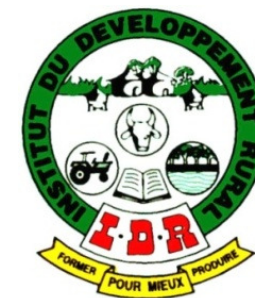




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# **Perception and Attitudes of Managers toward Corporate Social Responsibility in Burkina Faso: A case study**

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# Outline

- 1. The problem statement**
- 2. Background**
- 3. Methodology**
- 4. Main results**
- 5. Policy implications and conclusion**

# 1. THE PROBLEM STATEMENT

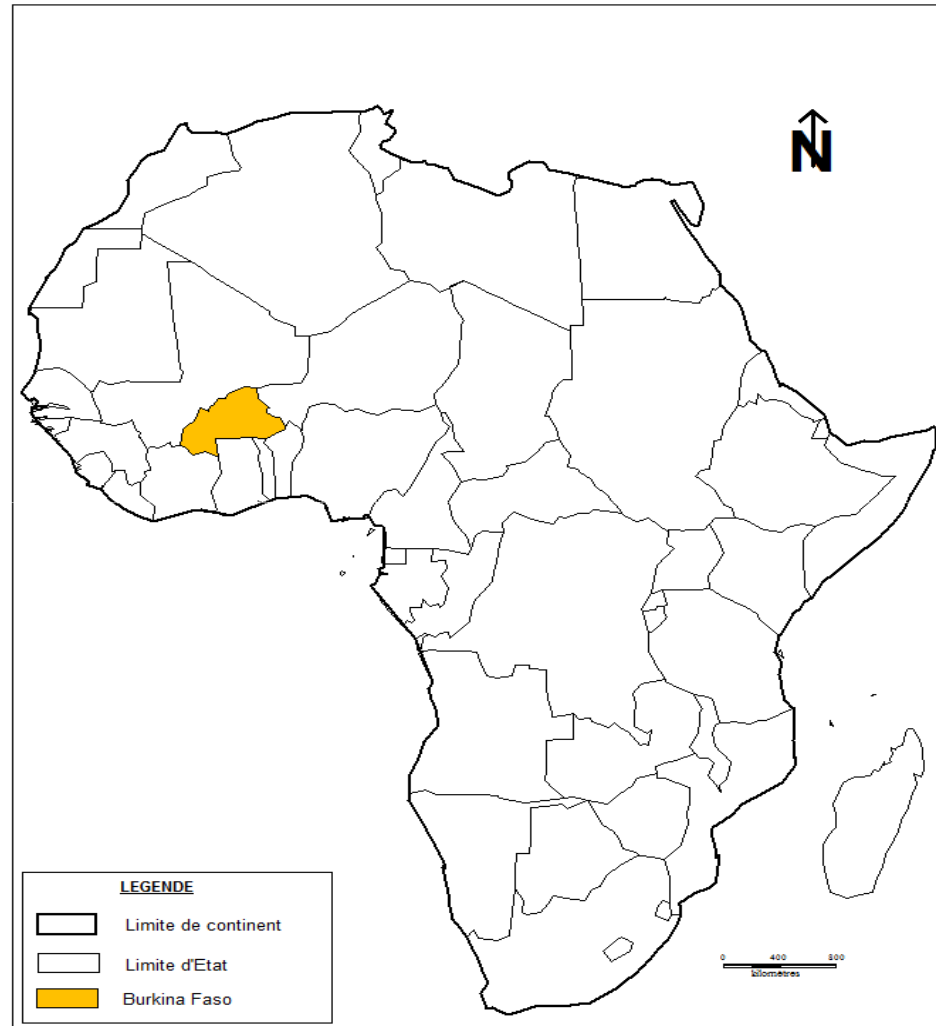
- This study deals with the perception and attitudes of enterprises' managers regarding sustainability issue.
- Law of 1997 on Environment management in Burkina Faso
- Requirement by a Law on 2001 of an Impact Assessment Study (IAS) for all activities with direct or indirect significant impacts on environment prior to settlement

