

# **STUDY ON ECONOMIC ACTORS' SOCIETAL RESPONSIBILITY**

**Research Report on the Situation in Africa**

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## 1. INTRODUCTION

### 1.1 Prospects and objectives

This study presents an African prospect regarding the state of things as per the Social Responsibility of Economic Actors (SREA). It begins with a summary analysis of the institutional context before posing and examining the issue of SREA in Africa according to a regional approach.

The central hypothesis underlying the logics behind SREA, and therefore this study, is that “enterprises are also concerned with sustainable development, and a dialogue amongst stakeholders is indispensable to achieve it”. Before any attempt to verify that hypothesis, it is therefore necessary to have baseline information and an apprehension of the situation of African countries. In this regard, this study seeks to achieve four strategic objectives:

- o *Have an overview of standards observed by major enterprises in Africa and their level of ownership of international standards;*
- o *Check whether the concept of SREA is known to the corporate environment and other economic stakeholders in Africa;*
- o *Assess within the African context the global vision of social responsibility in which some “informed” enterprises can be classified, and the extent to which they feel committed with all stakeholders;*
- o *Give rise to the debate amongst enterprises on the concept of social responsibility, and encourage their managers to fall in line with SREA.*

### 1.2 Methodology and scope of the case studies

The research team<sup>1</sup> set guidelines in order to achieve these objectives; these are based on a qualitative approach which essentially dwells on the collection and analysis of secondary data via internet. But this approach encounters several constraints within the African context because of the very wide diversity of the regions and economic systems (at least six regional blocks with different linguistic communities within each block: French-speaking, English-speaking, and Portuguese –speaking) on the one hand, and the lack of desired information on internet on the other.

The methodology that was finally adopted was a combination of the collection and analysis of secondary data (from documentation and the web) and direct interviews from a sampling of resource enterprises and institutions. Several resource persons from various countries were thus associated to the investigations. The case studies have then been able to cover three regions including West (..%), Central, and Southern Africa. The western African region was rather privileged because of the level of regional integration and communication facilities; the sampling of cases covered by the investigations<sup>2</sup> includes mainly major enterprise, trade unions, and consumer associations. This methodology is organized around the following seven (7) steps:

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1 This is in fact a much wider study which includes the five continents and whose terms of reference were drafted by a five-member research team (one from each continent) coordinated by Vincent Commenne, within the framework of PSES SREA workgroup of the Alliance pour un Monde Pluriel Responsable et Solidaire.

2 The senior researcher availed himself of his trips and contacts in many African countries to identify and support others researchers in order to develop the country cases.

- *Documentary research and analysis;*
- *Development and testing of the interview guide;*
- *Identification of associated researchers outside the Republic of Benin and methodological supports for the assignment;*
- *Exploitation of country registered enterprise directory, and selection of two to four enterprises “committed” the quality process or the SREA logics, taking into account enterprise representation by sector of production and services;*
- *Interviews with selected enterprises (Production manager or quality or standardization officer, and trade union representatives) and representatives of consumer associations;*
- *Data processing and analysis, and production of country report;*
- *Synthesis and consolidation of the preliminary report for Africa.*

The tools used in this study and the contact addresses of persons associated are respectively presented in Annexes 1 and 2.

The eleven case studies presented in this document portray an overview of SREA in Africa, based essentially of experiences realized in the western and central sub-regions, and by extension, in most sub-Saharan African countries because of the bilateral cooperation framework created between ACP and EU countries by virtue of the Cotonou Agreement.

## **2. LEGAL AND INTITUTIONAL FRAMEWORK**

### **2.1 Some elements of the SREA legal framework**

In Africa, nearly all state and legal institutions are inherited from colonization. This situation is generally translated by the lack, the delay in the development or the lapse of the legal provisions necessary to regulate the operation of enterprises within a context where consumer associations are being recognized as indispensable partners of economic actors. Up to the end of the seventies, the various national legal systems just contend themselves with the existence of general rights which are most of time dispersed into several inaccessible legal documents.

It is only after the adoption of “*The Guidelines for Consumer Protection*” (GCPs) on April 9, 1985 by the General Assembly of the United Nations that the rights of the consumer were finally defined under he guise of the following eight fundamental rights:

- *The right to the satisfaction of basic needs*
- *The right to product safety*
- *The right to information*
- *The right to choice*
- *The right to representation*
- *The right to recourse*
- *The right to education*
- *The right to a healthy environment*

These rights were universally adopted as they must be acknowledged and protected by the legislations of all member countries. As a matter of fact, even if the GCPs were voted by a

Resolution and are not an international convention applicable in all signatory countries that ratified them, no UN member country cannot enact or enforce a legislation or a regulation whose consequence would compromise their objectives or reduce their effects.

The General Assembly of the United Nations recognizes the eight consumer's rights as essential and universal as well as independent. That is why before the GCPs were extended in 1999, most activities relating to the protection of the environment and sustainable development emphasize the necessity to make production processes less polluting and safer.

Since their revision and the introduction of articles relating to the promotion of sustainable consumption, it clearly appeared that the Government has a responsibility in the promotion of sustainable consumption, and therefore of sustainable development, as it has to answer to "the needs of present and futures generations in terms of goods and services by means that are economically, socially and ecologically sustainable".

The new provisions of the GCPs enshrine the ninth consumer's right which is *the right to a sustainable consumption*.

By virtue of the provisions relating to the right of sustainable consumption, governments in partnership with the private sector and civil society organizations concerned are invited to "develop and implement strategies which encourage sustainable consumption...". That is the reason why the objectives of the GCPs were clearly defined:

*Because of the interests and needs of consumers in all countries, and particularly in developing countries, and the often disadvantageous position of consumers on economic plan and education point of view and negotiating power, and considering that consumers should enjoy the right to obtain products that are not dangerous, and that it is important to promote a social, fair and equitable... and sustained economic development, these guidelines for consumer's protection aims to:*

- a) *Help countries to put in place an adequate consumer protection system*
- b) *Facilitate the adoption production and distribution modes adapted to the needs and the desires of the consumer;*
- c) *Encourage the practice of high behaviour standards in those in charge of producing goods and services and their distribution to consumers;*
- d) *Facilitate the creation of independent consumer groups;*
- e) *Promote international cooperation in the field of consumer protection;*
- f) *Foster the development of markets that give consumer better choices at lesser prices.*

As a result, the GCPs represent a reference framework for all existing or future legislation of UN member country on the information and the protection of consumers.

In order to achieve these objectives, the various parties are encouraged to use a et of strategies including regulations, social and economic instruments, sectorial policies, mainly in the filed of land use, transport, energy and housing, but also measures to eliminate subsidies that foster non sustainable modes of consumption and production, together with measures to promote best practices, sector by sector, in terms of environment management.

In short, it results from the GCPs that the Government, the private sector, and the consumers must negotiate partnerships in order to guarantee the quality for goods and services offered to

the market. Mainly, given the fact that the quality of a product or a service is partially subjective as the factor of evaluation is the consumer.

Apart from the legal framework created around the GCPs which also concern Africa, the objectives of the partnership as defined by the Cotonou Agreement signed on June 23 2000 between the ACP countries and the EU stipulate in Article 1 paragraph 4 “the compliance with the rights of the human person and the **satisfaction of basic needs**, the promotion of **social development** and the conditions of a **fair distribution** of the benefits of growth”. Better still “a **sustainable and fair** development involving among other things **access to productive resources, basic services, and justice...**” are enshrined in Article 10 of the same Agreement and are considered by the African countries –signatories to the Cotonou Agreement- as elements that “contribute to the **maintenance** and the **consolidation** of a **stable and democratic** environment”. By virtue of Article 33, the European Union commits itself to support the efforts of ACP countries aiming at “legal and judiciary reforms and the modernization of legal systems...”. This Agreement therefore takes into account some objectives of the GCPs –especially, the right to recourse or redress wrongs- which are hence granted an additional *legitimacy*.

Moreover, one has to underscore that the Cotonou Agreement highlights other issues which diversely refer back to the Social Responsibility of Economic Actors. Some examples will include:

- Article 21 (Chapter 2: Fields of Support/Section 1: Economic Development) Paragraph 1 which stipulates that ..... the cooperation among other things, aims at :
  - The promotion of dialogue between public and private sectors
  - The development of capacity and corporate culture
  - The development and modernisation of mediation and arbitration mechanisms.
- Article 26 paragraph 1 (g) stipulates in terms of social sectorial development, that cooperation should aim at fostering the promotion of participatory methods of social dialogue together with the compliance with fundamental social rights.
- Especially Articles 47 to 49 which among other things deal with :
  - The necessary cooperation amongst the various parties in the areas of standardisation, certification, and quality assurance (with reference to the agreement on Technical Barriers to Trade (TBT) annexed to the Agreement creating WTO, in order to suppress useless technical obstacles and facilitate exchanges;
  - The right of each party to adopt or apply (further to the conditions provided) health and phytosanitary measures necessary to the protection of health and the lives of people and animals, or to the protection of plants ; and the commitment of the various parties to join their efforts and to collaborate effectively within framework such as the Codex Alimentarius, etc.
  - Trade and environment (development of coherent national, regional, and international policies, reinforcement of quality control for goods and services under the umbrella of protection of the environment and improvement of environment-friendly production methods in the given sectors).
- And lastly, Articles 50 and 51 which are respectively devoted to “Trade and Labour Standards”, and “Consumers’ policy and the Protection of the Consumer’s health”.

In West Africa where the regional integration process is rather advanced through the West African Monetary and Economic Union (UEMOA) and the Economic Community of West African States (ECOWAS), one has to notice that the UEMOA Treaty is not also opposed to the GCPs in so far as it aims not only to “harmonise as much as possible for the smooth operation of the common market the legislations of its members countries” (Article 4), but goes further. As a matter of fact, at Article 100, it can take into account “the achievements of African sub-regional organisations to which its members countries are parties” in order to reach its objectives, especially those set in Article 76. These include inter alia the implementation of the principle of freedom of movement of people, the right of establishment and service provision, the harmonisation and the acknowledgement of technical norms together with homologation and certification procedures of their observation control. In short, all thing that **contributes** to the promotion of **quality** of products and services, to consumer **protection**. But the Organisation for the Harmonisation of Business Law in Africa (OHADA) has a unified legislation for its member countries –UEMOA member countries among others– on General Business Law (contracts, traders), Business Corporate Law, and some legal procedures. This organisation is getting ready to adopt a unified legislation on “consumption contract”, i.e., some aspects of the rights of the consumer.

Last but not the least, UEMOA Regulation 02/200/ relating to anti-competition practices is in favour of community legislation on consumer information and protection for its effective enforcement. In fact, by forbidding the abuse of dominant position, the provision defines abusive practices including inter alia the fact to “limit production, markets or technical development to the detriment of the consumer”. As a result, it goes without saying that the implementation of a **true competition** policy should **involve** the institutional actors of course (the Government and the Private sector), but **also** and **above all** consumers and their associations as the policy is supposedly put in place for their interest and their protectors’. But consumers would support such a policy only when they are really and truly informed and legally protected. Because they alone can play their own role: Quality sentinels on the one hand, and markets watch-dogs to inform or report to the appropriate bodies should the case arise on the other hand.

