MNC reporting on CSR and conflict in Central Africa

Kolk, A.; Lenfant, F.

DOI
10.1007/s10551-009-0271-1

Publication date
2010

Document Version
Author accepted manuscript

Published in
Journal of Business Ethics

MNC REPORTING ON CSR AND CONFLICT IN CENTRAL AFRICA

ANS KOLK & FRANÇOIS LENFANT

Journal of Business Ethics, forthcoming

-

Correspondence:

Prof.dr. Ans Kolk
University of Amsterdam
Business School
Plantage Muidergracht 12
1018 TV Amsterdam
The Netherlands
tel. 31 20 525 4289
fax. 31 20 525 5281
e-mail: akolk@uva.nl
http://www.abs.uva.nl

MNC REPORTING ON CSR AND CONFLICT IN CENTRAL AFRICA

ABSTRACT

In recent years, corporate social responsibility (CSR) of Multinational Corporations (MNCs) in developing countries has received more attention. However, in this literature Africa is much less well represented than other regions, and existing studies about Africa have mainly focused on South Africa and Nigeria. This focus has resulted in scant research on other African countries where MNCs are located as well, and where their presence is notable. Settings largely unexplored include conflict-ridden areas in Central Africa where a limited number of usually large MNCs can potentially have a large impact on the local situation and play a role in addressing the huge problems with which these countries are confronted. Moreover, the MNCs themselves face large CSR dilemmas, related to the contribution they can (or cannot) give in the different setting compared to their home countries as well as their attitude vis-à-vis ongoing conflicts. To help shed light on these issues, this paper explores how MNCs report on CSR and conflict in three Central African countries (Angola, Democratic Republic of the Congo, and Republic of the Congo). Our analysis of company information reveals that opportunities are widely seen and that most MNCs report on their economic and social impacts. However, CSR reporting is fairly generic and the specific context seems to bear little influence on the type of CSR activities. The conflict dimension also receives limited attention, although some companies show awareness and outline the limitations of their power and the dilemmas inherent to their presence in these countries. The potential for MNCs' involvement in (co)creating sustainable economies is recognised, and needs further research attention in the coming years.

KEY WORDS

Conflict; multinational corporations; CSR; Angola; Democratic Republic of the Congo; Republic of the Congo

MNC REPORTING ON CSR AND CONFLICT IN CENTRAL AFRICA

INTRODUCTION

Interest has grown for corporate social responsibility (CSR) in developing countries in recent years, in recognition of the fact that context matters. This has been reflected in a number of recent special issues, such as those in Journal of Corporate Citizenship (Winter 2006) and Journal of Business Ethics (2007) that dealt with the topic more generally, and three special issues of Journal of Corporate Citizenship on Asia, Africa and Latin America (respectively Spring 2004, Summer 2005 and Spring 2006). The role of Multinational Corporations (MNCs) has received specific attention, as these have been confronted most with the rather different peculiarities of their home countries, usually in Europe or North America, and the host countries in which they have operations as well. At the same time, MNCs' prominence also means that their impact on these host economies and their CSR activities in foreign countries have received attention, in line with higher societal expectations and reputational issues.

While publications have helped to obtain more insight into CSR in developing regions, a closer look shows that Africa is much less well researched than other regions. Empirical studies that cover African countries usually involve South Africa and Nigeria (cf. Baskin, 2006; Phillips, 2006), as documented by Visser (2006a) for the period 1995-2005 and confirmed by an additional electronic search we carried out for subsequent years up to and including 2008. Publications on Nigeria focus on the relation between local communities, such as the Ogoni people, and oil MNCs such as Shell (Boele et al., 2001; Eweje, 2006; Ite, 2007; Wheeler et al., 2002), while in South Africa, most attention is paid to business ethics as well as the emergence of CSR in the post-apartheid setting (Hamann et al., 2005; Visser, 2006a). This paper responds to Visser's (2006a) call for more studies on Africa, and particularly on other topics and other countries than those that have received attention so far.

In a sense, it is not surprising that the available literature on MNCs and CSR in Africa has concentrated on South Africa and Nigeria as this reflects foreign direct investment (FDI) patterns and thus the presence of MNCs in Africa. This also explains why Africa has been underrepresented compared to Latin America and Asia. It must be noted, however, that the past few years have seen a shift in investment patterns, and increasing FDI inflows to Africa (UNCTAD, 2007). Although still being very unequally spread geographically over the continent, the importance of FDI in some non-traditional recipient countries is growing rapidly, frequently due to the availability of natural resources: 48% of FDI in Africa in 2005 took place in the oil, mining and gas industries of six African countries (UNCTAD, 2006). However, this has not yet been reflected in CSR research on these other countries. This appears to be related to the difficulty of doing research in countries where governance and institutional structures are in flux, and where violent conflicts are prevalent, with different groups fighting for scarce resources and/or government power, with factors involving ethnicity or religion playing a role as well at times. However, it is in such settings with their peculiarities, that CSR dilemmas, which are particularly sensitive for MNCs as well, come to the fore most prominently.

Thus, more attention to MNCs and CSR in Africa seems timely, particularly in those countries where research has been largely absent so far but where the presence of some MNCs is nevertheless notable. Settings largely unexplored include conflict-ridden areas in Central Africa where a limited number of usually large MNCs can potentially have a large impact on the local situation. This also means that they may play a role in addressing the huge problems faced by Africa in general and these countries in particular, including human rights violations, inequality, poverty and human suffering. In recent years, MNCs' positive, 'leading-edge' involvement, as 'good corporate citizens', has received more attention (Andriof and McIntosh, 2001; Fortanier and Kolk, 2007a; Kolk et al., 2006; Sullivan, 2003; UNCTAD, 2007).

