) of head of household followed by households engaged in non-agricultural activities (21.4%) and pastoralist were (16.7%). Those who are engaged in nonagricultural activities are working in construction site, daily wage labour, and...etc in Rabk city. The figure mentioned above reflects that, approximately more than half of surveyed households in the study area fully depended on agricultural activities for their livelihoods and practiced rain-fed agriculture due to geographical location of the study area (semi-arid zone). After 1976 that the land use was changed in the study area regarding to company policies, most of the farmers have changed their principle occupation and 57.1% head of households got more engaged in multipurpose activities such as waged labour (permanent& daily labour) in the company's farm or factory. While 38.1% of the household works in small scale business outside the farming area (number was increased resulting from company policies).All surveyed households, in addition to their jobs, were still practicing rain-fed farming in the marginal lands around the company farms. From this resulting it is clear that labour earnings are being seen as a key category in the livelihoods of the people in both the urban and rural contexts.

3.2. Household properties before and after:

Table (2)

Material that used in residence				
Material	Before		After	
	Frequency	%	Frequency	%
Local material (thatched leaves and straws)	31	73.8	4	9.5
Mud	11	26.2	38	90.5
Total	42	100	42	100

According to households' residence before Kenena intervention, all of them owned their residence. However the majority of them own houses which are made of from local materials , 73.8% their houses made from local materials, while 26.2% made from mud with local materials with roofs made from local material. Yet none of the houses has public electricity and/or water services. This result indicted that, houses made from temporary materials; this due to nature of livelihood of head household (agro-pastoralist) dictated the household appliances that they need as well as the material they use for the house construction. This agrees with *Steimann, Ali et. al 2006*,

“A house is one of the most important physical assets for the rural people. Most of the houses of the people of rural areas are either made of wood or mud-stone” (Steimann, 2006; and Ali et. al., 2006).

After intervention, 90.5% of households had their houses built from mud, while 9.5 % were still built from local material with public electricity and water facilities. This meant that there were significant changes that happened after company intervention and that change happened in house style, which meant there was improvement in standard of living also a house indicates that an individual or family has user rights of the land where it is located.

Table (3)

Types of properties of household after No=42				
Type	Before		After	
	Frequency	%	Frequency	%
Radio	26	61.9	13	31.0
T.V			3	7.1
Mobile			6	14.3
radio+ mobile			6	14.3
don't have	16	33.3	4	9.5
radio+ T.V			4	9.5
radio+ T.V+ mobile+ car			6	14.3
Total	42	100	42	100

61.9% of them used to have radios as the only household property at that time. While 33.3% didn't have any type of house properties used.

Change also happened in household appliances after Kenena company intervention where, 69% of the households owned different kinds of appliances like mobile phones, TV's, fans, refrigerators, in addition to radios.

3.3. Livestock:

Table (4)

Distribution of livestock per household				
Type of livestock	Before		After	
	Frequency	%	Frequency	%
Sheep	4	9.5	3	7.4
cattle+ sheep+ goat+ donkey	20	47.6	2	4.8
sheep+ goat+ poultry	4	9.5	15	35.7
cattle+ sheep+ goat+ poultry+ donkey	14	33.3	2	4.8
Don't have	0	0	20	47.6
Total	42	100	42	100

Source: field survey 2012.

The study reported that, almost all surveyed households keep different kinds of animal, due to weather conditions and food resources available to livestock, the kinds available in this area are, cattle, sheep, goats, and poultry. This result indicates that, the most of households were prefer to raise ruminants; this is due to nature of environment in this state. Cattles were valued for wealth, prestige, offering and business; goats and sheep for households' consumption/food security and generating cash incomes, while donkey was used for carrying luggage, water and transportation respectively. A big change happened in the livestock ownership after company intervention, most people got rid of their animals (See table above) in compliance with company rules and regulations (people are not allowed to rear any kind of animals after the company started to grow sugar cane). Livestock plays an important economic and socio-cultural role among many households in study communities also its subsector contributes to the food and cash needs of the farmers, and provides employment. This agrees with Pizarro (2001: 11) who defined social vulnerability as:

“The insecurity and defenselessness experienced by communities, families, and individuals in their livelihoods as a consequence of the impact of a socio-economic event of traumatic character; and the management of resources and strategies which are utilized by these communities, families, and individuals to cope with the effects of this event”.