It is true that the actions of Transnational companies more and more reduce the normative capacity of UEMOA member governments. But it is also true that consumers would only to the Governments, and to this organisation, its norms and decision making procedures when they derive a practical benefit from them.

That is why the project of community legislation on consumer information and protection is currently under review and aims to provide them a feeling of security, to ensure a minimum of social stability, a foreseeable future, and to guarantee them to some extent, a public order in conformity with the best moral convictions shared within the Union.

## 2.2 Institutional framework

Since the rise in power of multinational enterprises during the sixties, standards and quality appeared as the differentiation criteria non imperative, but useful and strongly salutary for company internal dynamics. Hence, in relation with the above described legal framework, described above, various initiatives were taken at international level with the ambition to put in place an appropriate institutional framework in order to facilitate the process of standardisation or certification. Even if truly indigenous initiatives were scarce I Africa, it is however compelling to acknowledge that, thanks to globalisation and the various international cooperation frameworks, the operationalization of the legal provisions in the



field was translated by the promotion of some norms and their harmonisation mainly within the framework of regional integration process.

After ISO 9000 standards on quality, ISO 14000 on environment, HACCP on sanitation, the standards on social responsibility of economic actors (SA 8000) represent a new generation. In fact, the principle of corporate social responsibility<sup>rd</sup> which is recent appearance concerns all the set of practices and their consequences, both inside and outside their walls. The direct impact of their activities applies in four major fields:

- **Social** (working conditions for collaborators; information, training , and remuneration policies)
- **Economic** (reports to stakeholders, commercial relations with customers and suppliers)
- **Environmental** (impact of the enterprise on its environment)
- **Civic** (existence and quality of relations with civil society and its representatives).

All the functions of the enterprise are involved and contribute, at their own level, to the overall policy of social responsibility. But the least one can say is that in spite of the significance of these issues, the latter are still insufficiently tackled in the African context as compared to the counties in the North. One of the main reason is that Africa is practically absent from the world trade and has very few major enterprises apart from the transnational companies.

Moreover, the issue of development and the fight against poverty in Africa is tackled with the framework of EU cooperation, in close relation with trade. Hence, as pointed out above, the ongoing experience within the framework of ACP-EU cooperation and which should translate into the conclusion of new trade agreements called Regional Economic Partnership Agreement (REPA) compatible with WTO regulations allows to underscore the importance of non tariff barriers as obstacles to the entry of African goods on EU market, in a context where the indispensable institutional and logistical infrastructure to ensure the compliance with standards and measures is yet to be created or consolidated.

West Africa represents the most advanced region in terms of regional integration by virtue of ECOWAS, a grouping of fifteen countries created in 1975, and which includes the eight countries members of the West African Economic and Monetary Union (UEMOA), i.e., Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, and Togo together with Cap Verde, Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone. ECOWAS main objective is the creation of an economic and monetary union, the promotion of economic integration in all avenues of the economic activity. The current fields of operation of the organisation include the creation of a common currency, the installation of a free trade area, and the establishment of a Common External Tariff (CET). Let us mention that UEMOA has a Common Agricultural Policy (CAP) while ECOWAS' is under validation.

The region of West Africa regroups ECOWAS member countries and Mauritania, and represents within the framework of EPA negotiations and trade exchanges, it represents the first ACP region with about 41% of the total ACP-UE trade exchange.

But it is currently the institutional framework created by UEMOA and described above which takes into account the concerns relating to standards in general, and to SREA in particular.

UEMOA was created on January 10 1994 in Dakar from the will of the Heads of States and Governments of the member countries in view to consolidate the monetary union which they

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<sup>rd</sup> According to Novethic, 2004

were already sharing, and to boost-up the economic integration process and make of it a tool for growth and development.

With a population of about 70 million for a land area covering 3.5 million square meters, UEMOA currently includes eight countries most of which are LDCs but represents at the same time a tremendous potential for economic development.

### **2.2.1 The common industrial policy**

In order to promote regional development, UEMOA has adopted a common industrial policy, one of the key programmes of which is the creation of a regional accreditation, standardisation, and quality promotion system. The latter aims at facilitating substantially the participation of members countries to regional and international trade. This is a true challenge in so far as the LDCs are ill-prepared to take part into another global context of trade liberalisation. Not only do they have to face the exacerbated competition of weaker and weaker trade tariffs, but they are also faced with the constraints to carry out exportations conformable to international standards.

This programme enjoys the support of the European Union and the technical assistance of UNIDO in the three following areas:

- The installation of a regional accreditation and certification system through the updating of laboratories for their accreditation upon a recognised international basis;
- Capacity building and harmonisation of existing standardisation organisms: this among other things has to do with the creation of a regional documentation centre endowed with a data bank on standards and technical regulations, to develop national standardisation bodies and coordinate their activities;
- Quality promotion in enterprises through the creation of regional technical centres in order to help enterprises to improve the quality of their products, and the creation of a UEMOA quality award in order to encourage the development of a culture of quality with special emphasis on consumer protection.

### **2.2.2 National standardisation, certification, and accreditation systems**

In this regard and at national level, countries like Cote d'Ivoire, Senegal, Benin, and Burkina Faso have put in place systems with the government responsibility to develop and implement standardisation, certification, and accreditation system. These bodies coexist with the quality promotion associations which appear as their necessary counterparts; they also have in their technical committees some consumer protection associations.

Besides, at community level, the draft legislation on consumer information and protection is planning in each country member of the Union for the installation of *consumer dialogue and education institution and regulation called "National Consumer Advisory Council"* whose composition, competence, and modes of operation can be summed up as follows:

- The National Consumer Advisory shall composed on a parity basis of delegates from the most representative associations or federations of consumers, makers, distributors or vendors of goods and services;

- The National Consumer Advisory Council shall be chaired by the Minister in charge of Trade. Its secretariat shall be entrusted to the National Consumption Directorate or an officer of equivalent rank and competence appointed by the Minister in charge of Trade;
- The Government or the National Assembly shall inevitably consult the National Consumer Advisory Council for any draft regulation or decree, draft law relating directly or indirectly to the consumer or human development;
- The National Consumer Advisory Council shall be a framework of exchange, reflection on all that relates to the production, the sale, the exchange of goods and services, the consumption, and especially all that has a direct or indirect link with these issues or the purpose of this Regulation. Should the case arise, the Council shall propose to the National Assembly and/or the Government all recommendations of law, decree, or order;
- The National Consumer Advisory Council shall meet at least once a year and each time upon request of the simple majority of its members by sending a signed correspondence signed by each of them to the President....
- The deliberations of the National Consumer Advisory Council shall inevitably be the object of a verbatim report established in a register held by the Secretary of the Council to that purpose...

In spite of the delay suffered by African countries in this regard, it clearly appeared that tangible efforts are being made; and it only remains to make effective and operational this institutional framework starting with activities of information and sensitisation of all stakeholders for their taking ownership of the process.

### **3. ISSUE AND VISION OF SREA IN AFRICA**

#### **3.1 Definitions and theoretical framework**

Before raising the issue of SREA as apprehended by the various categories of actors in Africa, it is important to carry out a review of literature on some concepts and notions together with the theoretical foundations that underpin SREA.

##### *3.1.1 Definitions*

###### □ **International reference base**

###### *The Global Reporting Initiative (GRI)*

The Global Reporting Initiative (GRI) is an international initiative to which enterprises, NGOs, consulting firms, and universities participate. Created in 1997 and based in Amsterdam, GRI edicts guidelines to help enterprises to generate if they wish, reports on economic, social, and environmental dimensions of their activities, products, and services.

###### *OECD guiding principle*

OECD guiding principles which were drafted for the first time in 1976 are recommendations that governments send to multinational enterprises. They set out optional enterprise behaviour principles and policies. The governments which endorse the guiding principles then encourage the enterprises operating on their territory to abide by

them. The guiding principles are among the most widely published and known guidelines at international level; but they do not have any binding significance. These guiding principles were last updated in June 2000.

#### *The Global Compact*

It is one of the most known international public and free programme launched during a Global Economic Forum in Davos by Kofi Anan, Secretary General of the United Nations in January 2000. The Global Compact seeks to “*unite the market strength with the authority of individual ideals*” in order to make responsible the enterprises that are going to commit themselves to abide by the 10 principles. .

### □ **Certifications, standards, and labels**

#### *Standards*

Standards are developed by organisms known as such at international level; these detailed standards can only be granted by certification bodies; they incur expenses for the enterprise that require them.

**ISO is a network of national standardisation institutes** including 148 countries and according to the principle of one member by country. Its secretariat is based in Geneva, Swiss, and ensure the coordination at all levels. It's a non governmental organisation; contrary to the United Nations system, the ISO members are not delegations of national governments. It however enjoys a privileged position with private and public sectors. ISO made it reasonable to include amongst its membership several institutes from governmental bodies of their respective countries or mandated by their government, and institutions emanating exclusively from the private sector, established by partnerships of industrial associations at national level.

ISO can therefore act as a liaison organisation that contributes to establishing a consensus on solutions that answer to the requirements of the economic world and to the needs of society, especially those of stakeholders such as the consumers and the users.

**The name ISO:** Given the fact that the International Organisation for Standardisation would give ground for various acronyms depending on the language being spoken (IOS in English, and OIN in French), it has been decided to adopt a word derived from Greek language: ‘*isos*’, meaning “equal”. The acronym then was set and always has remained ISO.

### **ISO 9000 and 14000 standards**

ISO 9000 and ISO 14000 series are among the best known ISO standards and those that have generated lots of interests. ISO standards are in their great majority related to a product, a material, or a process. However, the standards that have given global recognition to the ISO 9000 and ISO 14000 families are “generic management system standards”. The term ‘generic’ means that the same standards can be applied to any organism, big or small, whatever its product, including a service, in all sector of activity, and whether the organism is a business venture, a public administration, or a government department. It also means that beside whatever the organism is doing, if the latter is willing to establish a quality management system or an environment management system, it has to include within the

system a certain number of essential characteristics which are made explicit in the appropriate standards ISO 9000 and ISO 14000 families.

**ISO 9000** deals with “quality management” with the term covering all that the organism achieves to improve client satisfaction by answering to their requirements and those applicable and prescribed, and by continuously improving its performance in this regard.

**ISO 14000** deals primarily with “environmental management”, i.e., that the organism does in order to reduce to the minimum the harmful effects of its activities on the environment, and to improve its own environmental performance.

#### *Labelling initiatives of the civil society*

These initiatives are from associative origin and are well known at the international level; they are in the process of becoming unavoidable in their fields. That is the case of **Max Havelaar** label.

Products bearing Max Hevelaar label come from fair trade that is they were produced and marketed according to the international standards of fair trade. This means that:

- + A decent income for producers from the South and the guarantee for the consumer that a fair price very well been paid to the producers;
- + An improvement of working conditions for producers of the South within the compliance with human rights and environment: no forced labour, no child labour, no discrimination, freedom of trade union, preservation of ecosystems, etc.
- + An improvement of living conditions for the producers in the South thanks to bonuses dedicated to community investments (access to education, to health care, ...) to a reinforced autonomy of producer organisations, and to a sustainable security;
- + The guarantee of the fair origin of the product through regular controls.