In addition, the MNCs themselves face large CSR dilemmas, related to the contribution they can (or cannot) make in these countries given the different foreign setting (cf. Visser et al., 2006) and their attitude vis-à-vis ongoing conflicts (Banfield, 2003; Handelsman, 2003; MacDonald and McLaughlin, 2003; Oetzel et al., 2007). In the more generic, emergent literature on MNCs and conflict, several questions have been raised (Bais and Huijser, 2005; Banfield et al., 2005; Bennett, 2002; Haufler, 2004; Nelson, 2000; Oetzel et al., 2007; Sullivan, 2003), also as input for further research (Oetzel et al., 2007; UNCTAD, 2007). These include how MNCs deal with conflicts when investing in such regions, or when conflicts (re)emerge while being present in the country already; and whether they (intend to) play a particular role to exert influence and help reduce conflict. The issues faced by MNCs, both generally and in relation to CSR specifically, are more complex than in other countries so it is worth exploring to what extent they show awareness of these peculiarities.

To help shed some light on these issues, this paper explores how MNCs report on CSR and conflict in three African countries (Angola, Democratic Republic of the Congo, and Republic of the Congo). We chose these countries in the heart of Africa because they have gone through prolonged periods of violent conflict, possess considerable natural resources that offer economic opportunities for MNCs, and have hardly been covered in research, and certainly not from this perspective. Taking a broad societal view, it might be said that everything that can contribute to a reduction of conflict, including a potential role of MNCs, would be very welcome, not only from the perspective of human suffering but also because of the economic cost of conflicts. A 2007 report noted that, for Africa as a whole, this amounted to $18 billion per year, with an average African economy shrinking by 15% as a result of armed conflicts (Hillier, 2007, p. 3); for the Democratic Republic of Congo, for example, the cost of armed conflict in the period 1996-2005 was estimated to have been 29% of the country's Gross Domestic Product (Hillier, 2007, p. 10).

Despite this dire situation and the assumed role of MNCs, not much research has been done on MNCs in conflict countries, due to lack of data and the complexities of collecting further information on the ground. Given these limitations, this study uses reports by MNCs to obtain insight into their perceived CSR dilemmas and opportunities in three countries marked by a history of conflict. Before moving to the set-up of the exploratory analysis and the findings, we first briefly discuss some perspectives on CSR in Africa.

CSR IN AFRICA

The definition of CSR in the African context has been the subject of academic attention (Egels, 2005; Hamman et al., 2005; Hamman and Kapelus, 2004; Idemudia and Ite, 2006; Ojo, 2008; Visser, 2006b). Most scholars agree that the specific context matters because CSR is locally rooted (Hamman et al, 2005), and the product of historical and cultural factors (Idemudia and Ite, 2006). Africa is specific in a sense because it is a continent marked by conflicts, environmental degradation, and dire poverty, thus presenting MNCs with the ethical dilemma of prioritizing their overall social responsibilities (De Jongh and Prinsloo, 2005) in line with local needs.

To shed some light on this issue, Visser (2006b) revisited Carroll's CSR pyramid from an African perspective, and given Africa's low levels of development and high unemployment rates. Visser (2006b) argued that the economic responsibilities of MNCs in Africa should be at the core of their CSR priorities, followed by philanthropic, legal and ethical responsibilities. The second place attributed to philanthropy is somewhat surprising given the criticism directed at MNCs' CSR activities based on the philanthropic model (Boele et al, 2001; Wheeler et al, 2002; Ite, 2004; Ite, 2005; Idemudia and Ite, 2006; Idemudia, 2008). As much of FDI in Africa is in the extractive industries with well-documented negative environmental and social impacts, it may be more important to know how these implications are taken into account than pure philantropic efforts (Hamann and Kapelus, 2004; Ite, 2006; Newell and Frynas, 2007).

In that light, it must be noted that CSR activities undertaken by MNCs in developing countries in general and Africa in particular have been criticised, for not addressing the root causes of (under)development (Idahosa, 2002; Hamann and Kapelus, 2004; Idemudia, 2008) and/or failing to improve relationships with local communities (Idemudia, 2008; Idemudia and Ite, 2006; Omeje, 2006). Another point of critique has been the asymmetry between African governments (especially in the case of small, relatively poor countries) and huge oil MNCs, sometimes exemplified by comparing company's (local) tax contributions to total government budget of a particular country, or company's profits to an economy's gross domestic product (cf. UNCTAD, 2007). Whether exaggerated or not, MNCs can use their clout to leverage favourable deals when considering investments, for example, which has been criticised in relation to 'irresponsible business' and tax deals (cf. Reed, 2002; SustainAbility, 2006).

Systematic evidence has been lacking here, however (UNCTAD, 2007). In some cases, and presumably in response, companies outline, in their CSR reports, the large contribution made to a national/local economy using such figures (Fortanier and Kolk, 2007b).

If we consider existing studies on CSR in Africa against the background of Visser's (2006b) priorities, the following can be concluded – obviously looking at Nigeria and South Africa as these are the countries on which research has focused (see the introduction). A recent study on MNCs in Nigeria found that CSR activities concentrated on the locations where companies had operations, with a variety of themes being covered, such as health care, manpower development, capacity building, sports and education, and infrastructure development (Ojo, 2008). Also interesting was the conclusion that CSR activities undertaken by companies in Nigeria follow a rather philanthropic model which corroborates other studies' findings on Shell community investment projects (Boele et al, 2001; Idemudia and Ite 2006; Idemudia, 2008; Ite, 2004; Ite, 2005; Wheeler et al, 2002).

