



ELSEVIER

Contents lists available at ScienceDirect

Forest Policy and Economics

journal homepage: www.elsevier.com/locate/forpol

Disclosure of corporate social responsibility in the forestry sector of the Congo Basin

Rui Colaço^{a,*}, João Simão^{a,b}

^a Universidade Aberta, Department of Social Sciences and Management, R. Escola Politécnica, 141–147, 1269-001 Lisboa, Portugal

^b CAPP - Centre for Public Administration & Public Policies, Universidade de Lisboa, R. Almerindo Lessa, 1300-663 Lisboa, Portugal



ARTICLE INFO

Keywords:

Corporate social responsibility
Congo Basin
Forestry sector
Disclosure
Environment
Social

ABSTRACT

The Congo Basin (CB) region is highly relevant in both environmental and social terms. Due to the various roles and meanings that forests play in the region, it becomes urgent to understand how forestry companies disclose their (alleged) corporate social responsibility (CSR) activities. This work aims at identifying which CSR themes are more often disclosed by companies, and verifying geographical patterns according to their headquarters location, in a region where studies on the subject are scarce. A grid of CSR themes enabled the analysis of the website contents of 37 forestry sector firms operating in the CB. Companies were divided in three geographical regions, according to the location of their headquarters: West, Africa, and Asia. The results suggest that the companies value timber certification and prefer to focus on disclosing environmental themes related to their operations. Education and health are the most disclosed themes, in line with contractual obligations. There is a clear relation between the disclosure and the geographical origin of the companies: Western companies disclose more than their Asian and African counterparts. The near-absence of disclosure around human and workers' rights by Asian companies is notorious.

1. Introduction

The second largest tropical rainforest in the world is located in the CB. It plays a fundamental role on the preservation of biodiversity and climate regulation by capturing atmospheric carbon dioxide and contributing to limiting global warming. Around 60 million people depend on this forest for their livelihoods, and it has a crucial social and cultural role for local populations and regional economies (de Wasseige et al., 2015). Despite having inherited good infrastructures from the colonial period and having huge reserves of raw-materials (Matti, 2010), the region is politically and economically collapsing. CB countries (Fig. 1) score low on human development index (UNEP, 2016): life expectancy is short, fertility rates and population growth are amongst the highest in the world, and illiteracy rates are significant. Besides, they are amongst the worst in terms of business environment (World Bank, 2017), with high indexes of hunger (von Grebmer et al., 2012) and corruption (Transparency International, 2016).

The forestry sector harvests a natural raw material – wood. Logging generates positive and negative environmental and social impacts, some of which are specific to the CB. The most frequently mentioned impact consists on the construction of logging roads. Such infrastructures generate direct and (mainly) indirect impacts. They damage

the forest cover, increase bush meat demand and facilitate access of poachers to previously remote locations (de Wasseige et al., 2014). The upsurge in the circulation of vehicles and people place challenges on the region, namely the emergence of new diseases, the supply of significant quantities of alcohol and toxic industrial products (e.g. glues) used as drugs, generating previously non-existent problems (Amaral, 2016).

Albeit relatively well preserved, the forest is threatened by the foreseen economic boom, large scale farming projects, and illegal wood extraction activities in the region (Defourny et al., 2011).

The timber industry is an important source of income and jobs for the CB and will be decisive for the future of the forests in the region (Brunner and Ekoko, 2000). This relevance may affect each country differently, as some of them (i) have considerable forest resources but an underdeveloped forest sector, such as Democratic Republic of Congo (DRC); (ii) abundant forest resources and an active timber sector, such as Republic of Congo, Gabon and southeast Cameroon; and (iii) scarce forest resources and a small but active forest sector, such as Central African Republic, Equatorial Guinea and south Cameroon (Ruiz-Pérez et al., 2005).

Perspectives of economic growth raise concerns over the role of companies in social development, sustainability of timber operations,

* Corresponding author.

E-mail addresses: rbcolaco@gmail.com (R. Colaço), joao.simao@uab.pt (J. Simão).