#### □ **Business codes of conduct**

##### *Codes of conduct and major sectorial principles*

Sectorial codes are for the most derived from the initiative of a limited number of actors who are ‘in advance’ according to the usual practices of their sector. These codes have the double advantage to allow signatories enterprises to get involved into a process that only one enterprise could not otherwise do, because of strategic and commercial imperatives, and to demonstrate that enterprises can take initiatives towards more responsibility without it being necessary for government to make laws.

##### *Codes specific to an enterprise*

Enterprises usually define their own SER through an ethical charter or the choice of criteria defined to draft their report of Sustainable Development. Should several strategic positions exist in the choice of the reference system, the latter then draws inspiration from one of the international references described above, or from available sectorial codes, or a combination of these various items.

#### □ **Evaluation reference systems put in place by rating agencies**

### *SD 21000: an evaluation guide*

According to Christian Brodhag, Chairman of SD 21000 working group, “*SD 21000 is neither a management tool nor a certifiable standard, but a guide put at the disposal of enterprises willing to engage themselves in a sustainable development process and put in place a strategy*”. In order to develop this consensus document, 80 persons representing the set of economic world (employers, trade unions, associations, public sector) worked for two years. Their idea was that many reference documents exist on the organisation of a social and environmental reporting while nothing practically existed in the field of management. The authors of SD 21000 wanted to help corporate managers to identify the challenges of sustainable development whether it is climatic warming or the relationships amongst stakeholders. They have for instance developed a table that summed up the various categories of stakeholders and listed their expectations in economic, social, and environmental fields. SD 21000 is not a recipe for the implementation of sustainable development, but rather a didactic document of sensitisation that provide business managers with the goods questions of the type “*What do we mean by stakeholders? Why their influence on the enterprise performance grow? What time limit do we have to act in order not to jeopardise the enterprise.*”

In order to test SD 21000, Afnor puts in place territorial collective experience. The objective was to put up regional enterprise panels (about one hundred SMEs but also multinational companies) motivated by the implementation of sustainable development process. Afnor consultants trained in the matter will monitor these enterprises in their usage of the guide. This experiment which will last for 6 months to 2 years will help to establish a synthesis of best practices, and will contribute to the evolution of the guide. The authors heavily insist on the fact that it is the beginning of a process.

SD 21000 represents the French contribution to the international debate on the standards for sustainable development organised by ISO bodies. In so far as this is not a standard, the guide is classified in the legal category of documentary fascicles.

#### *3.1.2 Theoretical framework*

Is the success of an enterprise meted against its financial performance? Maybe when we are in short term logic. But a priori, the will of the leaders and the stakeholders of an enterprise is to make profit as long as possible from their venture.

It is in this regard that during the Earth Summit in 1992, governments opted for sustainable development which consisted in preserving the lives of future generations by reconciling economic performance, respect for the environment and people.

It will be very difficult for businesses to stay away from this process. Whether they are masters or victims, enterprises are directly involved in such a societal change through laws, and also through the pressure from the civil society (consumers, non governmental organisations) and the stakeholders.

Of course, all these stakeholders are claiming for more transparency from the enterprise. As a matter of fact, the two credos of the enterprise remain customer satisfaction with products or quality services, and remunerate the stakeholders. But the public at large, NGOs, the media may at any time ask for accountability when they notice that very bad means are used in order to reach such objectives (choking off suppliers, unfair competition, breaking labour laws, environmental degradation, etc.). Major companies behaving in such a way run the risk of

tainting their public image, and to face commercial backlashes (product boycott) and financial impact (rescinding shares as investors withdraw).

So in modern democracies, the accrued desire for transparency in public life is progressively extending to all body endowed with powers and having a direct influence on society, and the enterprise, as a result.

**Enterprises engaged in social responsibility process also take into account the interest of the whole set of their economic and social partners.**

The employees, the customers and suppliers together with the non governmental organisations or the local communities must have their say. In fact, all these actors have a direct or indirect interest in the life of the enterprise; they are just the stakeholders of the enterprise. This concept which is of recent appearance in economic environment is the correspondent of shareholder in business. Some speeches start talking of creation of values not only for the shareholders of the enterprise (shareholder value), but for all the stakeholders (stakeholder value).

OECD in its recommendations on Corporate Governance has this to write; *“Companies should have in mind the fact that the contributions of the various stakeholders represent a precious resource for building competitive and profitable enterprises. It is therefore in the long term interest of the enterprise to foster a cooperation that can create wealth amongst the various parties”*. Several categories coexist.

There are practically three major categories of stakeholders:

- Those that participate directly to the economic life of the enterprise: hired labour, management, shareholders, board of directors, suppliers, clients
- Those that observe the enterprise modes of management: institutions, media, NGOs
- Those that are influenced by the activities of the enterprise: populations and associations from towns and regions of implantation..

### **Advantages of a CSR process and strategies used par enterprises**

Whilst current trends drive companies to engage in Corporate Social Responsibility (CSR) process, the latter also draw tangible profit there from. These can be seen in a reduction of the risks taken by the enterprise, or by the new opportunities it may derive from these approaches.

Various studies and publications are devoted to what enterprises derive as direct advantages from including sustainable development in their concerns. Novethic publications have classified these advantages into five types: improvement of efficiency and cost reduction, response to customer expectations, development of new activities, staff mobilisation, and improvement of relations with investors.

*Improvement of efficiency* is the most known axis: societal responsibility, especially in revisiting the achievements of the quality process, is at the origin of productivity gains and cost reduction. Environmental management, energy saving, innovative HR policies represent as much investment –often immaterial- whose impact in the short or long run can be significant: examples are varied. In this regard, the most intuitive example is the fight against wastage which started for ecological reasons against over consumption of resources, this fight has an immediate positive economic impact.

*The client axis* consists in either turning the risk of public image into a competition advantage by responding to the expectations of the stakeholders (Lafarge “exemplary” cement company), or turning one’s offer towards clientele segments sensitive to sustainable development (Monoprix and the urban consumers...) or create products that correspond to new trends (new ecological materials, offer for socially responsible financial services...)

Sustainable development can generate *new or refocused activities*. It has to do with finding one’s stand on promising markets, especially in the environment sector (Rabo Green Bank and the financing of sustainable development, Veolia Environment and the offer of value added services related to quality and safety requirements...), but also to deflect the strategic portfolio (BP becoming ‘Beyond Petroleum’, Shell and alternative energies..), what can even go as far as renouncing activities or areas of implantation, too risky in view of societal responsibility.

*The mobilisation of staff and external stakeholders* around shared values, strategic projects, and a much wider outward opening contribute to reducing the social risk and to create a dynamics of progress (ST Microelectronics more attractive in recruiting, Lafarge involving the staff in its relations with WWF...), partnerships with stakeholders that contribute to the transformation of internal practices (Carrefour and IFHR, ST Microelectronics maintaining its clientele around environmental concerns...).

Lastly, regarding the valorisation of the stock market, one considers first mechanisms to reduce most remarkable risk factors. But the process of governance, the establishment of new relations with investors, and the installation of intangible assets might join to reinforce the value of the stock market (BP and its relations with Sane BP, association of stakeholders ‘sustainable development’, or various major groups developing environmental certification and societal reporting in order to portray more visible assets under the accounting and financial set-up...). These processes only bear fruits in the medium or long run. Only a few number of major enterprises have up to now been able to build a true [strategic differentiation](#) in this regard. For the others, the requirements of social responsibility is seen as constraints that increase the level of management complexity of these major groups. Still, priorities targeted according to the environment specific to each enterprise are prone to open interesting opportunities, of course on the condition that these are developed with coherence, by programming the costs of these investments, and by aiming at a much wider horizon than the one on communication on sustainable development.

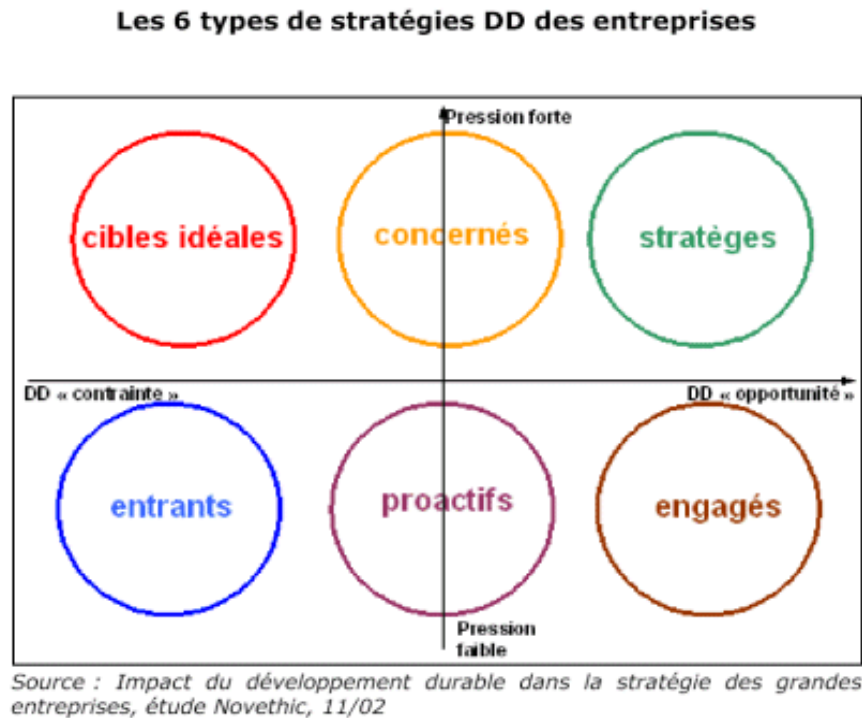
### **The various CSR strategies**

In the study entitled ‘Impact of sustainable development in the strategy of major companies’ Novethic developed a typology of enterprise CSR strategies by relying on two criteria:

- + The pressure exerted upon the enterprise by NGOs, the public opinion, legislations to come... This will be more or less acute according to the field of activities of the enterprise, the heavy industry being for instance under pressure than services.
- + The attitude of the enterprise which may elect to anticipate and identify the most fruitful axes in sustainable development, or might just evolve on the contrary faced with the regulatory constraints and the claims of the stakeholders.



These two criteria help to determine six different categories to position the enterprises as illustrated by the following matrix:



- 1) **The strategist:** as they are submitted to a strong pressure, these enterprises see in sustainable development an opportunity to be integrated into overall strategy of the enterprise. Examples include BP, Lafarge, Daimler Chrysler.
- 2) **The committed:** faced with a rather moderate external pressure, the adequacy of sustainable development with their own values allows them to build an overall policy of corporate social responsibility embedded in their strategy. Examples include ST Microelectronics, Sony, Storebrand.
- 3) **The concerned:** in reaction to environmental pressures, sustainable development is seen first through the market opportunities it offers around the major priorities. Examples: Danone, Suez, Vivendi Environnement, Philip Morris, BASF.
- 4) **The proactive:** the anticipation of customer expectations refocuses some part of the activities towards sustainable development. Examples include Deutsche Bank, Dexia, Monoprix.
- 5) **The ideal targets:** a very strong pressure drives them to react through activity programmes seeking to avoid the risk of being condemned. Examples: TotalFinaElf, Exxon Mobil, Nike, Mattel, Bayer.
- 6) **The entrant:** faced with a rather limited pressure, these enterprises have put in place processes of adaptation to the new standards implicit of social and environmental responsibility. Examples: Societe Generale, BNP, France Telecom.