In South Africa, the historical roots of CSR are that it started as local charity, reflecting mining companies' culture of giving (Kapelus, 2002), before starting to incorporate governance aspects linked to the apartheid regime (Malone and Goodin, 1997). When apartheid ended, the focus of CSR in South Africa shifted to socio-economic issues, such as unemployment and affirmative action through Black Empowerment, and health issues, particularly HIV Aids (Kapelus, 2002; Hamman, 2003; Visser, 2005). The broadening of the definition of CSR in the South African context, from pure philanthropy to corporate citizenship and health, the inclusion of core business practices, as well as the integration of context-sensitive issues such as black empowerment and concomitant wealth redistribution confirms the notion that CSR is not static (Hamann and Kapelus, 2004) and reflects developments in the local setting.

The notion that context matters raises the question of what CSR should entail in fragile and conflict-prone environments typically found in (Central) Africa, characterised by a governance vacuum and the absence of rule of law, and lack of societal and regulatory pressure on companies. Specifically in relation to conflict resolution, it has been emphasised that MNCs can be important, by taking individual actions or by supplementing those undertaken by others

(Bennett, 2002; Oetzel et al., 2007). Looking at types of activities, companies can play a role to address conflict directly (for example, via security arrangements, negotiations or withholding payments) or indirect approaches focused on conflict diminution, such as lobbying governments or others, or philanthropy (Oetzel et al., 2007). The type of conflict as well as its intensity obviously affects the room for manoeuvre for MNCs in this regard. In post-conflict situations, a company's role is seen as helping with reconstruction activities (for example, in infrastructure) and investments, but also by engaging in core business activities that will have positive implications for the host economies in general, and by social investments and partnerships that help address the main drivers of conflict, particularly corruption, poverty and social inequality (Bennett, 2002; Nelson, 2000).

Thus, seen from this perspective, the role of MNCs in conflict zones also includes the more generic economic and social aspects that are considered to be part of CSR, particularly when it comes to MNCs operating in developing countries (Fortanier and Kolk, 2007b; Meyer, 2004). These include economic impacts originating from the size of MNCs' investments (jobs, taxes) and spillovers (to local firms and through transfer of skills and technologies), and social consequences, for employees (working conditions and rights), local communities and society more broadly by demonstrating good practices (consideration for human and ethnic rights, poverty alleviation and ethical behaviour regarding corruption and transparency) (Andriof and McIntosh, 2001; Kolk et al., 2006; Meyer, 2004; Sullivan, 2003; UNCTAD, 2007). With these more generic economic and social aspects, it can be asked to what extent these reflect the conflict context or are specifically designed to address some of the issues related to the conflict. In other words, do MNCs with operations in conflict countries in Central Africa focus on local context-specific (conflict) issues or is their approach comparable to that applicable in other African settings? Here, particularly South Africa may serve as comparison to some extent as this is the country for which CSR reporting has been investigated (Dawkins and Ngunjiri, 2008; Hamann and Kapelus, 2004; Reichardt and Reichardt 2005; Visser, 2002), likely due to the fact that reporting has really taken off there (KPMG, 2005).

We will now turn to the range of responses, as well as perceptions of conflicts, opportunities and dilemmas of large foreign companies active in three Central African countries, considering the issues raised above.

SAMPLE AND METHODOLOGY

To explore the issues set out above, we selected three countries in Central Africa (Angola; Democratic Republic of Congo – DRC; and Republic of the Congo – Congo Brazzaville) marked by prolonged periods of violent conflicts, considerable presence of MNCs related to the presence of natural resources, and an absence of systematic research in relation to the subject of this paper. Table 1 gives some basic information about the three countries, for which we will investigate how MNCs report on CSR and conflict.

==============

Table 1 around here

==============

Since comprehensive data on MNCs in Angola, DRC and Congo Brazzaville is not easily available, we proceeded as follows. To obtain an overall view of the major investors in the three countries, we first consulted the latest reports by UNCTAD (2006a; 2006b) available at the start of the study (July 2007). For the purpose of being as inclusive as possible, other lists and reports that contained potentially valuable information on companies investing in the three countries were also consulted.[1] A quick search of the websites of all companies found in this way was subsequently carried out to ensure that those identified were still operating in the three countries. These steps led to an overall list containing a large number of large and small companies that had to be narrowed down to a more manageable list that would enable a more in-depth manual search of the largest foreign players in those countries on the topics under investigation.

This selection was initially done by taking those companies that appeared in the 2007 largest 500 lists (Fortune Global 500, FT Global 500, FT Europe 500 and FT US 500; rankings based on turnover). Given that mining is such an important sector in all three countries, and that the number of mining companies included by this criterion was relatively limited (only four companies, with by comparison many more oil MNCs), we took a closer look at this sector and added those firms that had net assets higher than $200 million.[2] This criterion was used to include companies that made large investments the past year(s) but had not yet been able to see these investments translate into high sales' numbers. They were assumed to have potential economic and social significance relevant for the purpose of this paper. In addition, when the 2007 World Investment Report (UNCTAD, 2007) was published in the course of our study, we did an additional check on the companies listed there and added one (Inpex, with operations in DRC through its subsidiary Teikoku oil).

This resulted in a sample of 54 companies, of which 64% operated in the extractive industries (oil and gas; mining; oil and equipment services) and the remainder spread over a variety of sectors (see the Appendix for a full list and some details of the companies). It must be noted that most non-extractive companies do not have major operations in the countries under study (and in Africa more generally). Almost half of the MNCs originates from Europe (44%, of which 30% are French) followed by North America (31%, of which 76% are from the US); there are seven companies from emerging markets (2 from Brazil, 5 from South Africa). 41% of the MNCs are active in Angola only, 19% only in DRC and 9% only in Congo Brazzaville; the other companies operate in more than one country – for only three MNCs there is clear evidence that they are active in all three countries. In Angola, BP, Chevron, Exxon and Total seem most prominent in extractives, for Congo Brazzaville this applies to ENI and Total, in DRC the situation is less clear – this may be one of the countries where Chinese companies could start to play a role, but in our dataset this was not yet the case.