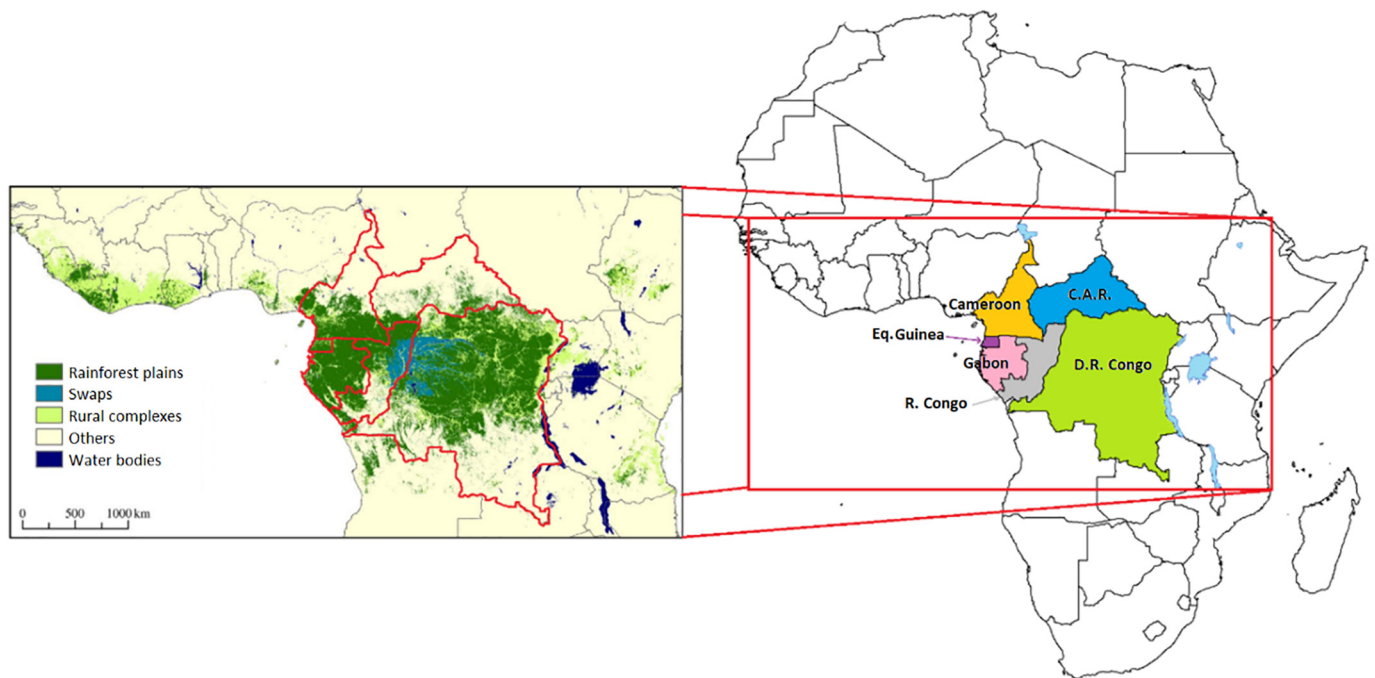


Fig. 1. Congo Basin Map (adapted from [Mayaux et al., 2013](#)).

and forest and environment protection. Some advocate that timber companies contribute little to solve regional development problems (e.g. [Nasi et al., 2012](#)). Where governmental structures and institutions are weak, companies play a determinant role in the socio-economic development and environment protection - often there is a Social Clause in the concession contract between forestry companies and the State. These contributions represent an essential element of CSR in Africa ([Kühn et al., 2018](#); [Visser et al., 2006](#)).

Although there are numerous possible definitions of CSR (e.g. [Dahlsrud, 2008](#)), synthetically it refers to the positive impacts that companies have on stakeholders. Disclosure of CSR initiatives has become a management tool to attain social legitimacy for corporate operations, as well as to inform stakeholders, especially in environmentally-sensitive industries. Many companies justify their existence by disclosing their social and environmental performance and concerns.

Despite not necessarily reflecting effective implementation, studying CSR disclosure constitutes a method of analysing the efforts companies allegedly make to improve environmental, social and economic conditions in the regions where they operate. No consensual CSR standard exists for the forest-based sector ([Toppinen et al., 2012](#)). As an environmental-sensitive industry, forestry companies often specially focus their communication strategies on environmental issues in order to attain legitimacy to their economic activities (e.g. [Garcia et al., 2017](#)). Besides, their impact on local communities needs to be addressed given the socio-economic context in which they operate (e.g. [Mikkilä and Toppinen, 2008](#)).

This exploratory study aims to contribute to overcome the evident scarcity of literature on CSR in the forestry sector in the CB, and to provide hindsight on how differences in companies reflect on the way their communications to stakeholders are shaped, and what motivates the firms.

Since the Internet is ever more the preferred way to disclose CSR, the present study analyses the contents of the websites of 37 forestry companies active in the CB, in order to: i) evaluate the predominance of different CSR themes in corporate disclosure; ii) relate the contents with company origin.

The work is structured as follows: [Section 2](#) presents a theoretical

framework, where the main concepts about CSR literature in the forestry sector are presented; the methodology is explained in [Section 3](#); in [Section 4](#), results are presented and discussed; [Section 5](#) ends with the conclusions.

2. Theoretical framework

CSR is herein understood as an umbrella term ([Blowfield and Murray, 2008](#)): it refers broadly to the obligations towards investors, employees, consumers, communities, and the environment, encompassing different ways on how the relationship with the society is defined, managed and influenced.

Even if no theory consensually explains the behaviour of companies regarding CSR ([Deegan, 2002](#)), two aggregating reasons are usually mentioned in literature: business benefits and political economy. The first covers 6 main action areas ([Weber, 2008](#)): reputational benefits; improvements in human resources, (motivation, retention and recruitment of workers); cost reduction (efficiency gains); increasing sales and market share; risk management (bad press, boycott by consumers and NGOs); and long-term improvement of the non-financial performance. Nonetheless this work is theoretically grounded on political economy, since the social and geographic context and the nationality of the companies are considered to better characterise CSR disclosure in the CB forestry sector.

2.1. Political economy - stakeholder, legitimacy and institutional theories

In this approach, the company is considered an organism that implicitly enters a social contract with other members of its operation environment. Hence, the organization needs consent from its stakeholders. CSR disclosure (and activities) becomes a component of the approval and legitimacy building process ([Holder-Webb et al., 2009](#)): social and environmental disclosure influences the companies' perception by society and, thus, reputation can be discursively built.

The stakeholder theory states that companies should consider every stakeholder that may affect or be affected by the corporate objectives ([Freeman, 1984](#)). Companies should benefit those who have interests on them: shareholders invest financial resources, employees invest time

Download English Version:

<https://daneshyari.com/en/article/6544743>

Download Persian Version:

<https://daneshyari.com/article/6544743>

[Daneshyari.com](https://daneshyari.com)