### 3.1 Perceptions of SREA in Africa

The issue of SREA is being more and more raised in Africa, especially with the wave of delocalisation of major enterprises and transnational companies which are settling down in regions where the raw materials are produced, and exploit extensively the natural resources. As for the local enterprises which are generally small-sized, the concerns are rather expressed in terms of quality management approach, especially within the framework of regional integration framework and progressive insertion of ACP countries into the world economy as provided for by the Cotonou Agreement.

That is the least to be noted from surveys conducted with a representative sample of standardisation, accreditation, and certification enterprises and organisations contacted in Benin, Mali, and Niger.

Based on the findings of case studies whose details are presented below, one can draw the general conclusion that the logics of SREA is a concept yet to be known and shared by enterprises of African origin of the region and the continent.

Barely 5% among them are engaged in the certification, standardisation, and accreditation process with reference to ISO standards, pending the installation of adapted institutional mechanisms. The rare cases where enterprises are informed of SREA do not mention the standardised tools, but they rather refer to their own internal provisions which to some extent encourage the dialogue amongst the various categories of actors.

#### **4. PRACTICAL DESCRIPTION OF SREA IN AFRICA** **Presentation of case studies**

##### **4.1 Enterprise support institutions or technical partners**

<b>Case N° 1 : CEBENOR (Benin)</b>
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##### Legal and institutional foundations

The Benin Centre of Standardisation and Quality Management (CEBENOR) is the government institution in charge of standardisation and social responsibility issues for enterprises in Benin. It is one of the major bodies of standardisation in Benin whose legal foundation includes several provisions, including:

- *Decree n° 97-520 of October 17<sup>th</sup>, 1997 relating to the institution of the national system of standardisation and quality management;*
- *Decree n°2002-310 of July 11<sup>th</sup>, 2002 relating to the institution of the national system of standardisation and quality management abrogating the previous;*
- *Labour Code;*
- *Contracts of employment and dismissal;*
- *Law n°98-030 of February 12<sup>th</sup>, 1999 relating to the Framework law on environment;*
- *Decree n°2001-93 of February, 20<sup>th</sup>, 2001 setting the conditions for the elaboration of the environmental audit;*
- *The practical documented provisions governing social life in companies;*
- *Occupational hazards prevention guide;*
- *HACCP handbook - Hazard Analysis Critical Control Not (Analysis of the dangers – Critical Points for their Control): a tool of performance during extension;*
- *Users' guide Volumes 1 to 4 of the Unit for the Moralisation of public life.*

At the institutional level, the standardisation and quality management system includes the following bodies:

- *The national council of standardisation and quality management;*
- *The committee for orientation of standardisation and quality management;*
- *The Benin Centre for Standardisation and Quality Management (CEBENOR);*
- *Sectorial technical standardisation committees.*

### Information and facts about the concept of SREA

The mission of Benin Centre for Standardisation and Quality Management (CEBENOR) is to promote standards quality. According to CEBENOR, standards and quality are essential tools to undertake the upgrading within the organisation and the improvement of quality for products and services. As such, CEBENOR has a perfect knowledge of ISO 9000, 180 14000 and SA 8000 certifications on individual and corporate Social Responsibility.

For CEBENOR, quality is a socially desirable objective but its contribution to the profitability of the company is marginal because of a widespread erroneous conviction that one could not introduce quality into a system where the purchasing power of the consumer is very low.

Nevertheless, the surge towards excellence is being felt in Benin with some brave company managers (though in a very limited number) who believe in the quality process suggested by CEBENOR. These companies include: SOBEP, SOBEBRA, CRUSTAMER, CNHU, FSG, SOPAB and SHB, FLUDOR, TUNDE SA which are closely monitored by CEBENOR in the certification process according to an integrated approach. For CEBENOR, the application is not yet thorough for lack of extension or control of the ins and outs of the process by all stakeholders.

Though strict commitments to the CSR standards are yet to be made, the role of the Benin Office of Social Security –which is now the Benin Centre of Social Security (CBSS)- is taken into account regarding the regulations the Centre provides on CSR.

Apart from CEBENOR, there is also the Benin Chamber of Commerce and Industry (CCIB) which is an autonomous public institution under the tutelage of the Ministry of Industry, Trade and the Promotion of Employment (MICPE). By virtue of its mission with the companies, CCIB has some knowledge on the issues of standards because of the problems these companies encounter on international markets. CCIB encourages the extension of concerns relating to the standards, but it does not develop strategies directly related to standards and quality management in so far as this is already being taken care of by CEBENOR.

All things considered, the study has been able to review some of the companies in Benin out of the nine engaged in the UEMOA quality process; these seem to evolve according to the SREA logics by putting in place and abiding to their own internal provisions.

## **4.2 Companies surveyed**

## Case N° 2: SHB (Benin)

The person in charge of Benin Oil Company (SHB) which came from SONICOG (the National Company of Oils and Fats) had to state having vaguely heard about the concept of SREA. But he is quite informed about ISO 9000 and ISO 14000 certifications, steps are already taken to engage the company in an integrated process which should lead to the adoption of ISO 9000 standards.

Pending the implementation and the improvement of a third party certification system that aims at the conformity with Social Responsibility SA 8000 standards, the managers of SHB are taking measures through activities and decisions in terms of convention of establishment which determine the relations amongst stakeholders. In general, these measures draw on:

- *Workers' lives*
- *Standardisation which aims at protecting workers and labourers, and setting social and environmental conditions*
- *The audit several times carried out by the Benin Agency for Environment on the company*
- *And the pieces of advice received for the drafting of the commitment to respect the environment.*

As a matter of fact, in the field of production for instance, SHB takes into account international standards such as GAFTA which is a standard of international trade. SHB has subscribed to a quality insurance, and is admitted into "LABEL BENIN" with its product VITALOR.

In the search for a stringent control and comparison of the product, SHB carries out 340 analyses on a daily basis within the chain of laboratories. SHB has adopted a technology that goes through expandage, neutralisation, and refining for a better quality of its product. The company took part and won several awards 'LABEL BENIN' in agri-food (Award for the best oil produced in Benin in 2001, 2002, and 2003).

SHB has taken the following measures in terms of environmental responsibility:

- *Appoint a person in charge of environment -CED -Environment and Development Adviser;*
- *Sign a commitment binding the company to put all in place to fight for a healthy environment;*
- *Organise an information and sensitisation meeting on environment;*
- *Validate the programme developed further to the audit carried out by MEHU with deadlines;*
- *Sanitise the factory so that rainwater does not mix with factory waters.*

As for consumers and clients, SHB developed a marketing strategy that stops at the level of the wholesalers in order to allow others actors at the grassroots level to take part into the development of the country through retail sales. Moreover, after all its quality installations, the company takes in account the wishes of its clients.

As per its relations with the government, let us mention that SHB has signed a transfer agreement of the factory with the following objectives:

- a) *Keep all the employees (100) and recruit 50 others working in Cotonou;*

- b) *Maintain all the rights acquired by the staff;*
- c) *Spare 3% of the share capital for the staff;*
- d) *Conduct staff portorage for two years;*
- e) *Keep the whole staff with forbiddance to lay off for 5 years;*
- f) *Increase the production capacity of 30,000 tons (the objective being to move up to 100,000 o 120,000 tons);*
- g) *Create new jobs;*
- h) *Modernise the company.*

In return, the government made a certain number of commitments which include:

- The guarantee the raw matter to the company through a supply contract of cotton seeds with SONAPRA;
- Sign a land emphyteutic lease by the end of two years.

As for as the population is concerned, SHB conducts meetings with heads of village to reflect upon, among other things, on the possibilities to contribute to the building of socio-educational infrastructures, and on the management of environment at local level. By that strategy, the population sees in SHB presence the unquestionable role of actor of development, mainly regarding the infrastructures the community needs.

Within the framework of the management of environment, SHB has inherited from SONICOG a high grade polluting company. Faced with this, the new company submitted to the administration a request for land to build a water processing unit.

In a more direct manner, the factory is working towards:

- a) The reduction of the pollution load with an appropriate technology which does not generate pollution through the method known as "Neutralisation on mixella" (mixture of oil and hexane), what gives a result of reduction of about 95% of the polluting loads.
- b) The creation and maintenance of a basin to process the oil before it being rejected into open nature.

With the shareholders, the SHB organizes the following:

- A classical meeting to report to all shareholders
- Two General Assemblies
- 2 Boards of directors meetings by the shareholders
- 1 Monitoring Committee (which gathers the most influential members of the shareholders)
- Meetings of information meetings to shareholders.

SHB prefers a direct communication method with the employees:

- There is a General Assembly at the beginning of each financial year (explanation, mission, vision, constraints, collections, studies, and proposals of solutions to problems)
- Facilitation for the creation of a trade union in agreement with SIFCA group which operates in the oilseeds and which, at the beginning, did not know trade unionism
- Arrangement for the election of staff delegate

- Periodic meetings.

### **Case N°3: CRUSTAMER**

For the (expatriate) Director of this company, "There is no enterprise longevity without the improvement of labourers' social conditions". It is on that basis that the Director asserts that he is aware of SREA for more than 20 years before his arrival in Benin. Quote: "The issue of standard is above all a matter of will. We are very well aware of issues relating to ISO 9 000 and 14 000 standards, and of the concept of corporate social responsibility. We are registered since 2000 with UEMOA quality programme in order to comply with the European Union obligations and guidelines. It is a logic to do better and grasp the problems in order to increase our company rate of return. Efforts are being made based on regulations in force at national level, and on the basis of documentations on some international standards.

As a matter of fact, CRUSTAMER abides by the enforcement of the labour code, the social obligation with OBSS so the workers can enjoy their rights. Let us underscore that in that regard, 90% of CRUSTAMER staff benefit from their social security allowance. The remaining 10% include 99% of single men with marriage deed, and the rest (1%) is composed of women with no identity documents or birth certificates to facilitate the process for conditions to fulfil to benefit officially from social security allowance.

SREA does not represent much in the cost of production. It is the other operating costs which prevent entrepreneurs from improving the social conditions. However, micro loans were set up encourage the staff to take part into an internal an autonomous care system. The company encourages the create of trade union which is yet to become operational because the labour inspector would like to participate to the installation of the members of the bureau of the trade union. Moreover, the company respects the following tools: the Labour Code, HACCP Handbook, the Users' Guide volumes I to IV of the Unit for the Moralisation of Public Life, and lexicons and reference documents.

As for the product quality, the company has a laboratory which conducts analyses based on the standards and requirements of potential customers based in Europe.

At the environmental level, the company has made available for the workers tools and protection gears for risks (smocks, boots, gloves, and nose protectors). For the protection of the immediate environment of the factory, there are ice containers and pits to foster the rejection of used and dirty waters.

The company has documents for information on environment, especially, the environment framework law in Republic of Benin, a guidelines for professional risk prevention.