For all these companies, we collected, in the period September-October 2007, the latest available financial and non-financial reports as well as company websites. In all but one case (which concerned a report over 2005), the annual and CSR reports covered the year 2006. This information was analysed in detail on the aspects discussed in the preceding section. This encompassed what MNCs noted about economic opportunities in the African context, about their economic and social impacts (cf. Fortanier and Kolk, 2007a, 2007b; UNCTAD, 2007) and about their cooperation with other parties, governmental and/or non-governmental organisations

(NGOs) and other stakeholders; whether they reported on the (post) conflict situation they may have been involved in, whether they addressed issues related to the impact of the conflict on their operations, their potential role in addressing conflicts (cf. Oetzel et al., 2007) and/or how they dealt with the limitations inherent to investing in conflict areas. While relying on corporate information has limitations in view of the fact that it involves self-representations, it has been widely used, particularly for purposes such as the one in this paper, where legitimacy, insight in corporate values and policies, and communication to stakeholders of companies' perceptions is important (see e.g. Baskin, 2006; Dawkins and Ngunjiri, 2008; Fortanier and Kolk, 2007a, 2007b).

MNC REPORTING ON OPPORTUNITIES, IMPACTS AND DILEMMAS

Investment opportunities and the African context

When looking at the information that companies provide, we note that a large majority (61%) mentions reasons for investing in Africa. A vast majority refers to growth as major factor, either directly using this word (e.g. AngloGoldshanti, BASF, BHP, Halliburton, Petrobras, SGS) and/or other terms such as penetrating new emerging markets, consolidating their presence (examples in these categories include Alrosa, Ashanti, PPR, Schneider, Shell), being closer to customers (particularly in the case of non-extractive companies such as Heineken, Nestle and Schneider), the quality of mining products (Alrosa, BHP), the opportunity to extract at low cost (Anvil, BHP, Nikanor), high margins/returns on investment (Camec), strategic advantage by extracting untapped rich resources (Nikanor) or as part of an approach to spread risks across sectors and countries (Energem). We thus see a mix of motivations, but with predominance for natural-resource seeking, efficiency seeking but also market seeking, although the latter seems to be less important (cf. Dunning and Lundan, 2008; UNCTAD, 2007).

As far as the local economic context is concerned, the favourable investment climate is mentioned by only three companies (Anvil, Haliburton, Heineken). Heineken (2007, p. 38) states, for example, that "since the economic situation in Central Africa has been stabilising, we have clearly benefited from the potential provided by this attractive region. We were able to increase volumes and to boost profitability". While a general statement, the conflict settings apparently have not negatively affected the company's perception of the region. It should be noted, however, that only BHP, Norsk Hydro and Statoil give specific information per country of operations. Most of the information on, for instance, economic value generated and retained is at best regional (often covering cross continental regions) or global, rarely national. The main examples where specific information is given will be included below.

With regard to the political context in Angola, Halliburton (2007, p. 13) refers to the government's "determination to make sure that the country's citizens are beneficiaries of the revenues from this valuable natural resource. The government has imposed sustainability and local content stipulations on foreign companies, requiring a minimum 10% of local content". The company mentions to support the government's plans, and is taking measures to accommodate the new legislation. Statoil, ENI, Chevron and Total are the only other companies openly supporting the local-content principle as a positive development for the country.

Concerning more politically sensitive issues that are highly pertinent in Central African conflict settings, only two MNCs mention the 'resource curse', which refers to the link between abundance of natural resources on the one hand, and higher chances of violent conflict and relatively poor performance on other social, economic and political indicators in developing countries on the other hand (cf. Mehlum et al., 2006; Sachs and Warner, 2001; UNCTAD, 2007). These two MNCs are Chevron and Statoil (2007, p. 7, 48). The latter company gives a clear explanation of the difficult situation in which countries find themselves regarding the resource-conflict link:

> "good resource management can encourage growth and reduce poverty on a large scale in such nations, but big revenue flows can also lead to corruption and the concentration of resources on unproductive activities. The result could be a one-sided economy with poor competitiveness and great vulnerability to fluctuations in oil and gas prices." "Host governments have raised licence fees and taxes, set high targets for local content in procurement and employment, and made social contributions part of bid evaluations.

> Natural resource abundance may crowd out nonresource exports and foreign investments, or tempt governments to under-invest in education and other long-term measures. The result could be non-competitive and undiversified economies which leave their populations vulnerable when prices decline or resources dry up. Large and concentrated revenue streams may encourage corruption and unproductive use of resources in both public and private sectors. In the worst case, competition over access to resources could end in violent conflict. Experience shows that none of these risks are unavoidable, and that resource wealth is a strong driver for growth and sustainable development when managed well."

Interestingly, transparency, an issue linked to good governance and thus relevant in conflict-prone countries, is high on oil companies' agenda: 73% of the oil companies in our sample are part of the Extractive Industries Transparency Initiative. In addition, two oil companies (BP and Exxon Mobil) are not only transparent about their transfers, but also engage the Angolan government on good governance and accountable oil revenue management. Exxon Mobil (2007, p. 38) mentions to be "in dialogue with the Angolan government to encourage them to move toward more open and transparent processes in managing their oil and gas interests".