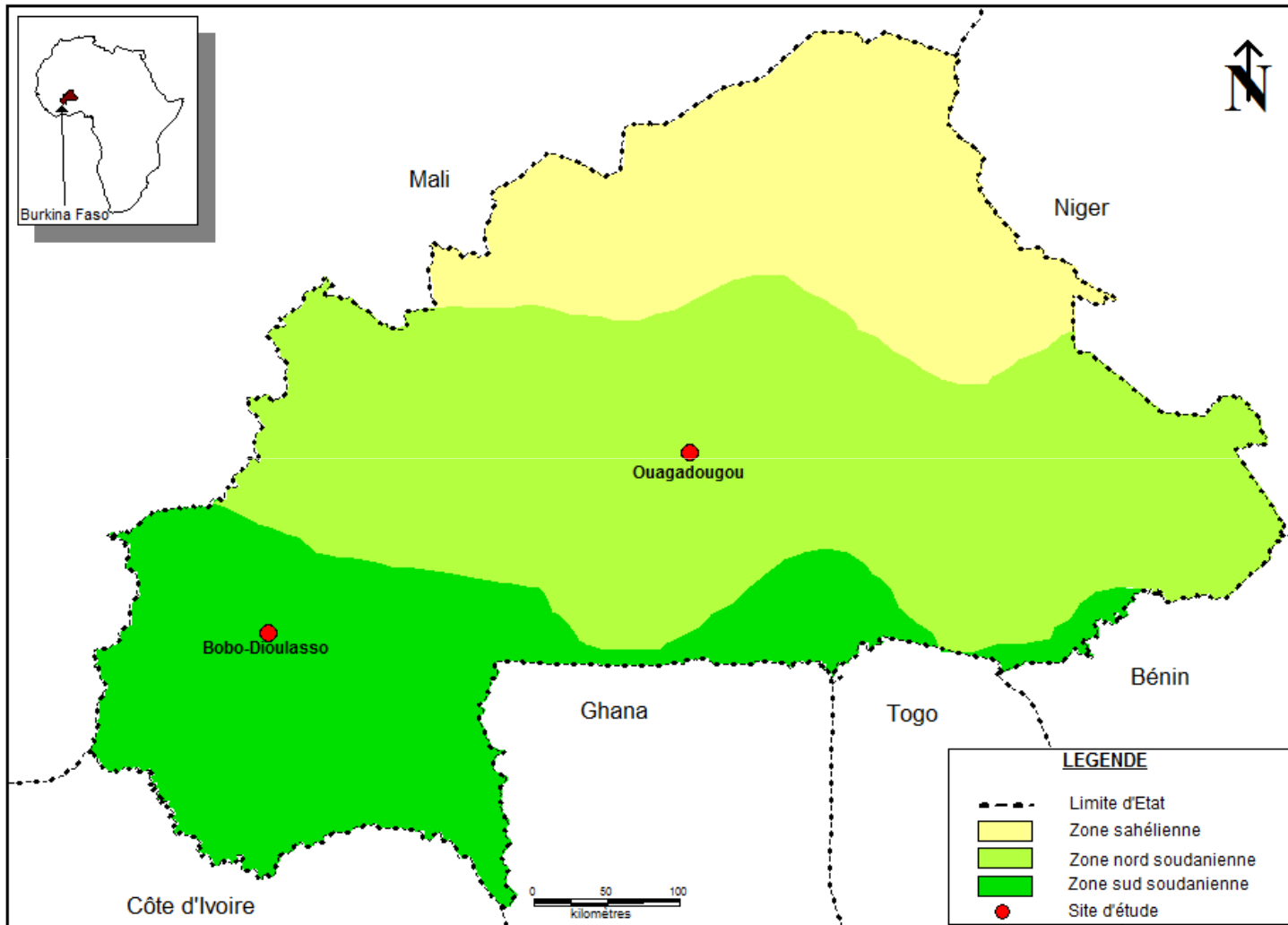
- Most of the studies on corporate in Burkina Faso focused on financial performances
- Lack of study on managers' perception and attitudes toward Corporate Social Responsibility (CSR).
- **Many questions remain unanswered:**
  - i. What are the perceptions of industrial enterprises' managers of Sustainable Development?