As far as dialogue is concerned, the company encourages debates that involve all social partners by trying to put together everybody and the various officers at all levels. The company is on good terms with the association of employers, CCIB, OBSS, and the NGOs; it further encourages the promotion of values and the search for quality, and the instauration of legislations that take into account Benin culture.

### **Case N°4: TUNDE S.A.**

TUNDE S.A. is an industrial printing house based in Benin with the ambition to cover the west African sub-region.

The Director of Development of the company who this study met declared that he was not aware of SA 8000 standards on SREA, and it must new on the market. He stated that TUNDE at this point in time is mainly concerned with quality while it employs 500 workers. The company is part the courageous ones selected by UNIDO to start the registration process for ISO certification. It is a socially desired objective of the company's stakeholders.

TUNDE printing house s among enterprises that have elected to apply ISO 9001 standard; and it became the first to be selected in its filed to get the certification. Through its mission and objectives, the company constantly encourages staff participation which they see as a fundamental tool for the continuous improvement of the services offered by the company. It contributes to ensure a rapid growth and to strengthen its position of leader on national and regional market.

As a matter of fact, for TUNDE the issue of the social responsibility of economic actors is based on the position given to the dialogue. That is why the company operates with a certain number of dialogue tools with the various stakeholders.

1. With the Shareholders

- General Assembly which is a formal framework
- Authorisation for the end of year activity report + balance sheet
- Budget estimates
- Action plan
- Auditors

2. With the staff

- Two General Assemblies per year
- Monthly meetings with staff delegates
- Staff delegates are associated with the trial committee for the interest of the staff and its capacity building
- Solving environmental issues
- Developing the concept of quality circle to review and look for solutions to the private (in house) problems of each worker.
- Signing of the establishment agreement whose content includes the general provision, job classification, performance and promotion assessment, remuneration (salaries, allowances, bonuses and miscellaneous), and provisions for training.

<b>MALI Case N°5: KOULALIM – SA (Kouma alimentation moderne)</b>
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Just like Benin, Mali is a member of UEMOA within there exists a "Quality" programme with the objective to promote the quality of production in the different member countries. In this regard, a coordination committee of the quality programme was put in place in each member country to conduct the programme at national level. This committee requested the contributions of national companies to the process of quality. Thirty-eight companies responded positively to demonstrate their desire to engage in the quality programme. The latter selected about ten companies based on a certain number of criteria. The companies whose case studies are presented here (Cases 5 and 6) are part of those selected.

*Name and position of people met: Ms. Diarra Aïcha Maïga, Quality Officer*

*Creation date of the company: 1995*

*Legal status: Limited company*

*Field of activity: Food bouillons, Maggi Brand*

*Sources of supplies: Nestlé (Cote d'Ivoire), Rochette (Dakar), Sonaco (Cote d'Ivoire), Morin (France)*

*Number of staff (Optional): 120 employees*

*Are you familiar with the concept of social responsibility of economic actors?*

*Yes*

*How is this issue raised at the level of your company?*

*It is raised through the quality process in KOUMALIM which is termed NQS (Nestlé Quality System)*

*What are the tools in place to solve that issue?*

*First of all, the fundamental principles of our "Quality Policy" are:*

- Success derives from quality*
- Quality engages the staff; for NEMS (Nestlé Environmental Management System) quality is a joint effort*

*How do these tools operate?*

*They operate through the involvement of the various items relating to them.*

*What position does dialogue hold in the utilisation of these tools?*

*Dialogue is of prime importance. Communication is one of the flagships of our quality system; the concept of client and team spirit is fundamental. A special tool called "Faces of Quality" has been used, reused, and constantly improved upon to highlight the role of dialogue and team spirit in our profession.*

*Dialogue structure and its operation*

- Executive committee*
- Technical committee*
- General assembly*
- Sanitation and security committee (occupational and environmental security)*
- Staff delegates committee*
- Training concerns*

*What can be improved upon and how?*

*One of the principles of our quality system is continuous improvement. Any practice in our company must be the object of continuous improvement. We proceed through the capitalisation of our experience and the feedback from our collaborators which we translate into concrete actions.*

<b>MALI Case N° 6: EDM - SA</b>
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*Company business name: Energie du Mali SA*

*Name and position of people met :*

*\* Abdoulaye Djibril DIALLO, Quality Coordinator*

*\* Tiona Mathieu KONE, Director Central Communication and Sustainable Development*

*Creation date of the company : 26th october 1960*



*Legal status:* Semi-public company  
*Annual turnover :* FCFA 64 billions  
*Number of staff :* 1,605 employees in 2003

*Are you familiar with the concept of social responsibility of economic actors?*

EDM-S.A., a public service subsidiary for the production and supply of electricity and drinking water is aware of its social responsibilities

*How is this issue raised at the level of your company?*

This issue is raised before everything at the level of the quality of products and the provision of services carried out by EDM-S.A. As a matter of fact, we are in the context of “continuous consumption products” which are indispensable for the good operation of the country. Our social responsibility can also be raised in terms of the natural resources used as inputs in our production activities, especially, water resources to generate electricity, and drinking water. Last but not the least, our responsibility draws on environmental aspects relating to our infrastructures and exploitation sites.

*What are the tools in place to solve that issue?*

The tools envisaged are part of the organisation and the management system of the company. Thus, EDM SA put in place a Directorate of Central Communication and Sustainable Development whose essential mission amongst many others, is the development of a transparent communication both internally and externally for the whole set of stakeholders. This directorate is in charge of conducting sustainable development citizen actions. In terms of management, EDM SA is committed to a quality process according to ISO 9001, version 2000, with the objective of a certification in 2004. The enterprise will thus be endowed with a management system based on international standards which should allow it to ensure the satisfaction of clients, shareholders, and collaborators alike through the continuous improvement of its performance.

Since 2002, EDM S.A. organises every year a survey to listen to the customers; this survey is carried out by an external firm in order to assess the perceived value of its products and services, and to identify the expectations and avenues of improvement as desired by its clientele. Last but not the least, under the impulse of SAUR of which EDM SA is a branch, the company shares the set of good practices of sustainable development with the other branches of the SAUR Group working in the same sector throughout the world.

*How do these tools operate?*

These tools are an integral part of the management of the company. Their operation influences the yearly planning cycle of the activities.

*What position does dialogue hold in the utilisation of these tools?*

Dialogue with all the stakeholders is critical and permanent.

*Structure of dialogue and its operation?*

As appropriate, dialogue with various stakeholders centres around the following:

- Working meetings, workshops, seminars, in partnership with the principal owner, the line ministry, the donors;

- Meetings with associations of consumers

### *What can be improved and how?*

Promotion for a better inclusion of all parties concerned with the concept of corporate responsibility in our environment.

<b>NIGER Case N°7 : Niger Lait SA and SSL - SA</b>
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### *Background*

There are 60 major companies and about 300 medium scale enterprises<sup>3</sup> in Niger. The quality process which is one of the fundamental performance principles of the enterprise is very little known and rarely practiced in the operation of these companies. There is however a growing interest on the part of these companies due to the creation of the National Directorate of Standardisation, Quality and Metrology (under the line Ministry of Trade and the Private Sector) in 2000. This technical department works with the Standardisation Technical Coordination (created by UEMOA and supported by UNIDO) and also headquartered at the Ministry of Trade and Private Sector. Studies have been extensively conducted to prepare these enterprises to enter include into their activities this new integration phase of quality process.

A dozen companies are currently targeted for support to integrate the international standards, especially those in the field of certification and accreditation. The two cases presented here deal with the companies selected to take part into this programme; these companies in reality are not implementing a true SREA policy.

### *Contact addresses of company N°1 : Niger Lait SA*

Chairman and Chief Executive Officer: Mrs. Djibrine Maida Zeinabou

Deputy Director General : Mr Djibrine Tahirou

BP: 13324 / Zone Industrielle ; Route de Kalmaharo

Tel: (00227) 74.29.56

Fax: (00227) 74.29.66

E-mail: nigerlai @intnet.ne

City: Niamey / Niger

### *Overview of practices*

There is a social dialogue with the aim to improve the performance of the company through a group called “Quality Circle” created on April 8 2002 with a cooperative management method open to all the staff whose point of view is fully taken into account when it is constructive.

The social standards are being developed, pending this, we will refer to international standards (HACCP, AFNOR, ISO, CEN, FIL, LNE). We wish however to get support for the adoption of ISO 9000 standard version 2000 within the framework of certification.

<sup>3</sup> Source : Directory updated in June 2003 by the Chamber of Commerce, Agriculture, Industry, and Craft.

In may 2003, several meetings were organised with all the partners (Distributors, Associations of consumers, Sanitation and public health services, Quality Technical Steering Committee) within the framework of a social dialogue; the outcomes of these meetings were very conclusive. We wish however to get the support tp include social dialogue through the SREA logics.

*Contact addresses of Company N°2*

Name: Mini Rizerie SSI

Name of Person In charge: ELH Seini Saley

BP : 10768 Niamey Niger Tel : (00227) 73.78.02 Fax : (00227) 73.68.71

Overview of practices

There is a social dialogue within the company, especially in order to improve the production of the company through consultation with employees regarding overtime. The employees' point of view s usually taken into account for suggestions made in view of the good operation of the company. But the creation of the Direction of Standardisation, metrology and quality will facilitate the inclusion of these standards.

The clientele really like the quality of rice produced by the company thanks to the availability of our products, the price, the variety, and the quality. We take the consumers' point of view into account in order to improve the quality of our products.

The request for support has also been highlighted, and the company is open to all suggestion relating to SREA in so far as these would contribute to making their products more competitive on the market.

<b>South Africa Case N°8: Johannesburg Securities Exchange (JSE)</b>
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*Background*

Since 2002, the second “King Report” on corporate governance, the Johannesburg Securities Exchange (JSE) was rushing all the South African companies listed companies to include sustainable development into their strategies; it then published on 29th May 2004, the JSE Socially Responsible Investment Index, with the scope of analysis covering FTSE All Share/JSE, 51 companies including 17 from MidCap Index, and 3 from Small Cap Index. It is the first time a stock exchange launches such an index.

The Index advisory committee which worked hard to determine the inclusion criteria, endorsed the philosophy of acknowledging the emerging nature of SREA in the South African companies, and as a result, sought to encourage the latter to a greater transparency, and to carry out reporting their strategies and sustainable development programmes.

These criteria will evolve in proportion as the concept of SREA will take root in the companies, and will rapidly integrate quantitative indicators on the performance and the implementation of social responsibility policies.

## *Description of the process*

### An index based on the pillars of sustainable development

- Environmental sustainability: to measure the environmental impact of companies, and environmental management systems;
- Economic sustainability: to balance resource utilisation, the short term benefits of companies positive and negative economic impact in the sphere of influence;
- Social sustainability: as key social actors, a company should develop positive relations with the whole set of stakeholders, its collaborators but also with the community in its broadest meaning. Among other things, the company should then develop a culture of non-discrimination. It also has to demonstrate that the objectives of its strategy, its internal management and performance measure systems are to promote social growth, the economic development of its employees and the communities where it intervenes, together with poverty alleviation, not to talk of HIV/AIDS control.

...and on corporate governance: the principles of justice, accountability, and transparency not only cut across the three pillars but represent “fundamental concepts of the root of corporate governance: a good corporate governance should allow a balance between performance and stakeholders’ expectations”. That is the reason why corporate governance was given reviewed separately in the index.