Economic and social impacts

The majority of companies in our sample (58%) reports on taxes and royalties paid, be it per (major) country, per region or in total. Companies that provide information on the countries studied here include Statoil (2007, p. 62, 65), which paid $53 million in signature bonuses and 3.2 billion Norwegian Krones as income taxes to the Angolan government and (Norsk) Hydro (2007, p. 112) with 1.9 billion Norwegian Krones, also to the Angolan government. A few smaller mining companies in our sample are not profitable yet because their investments are fairly recent (Nikanor, Katanga Mining Limited, Tenke, Phelpes Dodge). The economic impact they report is not actual but estimated. For example, Nikanor mentions that 45% of pre-tax earnings will accrue to the DRC state, while Katanga Mining Limited states that more than $1 million per month is injected in the local economy as of now through salary payments and suppliers contracts, and that an estimated $2.18 billion in taxes, royalties, wages and other spending will be allocated to the Congolese economy over their 20 year lease.[3]

The majority of companies (57%) refers to the fact that they purchase from local suppliers to stimulate the local economy although more exact details about the contribution is usually lacking. Four companies stand out in providing detailed information: Chevron (2007, p. 21), which purchased $30 billion globally on goods and services from suppliers and contractors in 2006 as well as $347 million in goods and services from 196 Angolan-owned businesses in 2005;[4] TotalFinaElf (which also applied the local content spending principle illustrating how many equipment goods and services are bought locally to stimulate the local economy through regular business operations); Statoil (2007, p. 65) that gives an overview, per country of operations, of purchased goods and services; and BHP (2007, p. 301), which is one of the few mining companies providing a very detailed breakdown of the economic value retained in Africa ($2.5 billion) as well as payments made to African suppliers ($3.4 billion).

Figures on employment in Africa are provided by 54% of the companies, though here again usually for supranational levels. Looking at the specific countries, employment figures in Angola range, for example, from 820 people (BP) to 10,200 people (Odebrecht). Mining companies in DRC have employment figures ranging from 1,000 people (Tenke) to 3,000 people (Camec). The largest employer in Africa in our sample is AngloGoldAshanti with 53,125 employees out of a global workforce of 61,453. TotalFinaElf employs 8,556 people in Africa, of whom about 1,200 in Congo Brazzaville. Chevron is Angola's largest foreign oil-industry employer, employing 3,000 Angolan nationals, who count for 88% of the total workforce, of which 72% are professionals and play supervisory roles. A focus on hiring local employees is cited by 61% of MNCs (Anvil strives for 93% local employees, Odebrecht 92%, Haliburton 70%). MNCs do not break down their employment figures in age or ethnic composition, two aspects which are often related to conflict issues. Capacity building or human resource development, and employee health and safety are also mentioned by a majority of MNCs (58%), regardless of their sector of activity.

While a large percentage of MNCs (78%) mention financing community development projects, only 57% give specific information about project funding. Amounts vary tremendously, from $300,000 USD (First Quantum) to $103 million (BHP Billiton) and $544 million (Johnson and Johnson). Comparisons of generosity would be an arduous task since a considerable proportion of the community development initiatives are not only made in cash, but also through in-kind support and employee time, and (comparative) specifications per country are impossible to make. It is important to note that MNCs such as Johnson and Johnson finance NGOs and other organizations in DRC despite a small presence; BASF even finances projects there without having direct operations in the country – this illustrates the impact MNCs can have more generally. Nevertheless, only three MNCs (BHP, TotalFinaElf and Phelpes Dodge) are explicit about how they engage local communities. This involves references to taking communities' concerns into account, or being transparent about what communities can expect from MNCs' interventions.

Areas of funding are diverse and are sometimes linked to the core business of the MNC, for example, in health/nutrition (Nestle). Oil companies mostly fund health (including HIV Aids), small enterprise development and micro finance, while mining companies often focus on infrastructure related projects, such as roads and electricity. 35% of our sample have foundations through which funding to social projects is channeled. More than half (59%) mention their commitment to contributing to the development of the country in which they invest. Nestle (2005, p. 6) contends that the greatest contribution to poverty alleviation is "through the impact of our core business, with responsible, sustainable operations that create jobs and catalyse entrepreneurship". This seems to answer CSR critique according to which MNCs should focus on their core business rather than fund community activities.

The majority (57%) of MNCs engaging in community activities do so in cooperation with NGOs. Interestingly, four MNCs do not only fund NGOs as implementing agents of CSR-related projects, but also engage in partnerships with them to have a better understanding on, for example, how to measure one's economic impact (Heineken) or to get assistance in designing or implementing a Human Rights Assessment Tool (Chevron, Norsk Hydro, Shell). It seems to indicate that MNCs (and NGOs) are aware of the fact that they cannot tackle global issues such as corruption, bad governance, human rights abuses and conflict unilaterally. For that matter, it is also interesting to note that the language used by MNCs in their CSR reporting appears to resemble those of NGOs in some respect: references to poverty alleviation (TotalFinaElf, De Beer, BAT); meeting basic needs (Chevron); contributing to development (ITM), social justice, corporate efforts against poverty and hunger (Petrobras); help the poor fight out of poverty (Citigroup); reducing the causes of poverty and social vulnerability (Sodexho), improving the lives of planet inhabitants (Coca Cola); and furthering the UN Millennium Development Goals (BHP, Shell, Nestle, Exxon, De Beer, Heineken, Odebrecht) are more the norm than the exception.