- ii. What strategies do they implement in accordance with CSR principles?
- iii. How effective are their strategies?
- iv. Are they willing to participate in project aiming at improving the sustainability of enterprise?
- Importance of that kind of study for the design and implementation of strategies for sustainable enterprises

## 2. BACKGROUND

- The economy of Burkina Faso is mainly based on agricultural sector
  - more than 80% of the active population engaged in agriculture
  - Contribution of about 32% to GDP
- However, the industrial sector plays an important role in development of the country
  - About 18% to GDP
  - Second employer after the Public Administration





- Many issues in connection with industry:
  - decrepitude of industrial installations
  - non-compliance with the principles of the CSR in most of the cases
  - Installation of most of the industrial units before the effectiveness of the Law on IAS.
  - Many managers are often questioned by neighboring people for the negative impact of their activities on their well-being

Great awareness of the impact of negatives externalities related to industry

# Objectives of the study

- Analyze the practices of corporate managers in connection with CSR principles
- Estimate the willingness of enterprises to pay for sustainable management of industrial common waste
- Identify the factors leading to the adoption of principle of CSR

# **3. METHODOLOGY**

## **2. 1. Theoretical framework**

- Corporate Social Responsibility (CSR) is a situation where organizations consider the interests of society by taking responsibility for the impact of their activities on all stakeholders (customers, suppliers, government employees, shareholders, communities) and other as well as the environment.
- CSR also called Corporate Responsibility, Corporate Citizenship, or Responsible Business

- Two main theories are associated to CSR:
  - Theory of externalities: internalization of social costs linked to industrial activities
  - Theory of Stakeholders: Participation of all parties impacted directly or indirectly by the enterprises
- In this context, taking into account environmental issues in production process is not a constraint for enterprises but an opportunity to improve its performance

## 2. 2. Sampling

- Choice of enterprises throughout 2 databases from the Direction du développement industriel (DDI) and the Direction des évaluations environnementales (DEE)
- Sample of 56 enterprises of a total à 72
- Questionnaire and interview
- Qualitative analysis of perception based on managers' declarations
- Quantitative analysis using statistical inferences and Econometrics

# **4. MAIN RESULTS**

## **4.1. Characterization of Business environment**

- Code on environment,
- Code on investments,
- Code on Public Health and Hygiene
- Code on Mining
- Code on urbanism

- Law on the management of urban waste (collection, storage, transportation, treatment and destruction)
- Law on the conditions for installation and functioning of dangerous enterprises.
- Law on Security rules in Industrial era
- Law on creation, organization and functioning of the Fund for the reduction of industrial pollution (FODEPI).
- Etc.

## 4.2. Perception of environmental problems

- Perception of environment
  - Pollution in cities and quality of livelihood
  - Resources depletion
- Main environmental problems
  - Lack or deficiency of infrastructures for waste management
  - Quick extension of cities

- Main sources of the main environmental problems
  - Bad behavior of urban people
  - Urban transportation
  - Industrial activities
  - Bad urban planning policies

## **4.3. Practices in relation CSR**

- Formal and informal organizations devoted to social aspects inside and outside enterprises (cooperatives, association, insurance or support for health and education issue, sport)
- Collaboration between enterprises for waste management or contracts with informal sector for recycling (about 40 tons of irons per month in Ouagadougou by foundry)

- Implementation of stations for treatment of wastewater for reuse in enterprise or in Urban and Periurban Agriculture (UPA)
- ISO 14001 for Tobacco manufacture (reduction of electricity and water consumption up to 40%, strong involvement of employees in the organization and decision process)

## 4.4. Determinants of WTP for WMS

Variable	Coefficient	Student t
Manager citizenship	-110 463,73*	-3,09
Experience of the enterprises	10 860,45	0,88
Nature of enterprise activity	92 133,02*	4,13
Importance of the risk in production process	-319 722,51*	-2,48
Expected benefit from environmental quality improvement	518 667,49*	2,60
Inspection of activities	153 972,15	0,91
Intercept	-154 287,26	-0,69

## 5. POLICY IMPLICATION AND CONCLUSION

- Until now, a great number of managers minimize the real impact of industrial activities on environment and people
- However, they are willing to pay for actions aiming at improving collective management of industrial waste (about USD500 per year)
- Codes and Law are not well known particularly those giving opportunity of funding to enterprise (FODEPI, CDM)

- Emergency for making Law and codes working by large dissemination and rigorous application of rules
- It is necessary to make fund available by reviewing application process which appears long and difficult according to managers

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**Thanks for your attention!**