### Criteria and methodological approach

The selection criteria reflect the commitment of the enterprise faced with each of the three pillars, with different weighting averages for each pillar and corporate governance. The promoters of the index took into account the sectorial characteristics, especially the environmental concern.

To be elected to the index, companies should, after review, score the following:  
12 in minimum on corporate governance scale;  
22 in minimum on their social sustainability practice scale;  
18 in minimum on the economic sustainability scale.

Environmental sustainability is weighted based on the impact (low, average, or high) which should be reflected in three prerequisite aspects: policy, management, and environmental reporting.

In order to determine the impact, JSE SRI Index uses the FTSE Global Classification System. To be eligible, the company should score the minimum required, and should be in conformity with the classification to which it belongs in terms of impact. The company must score at least one point above the required average for the prerequisite aspects. Besides, in terms of classification, the enterprise must score the following environmental minimum totals:  
20 for a high impact company;  
14 for a medium impact company;  
8 for low impact companies.

Last but not the least, in order to be included, a company should score 70 on the three pillars and corporate governance.

## **Senegal Case N°9: SONATEL**

### *Introduction to the Company*

The principal telecommunications operator in Senegal, Sonatel was created in 1985 through the merging of two entities formerly in charge of running internal and external telecommunication services; they are the Postal and telecommunications Office, and TeleSenegal. Sonatel became a Limited Company in 1997, and stroke an alliance with a strategic partner, France Telecom, which currently owns 42.33% of the total share of the company.

### *Description of the SRAE process*

#### Management body

In order to foster the dialogue and ensure good corporate management, the Management of Sonatel includes a General Management, a Deputy general Management, and 9 (nine) operation directorates, each composed of several departments, services and technical centres.

#### The human resource policy

It offers an interesting remuneration with a profit-sharing of the results of the company (growth and output allowances), and a remuneration based on merit for a partial salary individualisation (productivity bonus), and also training for the staff.

#### A human-faced social policy for the benefit of the staff

It is translated by financial assistance, the organisation of recreational events for Sonatel employees and their families (resident and week-end camps, guided trips,...), a transport service, and loans for vehicle purchase, restaurant allowances...

Sonatel also ensures a good medical coverage for its staff and their families with Sonatel provident and insurance fund (IPM) and a complementary health insurance. In order to guarantee an attractive income during retirement, the company has put in place a retirement investment fund to complement the retirement fund, and proposes to its staff a spearhead housing policy with the policy to access a housing loan only after one year of seniority.

In order to contribute to the social and cultural development of Senegal, Sonatel has created Sonatel Foundation whose objective is to support all project aiming at valorising human experience.

#### Sonatel: A citizen company

Efforts in the area of technological and commercial innovations through major investments achieved by Sonatel have contributed to make the company a reference telecommunication company in Africa and in the world. To further support the social and cultural development of

the country, Sonatel strongly expresses its humanist characteristics and will to be a citizen company through the implementation of a formal corporate patronage under the statute of a corporate foundation just like Foundation France Telecom, its strategic partner.

The foundation therefore proposes:

- to grant financial support to the best science secondary school pupils in public grammar schools;
- to support the grantees of the general test through science awards;
- to provide school text books to public grammar schools and primary schools;
- to give school equipment: tables, computers, etc..
- to support the development of internet at public primary schools and grammar schools.

There are three axes of this corporate patronage:

1. Education
2. Culture
3. Health

#### Monitoring funds utilisation

A funds management committee including the various components (Government, partners, local elected representatives, trade unions, associations) was put in place. A corporate trustee drafted the Procedure Manual.

#### Some achievements

The Foundation offered on 22<sup>nd</sup> October 2003, a set of various materials to painting, carving, ceramics, melting, and photography workshops in the Arts Village of Dakar for a total worth of FCFA 2,000,000. On 28<sup>th</sup> October 2003, it offered a sizeable lot of audio visual materials Verbo Tonal centre in Dakar which includes hearing impaired children.

#### Standards used

Sonatel is not certified by an international CSR standard; but it seems as if this is being implemented through the Sonatel Foundation.

#### Weaknesses

The Foundation does not include the environmental protection into corporate patronage activities.

### *Presentation of the company*

Elf Gabon is limited company of Gabon law, working in the oil field, and regulated by OHADA of 17<sup>th</sup> April 1997.

### *Description of CSR process*

The top priorities of the General Management of Elf Gabon include security of activities, health for people, respect for environment, and the quality of their interventions in the resolute choice of a sustainable development policy.

### *Management body*

Elf Gabon has a Board of Directors, a Directorate General and technical directions.

### *Human resource policy*

National executives continue to experience opportunities of career growth in the Group. Recruitments at Elf Gabon aim at supporting the development efforts of additional reserves on mature fields and to proceed with the renewal of the teams. Training activities are constantly maintained, with special emphasis on oil professions, and on environmental security concerns.

The company has put in place pre retirement leave operations, a system of high education grant destined to support the most deserving children among Elf collaborators' families. The company has organised a sensitisation seminar on the ethics, the values, and the principles of the actions of the Group. It proceeded to the opening of the Occupational Specialisation Centre of Port-Gentil (CSP) which is achieved within the framework of sustainable development policy and under PID funding. This Centre has received about thirty students who are going to undergo an additional professional training adapted to the needs of the local industry.

### *Safety and Environment*

#### *Safety*

The rate of declared accidents is increasingly on the fall over the past three years, with a fall from 46% between 2002 and 2003. These encouraging results are the outcomes of efforts committed to implement the action programme which included the creation of a new SHE<sup>4</sup> management system with the updating and the reorganisation of all the procedures of the branch, the intensification of actions aiming at improving the performance of sub-contracting companies through the holding of SHE periodic meetings with the management and the strengthening of company SHE positions, the strengthening of planned site visits, actions committed further to technical audits of Anguille and Coucal Avocette fields, systematic training in defensive conduct, the systematisation of sanitation/health audits, and occupational first-aid training.

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4 SHE : Sanitation, Heath Environment

## *Environment*

In terms of environment, Elf Gabon has devoted its efforts to two axes: the reduction of greenhouse gas emission, and the processing of used waters before their ejection into the ocean.

### *Greenhouse gas emission*

Elf Gabon sets as objective the identification of significant projects that especially contribute to the reduction of air emission and the greenhouse gas emission. In 2003, the project to compress all the gas on a site on ground (PG2) was achieved and put into service, with the two-fold objective to suppress the gas flare of Mandji Island and to support the gas-lift network. This mainly contributed to improve the recuperation of oil while reducing air emission into the atmosphere.

### **Rejection of hydrocarbons into production waters**

The optimisation of water processing on Grondin plate-form in February 2003 (settling and decantation and hydrocyclones) and on Mboumba site associated to the splitting of API basin at Cap Lopez, allowing to respect the international standards of hydrocarbon rejection into the ocean.

Safety/Sanitation/Health and Environment policies are extended throughout the company.

### **Diversification activity**

The actions of the company in particular targeted projects or achievements of general interest, financed by Provisions for diversified investments (PDI). Expenses for the 2003 financial year are high and rose to US\$ 4.9 millions.

Other activities can include inter alia: in the field of health and medical research, the search for support, especially financial at Franceville International Centre for Medical Research (CIRMF), in the field of agricultural development there is the support granted to the Gabon Institute for Development Support (IGAD) relating to vegetable gardening in peri-urban zone; in the field of education and assistance to communities, there is the funding of the Centre of Professional Specialisation in Port-Gentil, together with other funding for sustainable development activities.

### *Standards used*

There is no international standards in terms of corporate social responsibility, but the practices of the company social, economic, ad environmental fields qualify it for the international CSR.



### *Presentation of the company*

SIR, the Cote d'Ivoire Oil Refinery Company is a limited company with FCFA 39 billion (US\$ 65 million), and created on 3 October 1962 by the Cote d'Ivoire government with the support of international petroleum groups. Its objective is to make oil products for the Ivorian market and for exportation, ensure the availability of supplies in Cote d'Ivoire, to the filling station for west Africa, to be and remain a company with international dimension.

### *Description of the SREA process*

With the permanent concern to preserve its technical leadership in the sub-region, SIR embarked upon current technical studies and mega projects. The technical studies allow the company to maintain its installations at a technical, reliable, and safe level. The mega projects are planned to bring SIR to a more and more conspicuous significance in order to meet the major economic challenges that all leading company in that field should confront.

Any modification on any equipment at SIR should undergo a prior technical study. Whatever the objective sought by these modifications (back fit, productivity improvement, equipment check), the technical studies are conducted internally by teams very familiar with the various calculations rules, dimensioning, and control used by renown firms.

This expertise acquired throughout the years of fruitful exchanges between SIR and its international partners is being efficiently applied today by its local engineers. These studies lead to constant investments averaging FCFA 2 billion each year.

### *Management body*

The management body includes the following:

The Executive committee, the Study Approval Committee, Security committees, the Management Committee, Sanitation, Safety, and working condition committee.

### *Human resource policy*

SIR wants to have a better visibility in terms of human resources, with the objective: to value the internal resource and the potential of its workers through training and career mobility; to develop the dynamism of the teams, and the adherence of the staff around the company's industrial values; to have a set of management procedures and tools known to everybody; to put in place a transparent job and competence evaluation system, and an outreach career management system; improve upon the remuneration structure and adapt it to the foreseeable evolutions, and make it more performing and motivating; have an HR master plan that can help to manage and strike the balance between "needs-resources" on a short and medium basis in order to anticipate fully the plans of action to implement (recruitment, training, development); to propose an attractive and comforting social system for the collaborators and their families.

SIR has recruited about twenty people over the last five years. In 1998, a major effort was made with the recruitment of 123 people destined to reinforce the supervision potential, and to prepare the age pyramid in the long run, in view of taking up the major challenges of the company. Between 01-01-2002 and 28-02-2003, SIR has recruited 06 employees including 04 executives, and 02 supervisory officers.

Staff training holds a major place for SIR. The Company has a training centre for oil professions, and also benefits from the assistance of its partner Totalfinaelf.

In 1998, the training effort reached 4.6% of the total pay roll (the average over the past years was 4%). Training are centred on the improvement of techniques acquired, the quality process, and human management.

### **Social policy**

Many times recognised on the job market as the number one company for its social policy, SIR provides its employees with the following:

- + A major health coverage with a medical centre of 13 bed occupancy, a pharmacy, various specialists, several loan possibilities (housing, cars, etc.)
- + Resident camps and Christmas tree for children
- + Professional awards
- + A food canteen with meals at reduced prices
- + Possibilities for worker trainee programme
- + An additional retirement scheme
- + A transport system to the work site.

Dialogue holds an important place in SIR. The different social bodies of SIR include: the General Assembly, the Board of Directors, the Financial Committee, the Technical Committee, the Commercial Committee.

### *The environmental policy*

The protection of the environment requires a global approach. Within the refinery, the compliance with the various aspects of the environment should meet the same care provided in making products. The environmental policy at SIR is translated through a permanent supervision, at all levels of the organisation of the quality of water, air, and the ground, and through an efficient waste management. Order and cleanliness maintenance at SIR is part and parcel of that commitment; but the emphasis is put on prevention in order to avoid all risks of pollution by acting preferably at the source.