Conflict issues

The conflict dimension is specifically mentioned by one third of the MNCs involved in the three countries under study. Some companies prefer using terms such as instability (Petrobras) or challenging, difficult environments (BHP, Halliburton, ITM, First Quantum). AIR Liquide and Tenke are among the few mentioning having to suspend operations in Congo Brazzaville and DRC respectively because of conflicts. Tenke sustained salary payments and benefits to the families throughout the suspension. Overall, however, it is noteworthy that companies reported more on the economic and social impacts of their activities and that consideration of the conflict dimension – so prominent in some of the countries in which they operate – is much less often revealed, and if so, usually via one generic, rather vague reference. Table 2 gives an overview of the MNCs in the sample, indicating – on one axis – whether they engage in CSR reporting or not (using criteria followed in earlier studies, cf. Kolk, 2005; KPMG, 2005) and – on the other – whether they report on conflict (distinguishing between no information, a generic reference or more detailed information).

==============

Table 2 around here

==============

The table shows that CSR reporting is not fully integrated into MNCs' reporting. Almost one third of our sample does not provide information on CSR. Among this group of MNCs with poor CSR reporting, five are involved in oil equipment and services (BakerHughes, Cameron, Transocean, CGG Veritas, and Weatherford), four in mining (Katanga Mining Limited, Energem, Alrosa, and ITM), three in industrial transportation (Kuhene, and Nagel, Bollore and AP Moller) and another three in the oil industry (Galp, Lukoil, Teikoku). These companies can be typified as MNCs with low profile – no consumer brands – with a relatively low turnover usually. This finding confirms the results of other studies which show that less visible, smaller companies are less inclined to report on CSR (Kolk, 2005).

In our sample, two thirds of the companies do report on CSR, which shows that not only South Africa is characterised by CSR reporting as other studies found (Dawkins and Ngunjiri, 2008; Visser, 2002). Different from overall CSR disclosure, however, information about conflicts in host countries is scarce. Companies that give considerable information are typically those that have major operations in conflict countries combined with a long history of involvement in that country (Total in Congo, Chevron in Angola), or major mining companies (De Beer, AngloGoldAshanti, and BHP). Direct exposure to conflict through large in (conflict) country operations, and/or strong consumer brands (in the case of Coca Cola and Heineken) seem characteristics of MNCs that report on conflict issues.

Despite a conflict context where human rights are often violated, only 39% of the MNCs make a reference to human rights in their reporting. Interestingly, the relative lack of interest for human rights issues in CSR reporting (compared to other CSR topics) was also found in recent research on South Africa, where the environment (81%) and community (83%) were mentioned most, while only 29% of the companies reported on human rights (Dawkins and Ngunjiri, 2008). In a study on MNC CSR reporting generally, the provision of some specific information on human righst was even less prevalent (11%), although more companies vaguely referred to or only mentioned the term (Fortanier and Kolk, 2007b). It thus seems that human rights have not been 'mainstreamed' yet in CSR, but that there appears to be somewhat more attention for it by companies that operate in conflict settings – the difference between South Africa and Central African conflict countries is smaller though.

MNCs' primary response to conflict and the amount as well as specificity of information disclosed varies considerably. Some reports focus exclusively on being victims of attacks that lead to the suspension of their operations (Air Liquide, ITM), others focus on the negative impact that conflicts and political unrest has on their profitability (Halliburton, Energem) or state their interest in playing a positive role in reconstructing the country in a post-conflict setting (Petrobras, Anvil). A few even touch upon possible strategies to prevent conflict (Total, De Beer).

Focusing on the contents of companies' reporting on conflict, most often this involves the risks they are confronted with. This includes aspects related to complicity in human rights abuses through direct or indirect association with security forces, perpetuation of conflict through the payment of resource rents and an association with generally poor governance and/or regulatory regimes. Particularly large extractive MNCs from OECD countries seem conscious of such risks. BHP Billiton (2007, p. 257), for example notes that:

> "With much of our exploration and development occurring in developing countries, some of our greatest human rights risk occurs in the areas where our employees and contractors are working in conflict and post-conflict zones. Corruption and security issues also remain a concern in some regions. We manage this risk by undertaking thorough country due diligence, coordinating security processes, maintaining dialogue and community engagement with key stakeholders and ensuring project teams are trained on our associated operating protocols."

Other companies (ABB, AngloAshanti, Anvil, Shell) also refer to the adoption of risk management tools. Interestingly, ABB mentions a common framework agreed upon by a variety of stakeholders as the best route to address human rights issues. AngloGoldAshanti, one of the largest mining companies, openly refers to the challenge they face in developing (multistakeholder) strategies that allow for the coexistence of small-scale artisanal miners with host governments and communities. The company does not, however, reveal its own approach regarding small-scale miners (for example, does it integrate them in its mines, buy from them, involve them in training/recycling programmes?).

BAT mentions human rights as a concern for businesses involved in countries where human rights are violated, providing interesting food for thought:[5]

> "Is it 'collusion' simply to do business there? If a business pulls out of a country, does it add to pressure for change, or simply remove fair employment opportunities and an example of good practice? Should businesses attempt to influence governments on human rights? We believe that multinational companies can lead by example and use their influence where they can, such as in employment standards, business practice, environmental management and community support. But if a government is thought to be failing in its duties to its citizens, we do not believe that business can, or should, take on the role of international diplomacy or direct countries on how they should be governed. The capacity of business to lobby on human rights is generally limited to human rights in the workplace, although business has legitimate cause to express concern if human rights violations hamper its ability to operate effectively and responsibly. We recognise that we have a role in addressing human rights issues that are within our sphere of influence in the countries where we operate. We expect our companies to respect the universally recognised fundamental human rights of all their employees and we support the United Nations Global Compact's guiding principles on human rights."

BAT makes a strong statement as to the dilemma of where the role of MNCs ends and where that of governments begins. It is interesting to note that the sphere of influence is also hailed by other MNCs (ABB, DHL) as a limitation to the power they have in enforcing human rights outside their operations.