3.3. Infrastructure and communication:

Roads and means of transportation are essential to diffusing knowledge and technology, which facilitate the development of communities (either rural or urban). In the study area, all households reported that, the infrastructure was generally very poor in area. There was only one major dirt road passing through study area to main near city (Rabk) which is impassable it during rainy season. There is no public transport system, and most

people have only one option (donkeys) when travelling from one place to another. This meant that, the problem of poor road and public transportation has negatively affected the livelihoods of people in the study area, for example, it is hard to get supplies into rural areas, and this limits trade with other regions or area. Also it meant that, methods of communication in rural settings were rather primitive and in most of the cases depends on liner communication between the individuals or groups in the village.

Table (5)

Access to get information and news				
Access	Before		After	
	Frequency	%	Frequency	%
full access	4	9.5	39	92.9
partial access	22	52.4	3	7.1
No access	16	38.1	0	0
Total	42	100	42	100

After Kenena company intervention, 92.9% of household reported that they have full access to information and full satisfaction with reliability of information rather than before the company's intervention. This meant that a developed physical capital base enhances the effectiveness and efficiency of sustainable livelihood outcomes. This agreed with *Scoones (2000)* reports that, "Infrastructural assets such as roads, power lines, and water supplies are very important and facilitate livelihood diversification. Roads facilitate movement of people between places offering different income-earning opportunities and they open up markets that otherwise would not even be there".

3.4. 1. Education Services:

All household reported that, regarding their livelihood pattern and nature of village (scattered), there was no any type of educational services found in the study area before company intervention. This meant that, there was a problem in educational status in the study area, this which leads to lack of skilled labour, this agrees with,

Table (6)

Status of educational services (primary school) N=42								
Status	Very good		Good		Suitable		Weak	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Building	2	4.8	17	37.8	6	13.3	3	6.7
Seating			1	2.4	36	85.7	5	11.9
Availability Books			6	14.3	13	31.0	23	54.8
Availability Teachers	2	4.8	33	78.6	6	14.3	1	2.4

Source: field survey 2012

All households reported that after intervention and change in the livelihood pattern, a mixed primary school with local material was built in the study area the first time that has passed through rehabilitation process in building and in seating.

According to the status of this school, 54.8% of household saw the availability of text books was weak, and did not arrive on time. After 2007 books did not always arrive in time and there was a reduction in the quantity of books. In other households, 45.3% saw between suitable and good.

Most of households, 85.7%, agreed that the status of the school's sitting was suitable. 11.9% of households saw the sitting as weak and the rest described it as a good status. 78.6% of household reported the availability of the school's teachers was good, and 14.3% saw it as suitable but the other 4.8% saw it as very good and 2.4% as weak.

3.3..2. Health services:

All households mentioned that, there were no any health services in the study area before intervention, people using traditional herbs as main treatment, but in the emergency cases and with the availability of money households went to Rabk hospital. This indicated that, although health is considered as main component of livelihood, people in this area do not have access to formal medical services. This agrees with the in-depth interview of local leader,

All households reported that, one of the commitments of the company towards people in the study area was to rehabilitate the old building and to extend it to be a health centre to cover all of the compound with primary health services.

In general, enhancement of the physical capital stock of the rural households is realized through the repair of roads which makes it possible for easy transport of farm produce, the construction of a community school, the construction of a clinic and workshops as well as the extension of electricity to the communities.

3.5. Natural capital

Regarding Department for International Development, 1997, Natural capital is defined as the natural resource

stock from which resources flows which useful for livelihoods are derived (e.g. land, water, wildlife, biodiversity, and environmental resources).