The staff is also constantly sensitised about the danger that refinery activities can generate. This process relies on the following elements: individual involvement, supervisory role, prevention, audits, and return from experience.

### *Safety policy*

The safety policy aims at:

The protection in absolute priority of human lives each of us are responsible

The protection of our tools of works and our common heritage

The protection of our image.

In order to reach these objectives, a General Progress Plan was launched: environmental indicators and periodical reports help to assess its advancement.

### *Standards and labels used*

The dynamism of SIR management has always expressed itself through a Quality spirit, independently of an official process of acknowledgment by a renown international certification body. Today, SIR has 3 quality management systems in the following sectors:

- Laboratory: accredited by COFRAC in June 1997 according to the EN 45001 standard;
- Inspection: authorised in December 1998 by the Ministry of Mines and Energy of the Republic of Cote d'Ivoire according to the DMT-P n°22468 Guidelines;
- Product line JET-A1: certified by BVQI in January 2000 according to ISO 9002-94 reference base.

In terms of CSR, SIR has developed internal standards which can meet international criteria. As a matter of fact, SIR has developed and published in the company a Safety-Quality-Environment Charter adopted by the staff.

### *Advantages of CSR process*

The advantages for SIR are as follows:

#### **At the internal level:**

The assurance of the reliability of the laboratory equipment;

The renewal of staff competence;

The constant mastery of analyses traceability.

#### **Regarding the clients**

The guarantee of the product with COFRAC label;

The strengthening of the public image of SIR laboratory;

The good management of clients-suppliers relations.

### 4.3 Involvement of Trade Unions, NGOs, and other Stakeholders

Generally speaking, the main objective of trade unions organisations is the defence of the workers' material and moral interests. But in order to reach that objective, these organisations follow several strategies that can be summed as follows:

- Militants capacity building through trade union workshops and seminars in the economic, social, and civic fields in general, and on the professional standards in particular;
- Employee trade unionism
- Promotion of social dialogue
- Strengthening trade union solidarity at national and international levels
- The fight against the violation of trade union rights and corruption
- The extension of documents relating to international labour standards, the monitoring of their ratification and their enforcement;
- Participation to the development and the monitoring of legal provisions relating to the world of labour.

All these strategies invariably sent back to issues relating the social responsibility of economic actors. Hence, according to countries and the power of the trade union movement, some results are achieved and offer promising prospects in this regard. For instance in Benin, several concerns raised by workers were solved, that is, the increase of the Minimum Guaranteed Interoccupational Wage, the value of the index rate for civil servants, the vote of several social laws together with the ratification of various ILO conventions.

But in reality, the issue of SREA in general is not yet a concern for trade unions in most African countries. It is only during these recent years that some trade union officers have availed themselves of opportunities of their participation t international meetings to get familiar with this concept.

For these officers, Corporate Social Responsibility (CSR) is nowadays presented as a new form of business ethics based on the moral responsibility of companies to take into account the impact of their activities upon the other components of society. CSR refers to the initiatives freely taken by the companies, on top and beyond their legal obligations; this represents for them a means to take into account their impact upon all the stakeholders. Corporate social responsibility completes but does not replace the regulations or the government social policy. The basis of corporate responsibility is made of legislation, regulations, and agreements relating to the corporate behaviour faced with the rest of the society on the one hand, and legislation and regulations relating to the manner in which the company is run internally on the other hand.

When we know that the purpose of an enterprise is to generate wealth, this should not be taken as a mere pretence to get away with or to evade the legislation relating to the activity one is performing and whose fundamental objective is to satisfy the individual and collective needs of the society.

The good results related to the activities of the enterprises cannot fully be concretised if there is no regulation, and if governments are not capable of protect the economic and social well being and the rights of their citizens.

The protection of workers, consumers, and the environment against abuses committed enterprise must be reinforced. Special measures to improve corporate governance, especially more independent business councils or executive committees must be instituted or revamped there such measures already exist.

The concept of Corporate Social Responsibility is nowadays the object of very heated debates within several national and international instances. “It is a new concept of the Benin trade unionism, and this should imitated in Benin” said the trade union officer whom the investigators met. But faced with the several drawbacks these enterprises have recently suffered inn our country, one would be tempted to say that there are real governance problems in the country.

At the level of trade unions, our confederation is really making efforts to train the trainers of workers within the framework of promoting social dialogue. In this regard, CSA-Benin is taking part to several social dialogue frameworks such as the National Workers’ Council, the Great negotiation Commission Government-Trade Unions, together with several corporate board meetings.

CSA-Benin bases its actions on 8 fundamental ILO conventions; these are: ... 29, 87, 98, 100, 105, 111, 138, 182 together with the Universal Declaration of Human Rights.

The tools usually used are the sensitisation, training, information, and propaganda sessions. In terms of results, let us mention that the social dialogue is more and more understood and used by actors involved.

By way of constraints usually met, let us mention the fact that many employers hesitate to have workers organised into trade unions, or to have collective bargaining agreements, and as a result, to access the promotion of social dialogue.

In terms of prospects, the task of sensitisation should be furthered mainly with regard to the employers for the compliance with the International Labour Office fundamental conventions, especially regarding trade union freedom. Moreover, social dialogue is a very important tool for trade unions in problem solving. It is usually used at all levels, except that employers are unwilling to use it, and many instances, they do not respect the commitments made during the dialogue. Under such conditions, additional sensitisation efforts towards the employers must be made through the National Council of Employers of Benin, especially for companies with high polluting potential of environmentally harmful. Hence the importance of the SREA process which must evolve towards a real ownership by the trade union confederations of the country; these include CSTB, CGTB, COSI, UNSTB, CSPIB, CSUB.

Apart from trade union organisations, there are the consumer associations, which at national and international levels, and through their missions are concerned with issues of social responsibility of economic actors. As it was highlighted above, their involvement in West Africa was particularly visible with UEMOA quality programme. But in a larger extent, very little or significant initiatives or experience exist.

At the international level, let us highlight positive efforts being conducted by Consumers International (CI) which, since 2000, took a clear cut position since 2000 about SREA activities within the framework of standardisation (ISO).

In fact, the issue has to do with the promotion of standards internationally recognised as an ISO standard for SREA to replace the various tools (codes of conduct, charter, evaluation guidelines, etc.) which are currently used at national or regional levels. But within that framework, Consumers International formulated a number of requirements to be entrusted to the workshop in charge of that initiative. The items raised by CI include among other things:

- The appreciation of tools already available with some institutions
- The fact that the ISO standard on SRAE should not entirely replace the specific tools, but complement them so that they become an overpass between national legislations and the international standards (United Nations, ILO, OECD, etc...) on the one hand, and these tools and the voluntary evaluation initiatives or rating on the other.

## **5. POSITIONING OF OTHER STAKEHOLDERS AND PROSPECTS**

As mentioned in the methodology, apart from enterprises and government, the study included two other significant actors that are the trade unions and consumer associations. Hence, we observe that in the majority of countries involved, the claims raised by these stakeholders are yet to be geared towards SREA, and there is a trade union void in some companies. On the contrary, all the countries have one or several consumer associations which are now receiving appropriate training on the ongoing quality programme within the framework of UEMOA. These associations are more and more participating to the works of the various committees put in place within the framework of standardisation without systematically requesting the implementation and the respect for an SREA logics.

We can globally agree that efforts are ongoing in the various countries thanks to UEMOA quality programme. In that regard, the governments have put in place a legal and institutional framework which is rather shyly or partially raising the issue of SREA; but the most important challenge should be seen in the enforcement of these measures and the provisions included in the framework in a situation where corruption takes over the principles of good governance. Moreover, it is imperative for the countries of the sub-region to work for a real harmonisation of standards that go beyond the current quality management framework in include fully SREA. It is an indispensable condition for a real economic integration. In such a logics, civil society organisations in general would have to get mobilised to take ownership of issues relating to SREA in order to demand from enterprises and the government to abide by the standards recognised in international conventions.

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See Annex 2, the position document published by Consumers International in this regard.

## CONCLUSION

This study has allowed us to come to the conclusion that the great majority of companies surveyed is yet to know about the Social Responsibility of Economic Actors standard. In fact, most the most, these companies had information only on ISO 9000 and ISO 14000. If it is established that some companies were selected and subjected to the registration process ISO certification process through the last standards, it is therefore important to recognise that the compliance with ISO 9000 and ISO 14000 standards represents an essential precondition for the implementation of SA 8000 standard which is most recent.

The study brought to bare that, in spite of this lack of information from the companies, some amongst operate within the spirit of these standards. This can be seen in the description of the tools and the steps towards the application of clauses contained in the labour code, the principal specific documents, and further to interactions with some institutions such as CEBENOR, MEHU through the Benin Agency for the Environment (ABE), and OBSS in Benin, just like it the case in the other countries of the sub-region. Through their demands, these structures therefore put the companies in a better disposition for the compliance with SREA standards such as the SA 8000 standard.

With the ongoing process, and the additional information obtained on SREA, the majority of companies surveyed are demonstrating their interest to discover more about the existing SRAE standards, and get themselves registered for the workshop of the Alliance in charge of the topic.

On the whole, the commitment of the management of companies surveyed about quality and improvement seemed to be renewed through the obvious interest displayed for a fundamental description of activities covering the field of quality system, its operation, management indicators, and a more or less detailed documentation as appropriate. There is also the will to discover the specialised documentation, and to get registered for centralised procedures, instruction techniques, standardised operations, and technical specifications, together with detailed established plans for specific situations.

Through the prospects mentioned above, the companies surveyed demonstrate that they are now committed to renew their documentation system, and quality management application by focussing more on the process, and by drawing the best they can from the possible underlying reflection on the new SA 8000 standard.

For those companies far away from adhering to ISO standards, let us mention that the compliance with these standards, especially those relating to SREA (such as SA 8000) is based on the implementation of corporate responsibility in the fields of standard reference in terms of human rights and labour laws.

The approach is based on partnership, consensus building, and the participation of all stakeholders; it aims at the development of incentives for the companies in order to manage more responsibly the job environment. Users of SA 8000 report that they have put in place

better internal working conditions and that their clients like the fact they apply international reference standards.

The recourse to SA 8000 enables the company to communicate in a systematic way its values to its stakeholders. SA 8000 system does not aim at replacing the freedom of trade union or the labour laws. It can on the contrary be a useful tool in the hands of workers, officers, and other protagonists in order of systematic search of improvement of the work environment.

African companies whose majority are in the margin of these standards, must, faced with the new requirements relating to regional integration and globalisation of the economy, revisit their attitudes to be in tune with this process. That could be done by giving a special attention to the various aspects raised in the SREA, which inter alia, include:

- a) The observance of relevant international laws and standards;
- b) The respect for the opinion of parties at the time of the establishment of standards;
- c) The development of ethics policy by the company including anticorruption policies;
- d) The search for quality training offered to the staff;
- e) The quality of relations with surrounding communities;
- f) The frequency of communication with stakeholders and the public.