DISCUSSION AND CONCLUSIONS

This paper aimed to shed some light on MNC reporting on CSR and conflict in three countries in Central Africa, thus responding to a call for more research on themes and countries largely unexplored in the literature (Visser, 2006a). Our study shows that, on average, large Western oil companies with a historical presence in African countries, especially Angola and DRC, tend to report more extensively on the significance of their social and economic impact on the host countries economies, than their smaller, non-extractive counterparts. Furthermore, they are more often positively engaged with national governments and NGOs, particularly in the case of Angola, in a dialogue to improve revenue transparency as to break the resource curse. It looks as if those larger MNCs that were at the centre of international publicity in a recent past (TotalFinaElf, Shell, BP) have adopted more far-reaching policies than others. However, large non-extractive companies also report on their economic and social impact, although in general not as specific as their extractive counterparts. Our findings corroborate Visser's (2006b) indication as to the prominence of firms' economic responsibilities above other areas. Interestingly, MNC attention to the economic and social benefits resulting from their core activities, as we found in their CSR reporting, seems to answer (some of the) criticisms that MNCs' CSR has mainly focused on positive duties (i.e. project funding with little value for host communities) rather than on their core activities where most impact is to be gained (Hamann and Kapelus, 2004; Idemudia and Ite, 2006).

Nevertheless, it looks as if the conflict setting has little bearing on how CSR is communicated. References to the (conflict) context in relation to the type of CSR activities carried out are often lacking. For that matter, the CSR activities on which MNCs report in Central Africa are fairly generic and can be found in most non-conflict, and also non-African settings; only a limited number of exceptions can be found. The majority of MNCs is rather silent about conflict issues, which are presumably difficult to understand, let alone 'solve', and tricky to communicate about because political sensitivities, ethical dilemmas and dangerous situations abound. MNCs' reporting on their reactions to conflict is not extensive, especially when compared to more traditional CSR reporting areas such as health and safety. MNCs' disclosure on the role that they can play in addressing conflict issues is more limited than on the impact that conflict has on their operations. However, MNCs are starting to report on human rights and corruption issues not only as a problem that they face, but also in terms of actions they can undertake to address these dilemmas. It might be, given growing interest in the role of MNCs in conflict areas, also in relation to CSR aspects, that these examples will be followed in the coming years, but that remains to be seen.

Compared to CSR reporting, the conflict dimension receives much less attention, although companies show awareness, most notably in relation to the risks. Moreover, some of them clearly outline the limitations of their power and the dilemmas inherent to their presence in conflict countries. Leaving aside the few companies that are present in all three countries and all report on conflict, 20% of the MNCs in Congo Brazzaville, 27% of those in Angola and 40% of those in DRC also show transparency on this issue. The fact that the DRC conflict is the only one that is still ongoing, leading to larger exposure, may explain the greater corporate attention paid to conflict in that country. MNCs active in Congo Brazzaville are the least transparent more generally, also with regard to social and economic aspects. Follow-up research on country and sector specificity in terms of corporate awareness and activities might be interesting.

Overall, our exploratory analysis shows that a considerable number of MNCs is conscious of the risks involved in being present in (post) conflict regions where human rights are not upheld. Many of the activities that companies can undertake as mentioned by Bennett (2002), Nelson (2000) and Oetzel et al. (2007) could be found in our sample. In view of the fact that we only relied on publicly available information as disclosed by MNCs themselves, it is not possible to give an overview of the extent to which companies actually use the whole range of actions: they might well do more and not report that because of the sensitivity of the issues, or they may not have lived up to what they put down in writing. An in-depth study of particular cases using triangulation (and a variety of respondents) would be worthwhile as follow-up. This would also allow for specific analyses of company's home versus host contexts, and how conflict issues are coordinated internally and across borders. It should be noted, though, that doing research in and about conflict settings is extremely difficult, which is why we have taken this approach in the current paper as a first attempt to obtain some more insight into this emerging issue.

If the data and research complexities can be addressed, other things found in this exploratory study are worth a further investigation as well. MNCs showed awareness of the issues and the dilemmas, sometimes formulated in a discourse comparable to NGOs, and willingness to cooperate with others. Adherence to transparency mechanisms and engaging in multi stakeholder schemes with governments and NGOs as to address difficult issues are promising developments. Hence, the potential and momentum for MNCs' involvement in (co)creating a sustainable and peaceful environment seem present. It is not clear, however, whether and how MNCs really (can) reckon with such issues in their strategies and operations, and with which sort of interactions with other stakeholders. This is an area that needs more detailed study, with a focus on particular conflicts, considering the role of a range of actors. In addition to MNCs, it would be good to also include local and Chinese companies – which could not be covered in this paper, but are likely to grow in importance – as they deserve attention as well.

NOTES

[1] This included, for example, lists published by investment promotion agencies (such as http://www.izf.net/izf/), sectoral lists (such as mining in Angola, http://www.infomine.com/, http://www.mbendi.co.za/orgs) or NGO lists (http://www.transnationale.org) as well as reports/sites by NGOs on economic activities in the three countries (http://www.niza.nl/; http://www.miningwatch.ca/updir/DRC_unanswered_questions.pdf; http://www.ipisresearch.be; http://www.hrw.org/reports/2004/angola0104/; http://www.business-humanrights.org; http://www.globalwitness.org/pages/en/conflict_diamonds.html; http://www.natural-resources.org/minerals/CD/docs/other/N0262179.pdf; http://www.dd-rd.ca/site/_PDF/publications/globalization/hria/full%20report_may_2007.pdf).