The main categories of natural capital that are described in this part are land, water, and other environmental resources, these being the most important natural resources for livelihoods in the study area. From analysis it's clear that, all of heads of households had full access to land in the study area, depend on key informants, community leaders and households, land property in study area can be classified into three kinds according to its use by the villagers to support their living condition. Firstly, settlement land is the land that the settlers built their house on and is practically recognized by local authorities and villagers. Secondly, farming land; this is the land that has been occupied and cultivated by the villagers. Lastly, grazing land that is land that covered by different fodders and herbs. This kind of property and division referred to traditional system, customs and reserved to communities rather than to individuals the land tenure of people living in area is characterized by small, medium and larger land holdings. This mean that, Fangoa cluster community do not see land as a limited resource, as they normally get access to cultivate and graze their animals.

Table (7)

Size of land	Frequency	%
10-20 <i>Jeddah</i>	9	21.4
21- 30 <i>Jeddah</i>	23	54.8
31-40 <i>Jeddah</i>	5	11.9
41-50 <i>Jeddah</i>	3	7.1
More than50 <i>Jeddah</i>	2	4.8
Total	42	100

According to the size of land, 54.8% of households their farm ranged between 21-30Jeddah, 23.8% ranged more than 31jeddah and 21.4% ranged between 10-20 Jeddah. From this result and regarding to land tenure system of household heads in the study area, ranged between high, medium and small land holdings, this type of holding is one indicator to categorize households economically. Households holding more than 50 Jeddah are classified as rich people, while the medium wealth whose land range between more than 30-and less than 50 Jeddah, others with holding are less than 30 Jeddah classified as low economic status.

Table (9)

Access to land after intervention		
Type Access	Frequency	%
accessible	10	23.8
partially accessible	21	50.0
inaccessible	11	26.2
Total	42	100

Most of households (76.2%) reported that, no or only partial access to their land, while 23.8% of households still had access to their land. This meant there was a deficiency that happened in production system that because land, water and...etc. are the important factors of agricultural production, change in one factor may cause deficiency in production output, land is considered as responsible factor of production. Due to that, there have been significant difference on the quantity of harvest and has deficit of households' income level which leads to vulnerable in source of livelihood. This agrees Barnett, *Obrist 2001*,
"Vulnerability may result from poverty, marginalization and exclusion, and it is generated by social, cultural, economical and political processes. It may affect the well-being of individuals, households and communities in the face of social, cultural and environmental change and how people respond to and deal with such negative change.

Table (8)

Source of water before		
Source	Frequency	%
Hafir	27	64.3
Hafir +River Nile	15	35.7
Total	42	100

Source: field survey 2012

From table above, 64.3% of households reported that the main source of water was *Hafir* while 35.7 % used both the *Hafir* and the Nile River. But all households said that, one *Hafir* did not have enough water to meet the demands of the communities in scattered villages, especially in the dry season. Thus villagers go to collect water from the White Nile to compensate for the water shortages. All of households agreed that they have full access to use these sources.

After Company intervention, there is a significant change in the source of water after the intervention. All households main source was village overhead tank which was sponsored by company to supply village with

clean water. Company used to support villages with fuel daily to operate the generator to raise water into the tank to provide all village with water.

4. Conclusions and Recommendations:

4.1. Conclusions

It is found that, before company intervention, the livelihood pattern was very simple, people moving from place to another in an unsettled fashion. Due to that, they owned very simple households appliance (Radio), and they had no access to social services and owned land with different size. Also, most of them are native and belonging to three main tribes which were clustered into five small villages.

After company intervention, big changes happened in the area, resulting from community coping strategies and company policies (CSR) to adapt with this intervention. Resettlement was done by the company to form one camp named Fangoa cluster from the scattered villages.

It can be said that, the company intervention has had positive and negative effects on the livelihood of households in four villages with differential degrees; for example, the economic situation of the villages strongly improved due to intervention. Moreover, most households became professional in mechanized agriculture (sugar cane) and new sources for generating income were increased.

Moreover, it is found that education and health status in the study areas has been strongly improved, as whole generation of children has been enrolled in different schools and the rate of educated people has become high.

Finally, there have been positive outcomes to the livelihoods of some of the households as a result of company intervention and its operations in the studied community.

4.2. Recommendations:

- KSC should consider and facilitate development of the human capital through offering the training to build the capacity of community members and upgrade their skills to be able to find job opportunities.

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