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[www.elf-gabon.com](http://www.elf-gabon.com)

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## ANNEX1: Tools Used

### **QUESTIONNAIRE SENT TO CEBENOR (Public Institution)**

1. What are the mission and objectives of CEBENOR? (Ask for appropriate documentation: facts and figures)
2. What strategies are implemented to achieve the objectives set above?
3. What are the results achieved and prospects?
4. Have you ever heard of corporate social responsibility or economic actors? If yes, on which occasion? Please explain.
5. What does the concept of social responsibility of economic actors mean to your centre?
6. What does your centre do concretely in the field of the social responsibility of economic actors (SREA) or in a similar field in order to ensure the emergence of national companies that offer products suitable for consumption and chosen by responsible consumers?
7. What is the overall approach or process adopted? Please describe, and provide reference material.
8. Does this approach refer to certain international standards? If yes, which ones? If not, why?
9. What are the tools used in this framework? Please describe them.
10. What are the results achieved?
11. What constraints have you met, and what solutions were adopted and/or recommended?
12. What are the current prospects?
13. What position does dialogue hold in these tools?
14. What are the strengths and weaknesses of your tools within this framework?
15. What possible improvement can be brought in?
16. Which other institutions do you know and that is involved in the SREA process? Give as many details as possible about them, and state their position about SREA.

### **QUESTIONNAIRE FOR OFFICERS OF COMPANIES SELECTED FOR THE CASE STUDIES** (Please record contact addresses of people interviewed)

1. Have you ever heard of corporate social responsibility or economic actors? If yes, on which occasions? Please explain.
2. What does the concept of social responsibility of economic actors mean to you or your company?
3. Is your company part of the social responsibility of economic actors (SREA) process?
4. If yes, since when, and why?
5. If not, why? (Move to item N°13)
6. How is SREA implemented in your company? In other words, how is that logics developed?
7. What are the tools used ? Please describe them.
8. What position does dialogue hold among these tools ?
9. What is the overall approach adopted. Please describe and provide reference documentation.
10. Does this approach refer to some international standards ? If yes, which ones ? If not, why ?
11. What do you think are the advantages and drawbacks relating to such a strategic choice. (SREA logics)?
12. What are the strengths and weaknesses of your tools within this framework?
13. What possible improvement can be brought in?
14. Which other institutions do you know and that is involved in the SREA process? Give as many details as possible about them, and state their position about SREA.
15. Are you ready to involve you company into an SREA process based on the dialogue between stakeholders. Please justify your answer.
16. Should the case arise, how will achieve that objective.
17. What are your expectations from this study and regarding the dynamics of the SREA process ?
18. Other appropriate observations.

**QUESTIONNAIRE SENT TO THE CHAMBER OF COMMERCE AND  
INDUSTRY, (CCIB) Benin**

1. What are the mission and objectives of CCIB? (Ask appropriate documentation: facts and figures)
2. What strategies are implemented to achieve the objectives set above?
3. What are the results achieved and prospects?
4. Have you ever heard of corporate social responsibility or economic actors? If yes, on which occasion? Please explain.
5. What does the concept of social responsibility of economic actors mean to your centre?
6. What does your centre do concretely in the field of the social responsibility of economic actors (SREA) or in a similar field in order to ensure the emergence of national companies that offer products suitable for consumption and chosen by responsible consumers?
7. What is the overall approach or process adopted? Please describe, and provide reference material.
8. Does this approach refer to certain international standards? If yes, which ones? If not, why?
9. What are the tools used in this framework? Please describe them.
10. What are the results achieved?
11. What constraints have you met, and what solutions were adopted and/or recommended?
12. What are the current prospects?
13. What position does dialogue hold in these tools?
14. What are the strengths and weaknesses of your tools within this framework?
15. What possible improvement can be brought in?
16. Which other institutions do you know and that is involved in the SREA process? Give as many details as possible about them, and state their position about SREA.

## ANNEX 2 : List of people associated

1. Gustave ASSAH et Euloge AGBESSI for Benin, Assistants GRAPAD / CREFAC
2. Gilles da COSTA, Economist, Consultant (for the other countries)
3. Siméon Toundé DOSSOU, Trade unionist, Agro forester (for trade union organisations)
4. Mahaman Nouri , Association for the Defence of Consumer rights / ADDC – Wadata) et als (for Niger)
5. Sékou SANGARE, Economist, Consultant and member of Mali Consumer Association (for Mali)

## **ANNEXE 3 : Document de position de Consumers International**



# **Consumers International position on Corporate Social Responsibility activities in ISO**

Consumers International (CI) strongly supports the initiative on Corporate Social Responsibility (CSR) standardisation by the International Organisation for Standardization (ISO). Internationally agreed CSR standards or guidelines can offer a more transparent view of CSR activities and policies, in a given company, than the many different codes of conduct that many companies currently use.

ISO is a well recognised body on a international scale. Therefore, an ISO CSR standard or guideline will have a much broader target group than CSR standards and tools developed nationally or by single companies, groups of companies, NGOs or others. This means that ISO activities could result in a major increase in the number of companies working seriously with CSR issues.

### **1. Background**

Promoting the ethical behaviour of transnational companies has been a central concern of CI for many years. [The Consumers International Consumer Charter for Global Business](#) outlines what consumers expect from business in terms of ethics, competition, product standards, marketing, disclosure of information and labelling, and consumer redress.

### **2. CSR reporting**

In the area of CSR, CI has been actively involved in the Global Reporting Initiative (GRI). The invitation from the GRI to join the Charter Group offered CI a distinct advantage over many of the wide range of civil society organisations involved in CSR. CI was able to participate directly in the GRI process and was able to play a founding role in this project, from its inception. CI's long-term CSR strategy is to include the promotion of consumer rights, to gain high-level entrance in the area of sustainability reporting while ensuring that they are in line with consumers' interests, and at the same time raise and enhance CI's international profile. CI has provided input on how reporting should develop further and be best advanced in relation to consumers' needs.

### **3. Development of standards and rules**

The CI World Congress 2003 stated that the development of international rules and standards is an essential tool to protect consumers in a globalised economy. These rules and standards are made by a number of bodies. Harmonisation of standards should only be undertaken where there is a clear benefit for consumers and where it is understood that the standards-setting process must respect democratic values. CI and its members should be able to play an active role in standardisation. They should participate in the promotion of CI policies in technical committees preparing national and international standards of consumer interest. They should act in co-operation with other international bodies representing consumers. All bodies responsible for standard-setting should actively seek and facilitate the participation of consumer representatives in their work.

#### **4. The need for an ISO CSR standard**

In 2001 ISO Council requested that ISO COPOLCO considered the viability of international standards in this subject. A COPOLCO working group prepared a report which was discussed by COPOLCO at its June 2002 meeting.

The report was developed in the light of increasing world-wide consumer and public interest in this issue. In particular, polls show the increasing importance consumers assign to the social responsibility leadership of companies. The surveys indicate that consumers expect that multinational firms should meet high health and safety, worker, human rights, consumer protection and environmental standards, no matter where their operations may be located. Investors and shareholders are also increasingly pressuring firms to demonstrate their corporate responsibility programmes and activities. And firms are increasingly asking that their suppliers show that they have corporate responsibility programmes in place. These market actions are buttressed by laws in several jurisdictions which require that, for example, pension fund managers review the corporate social responsibility practices of companies with which they invest. However, in the absence of credible, verifiable information based on internationally agreed-upon standards, the report concluded that it is difficult for all of these parties to make meaningful assessments and decisions about corporate social responsibility practices.

The report identified a large number of existing CSR initiatives. They are evidence of a considerable degree of engagement from all sectors of society on corporate responsibility issues, and that considerable progress has been made towards devising workable approaches. However, there is a tremendous range in quality, content, comprehensiveness and operability among them. As a result, even good efforts to be socially and environmentally responsible may suffer in the confusing sea of variable quality initiatives. Moreover, the wide range and variable quality makes it difficult for firms to know where to turn to, for credible assistance in being responsible and being seen to be doing so, while consumers and other demand-side interests, lack credible tools for distinguishing good corporate citizens from their counterparts. This can discourage businesses from engaging in CSR activities, and consumers and others from trying to reward good behaviour.

The CI representative in COPOLCO supported the conclusions in the report. On the basis of the COPOLCO report, ISO Technical Management Board decided to establish a Strategic Advisory Group, that should decide whether there is a need or role for ISO in regard to CSR standards or guidelines.

#### **5. ISO considerations on whether or not to be active in the CSR area**

CI has a seat in the Strategic Advisory Group. Many other relevant major NGOs are members of the Advisory Group, and the group is more stakeholder balanced than ISO working groups usually are.

The advisory group finished its work in April 2004. The conclusions from the group is an important input to the conference on CSR that ISO will arrange in Stockholm on 21-22 June, 2004.

#### **6. CI position on standards and CSR**

The following bullet points are not an exhaustive list of CI's demands for an ISO CSR standard or guidance document, but a list of the key issues:

- An ISO standard or guideline can only be a supplement to the many other tools and requirements for companies working with CSR. Therefore, an ISO standard or guideline

does not exclude the need for relevant legal actions, on a national or regional level, and it does not exclude the need for the many other voluntary initiatives.

- Many tools are already available for companies working with CSR. An ISO standard should involve the best of these. That way an ISO standard or guideline could become a bridge between national legislation and international norms (UN, ILO, OECD etc.) on the one hand, and reporting and other voluntary initiatives and tools on the other hand.
  
- If ISO decides to develop some kind of CSR standard or guideline, ISO must ensure a balanced participation in the development process, to ensure adequate influence of organisations representing the public interest. This means that all relevant major stakeholder groups should be given the opportunity, and if needed, also the resources for participation in the relevant forums.
  
- Minimum requirements for a CSR standard or guideline include:
  - Compliance with all rules and regulations of the jurisdiction in question.
  
  - A clear obligation of the company, in close dialogue with relevant stakeholders, to consider relevant international conventions (UN, ILO, etc) and generally accepted international best practices, in order to decide which issues are relevant, when setting up performance objectives and commitments for CSR activities. The considerations, arguments and conclusions drawn should be disclosed to public.
  
  - Methods to enhance and ensure credibility in claims, made about social responsibility. That is both the credibility of the external reporting of objectives and achievements, and the credibility of the organisation's choice of issues to address (or not) in its CSR activities.
  
  - Guidance on processes and systems to ensure effective operationalisation of CSR commitments and objectives, and measurable, verifiable results.
  
  - Techniques for stakeholder and public reporting and communication, if possible with reference to or based on, existing and broadly recognised tools, such as the GRI.
  
  - Provision of relevant information, in a clear, easily understood and consistent format to enable organisations to be able to inform consumers and other interested parties of the CSR activities of a company, for instance for use in comparative testing of products or services: and also to facilitate dialogue with or between companies, consumer groups and any individual consumer.
  
  - Taking into account the whole supply chain. Companies, when deciding whether to 'Make or Buy' part or all of their final product or service, are increasingly deciding to outsource to other suppliers. The result is that the supply chain becomes longer and more complex, making it increasingly difficult for the consumer to evaluate a product and service by looking only at the CSR activities of the final manufacturer or supplier. This trend for outsourcing, means that the CSR activities of the suppliers are also relevant, and need to be taken into account by the 'outsourcing' company. Therefore, from a consumer perspective, it is useful and necessary for CSR evaluation to include the supply chain.