[2] In addition to the sources mentioned in the preceding note, additional sites checked included http://www.dd-rd.ca/site/_PDF/publications/globalization/hria/full%20report_may_2007.pdf; http://minerals.usgs.gov/minerals/pubs/country/2005/aomyb05.pdf; ttp://www.eitransparency.org; http://minerals.usgs.gov/minerals/pubs/country/africa.html#ao; http://www.11.be/downloads/EN_Memo_DRC.pdf

[3] (http://www.nikanor.co.uk/ir/files/factsheets/nikanor_factsheet_jul07.pdf) and (http://www.katangamining.com/sr/benefits.html), consulted 10 October 2007.

[4] http://www.chevron.com/documents/pdf/angolabrochureenglish.pdf; and http://www.chevron.com/countries/angola/?view=6; consulted 5 november 2007.

[5]http://www.bat.co.uk/group/sites/uk__3mnfen.nsf/vwPagesWebLive/DO52AQH8?opendocument&SKN=1&TMP=1), consulted 20 October 2007.

REFERENCES

Andriof, J. and M. McIntosh (eds.): 2001, "Perspectives on corporate citizenship", Greenleaf Publishing, Sheffield.

Bais, K. and M. Huijser: 2005, "The profit of peace: Corporate Responsibility in conflict regions", Greenleaf Publishing, Sheffield.

Banfield, J.: 2003, "From fuelling the conflict to oiling the peace: harnessing the peace-building potential of extractive-sector companies operating in conflict zones", in R. Sullivan (ed.), Business and human rights (Greenleaf Publishing, Sheffield), 220-231.

Banfield, J., V. Haufler and D. Lilly: 2005, "Transnational Corporations in conflict-prone zones: Public policy responses and a framework for action", Oxford Development Studies, 33(1), 133-147.

Baskin, J.: 2006, "Corporate responsibility in emerging markets", Journal of Corporate Citizenship, 24(Winter), 29-47.

Bennett, J.: 2002, "Multinational corporations, social responsibility and conflict", Journal of International Affairs, 55(2), 393-410.

BHP Billiton: 2007, "BHP Billiton Sustainability Report. Full report 2007", Melbourne.

Boele R., H. Fabig and D. Wheeler: 2001, "Shell, Nigeria and the Ogoni. A study in unsustainable development: The story of Shell, Nigeria and the Ogoni people. Environment, economy, relationships: Conflict and prospects for resolution", Sustainable Development, 9(2), 74-86.

Chevron: 2007, "2006 Corporate Responsibility Report", San Ramon.

Dawkins, C. and F.W. Ngunjiri: 2008, "Corporate social responsibility in South Africa. A descriptive and comparative analysis", Journal of Business Communication, 45(4), 286-307.

De Jongh D. and P. Prinsloo: 2005, "Why teach corporate citizenship differently?" Journal of Corporate Citizenship, 18(Spring), 113-122

Dunning, J.H. and S.M. Lundan: 2008, "Multinational enterprises and the global economy", Edward Elgar, Cheltenham and Northampton.

Egels, N.: 2005, "CSR in electrification of rural Africa: The case of ABB in Tanzania", Journal of

Corporate Citizenship, 18(Spring), 75-85

Eweje, G.: 2006, "The role of MNEs in community development initiatives in developing countries Corporate Social Responsibility at work in Nigeria and South Africa", Business and Society, 45(2), 93-129.

Exxon Mobil: 2007, "2006 Corporate Citizenship Report", Trenton.

First Quantum: 2007, "Annual Information Form", Vancouver.

Fortanier, F. and A. Kolk: 2007a, "Multinationals perceptions of their economic and social impacts", in R. Sinkovics and M. Yamin (eds), Anxieties and management responses in International Business (Palgrave MacMillan, Basingstoke), 100-115.

Fortanier, F. and A. Kolk: 2007b, "On the economic dimensions of corporate social responsibility. Exploring Global Fortune 250 reports", Business and Society, 46(4), 457-478.

Frynas, J.G.: 2006, "Corporate Social Responsibility in emerging economies", Journal of Corporate Citizenship, 24(Winter), 16-19

Halliburton: 2007, "Corporate Sustainability Responsibility Report 2006", Houston.

Hamann R.: 2003, "Mining companies' role in sustainable development: the why and how of corporate social responsibility from a business perspective" Development Southern Africa; 20(2), 237-254

Hamann R. and P. Kapelus: 2004, "Corporate Social Responsibility in mining in Southern Africa: Fair accountability or just greenwash", Development, 47(3), 85-92.

Hamman, R.; T. Agbazue; P. Kapelus and A. Hein: 2005, "Universalizing Corporate Social Responsibility? South African challenges to the international organization for standardization's new social responsibility standard", Business and Society, 110(1), 1-19

Handelsman, S.: 2003, "Mining in conflict zones", in R. Sullivan (ed.), Business and human rights (Greenleaf Publishing, Sheffield), 125-142.

Haufler, V.: 2004, "International diplomacy and the privatization of conflict resolution", International Studies Perspectives, 5(2), 158-163.

Heineken: 2007, "Annual Report 2006", Amsterdam.

Hillier, D., 2007: "Africa's missing billions. International arms flows and the cost of conflict", IANSA, Oxfam International and Saferworld.

Idahosa, P.: 2002, "Business ethics and development in conflict (zones): The case of Talisman Oil", Journal of Business Ethics, 39(3), 227-246 .

Idemudia U.: 2008, "Oil extraction and poverty reduction in the Niger Delta: A critical examination of partnership initiatives", Journal of Business Ethics, DOI 10.1007/s10551-008-9916-8.

Idemudia U. and U.E. Ite : 2006, "Corporate-community relations in Nigeria's oil industry: Challenges and imperatives", Corporate Social Responsibility and Environmental Management, 13(4), 194-206.

IMF: 2007, "Angola: Selected issues and statistical appendix; Country report, No 07/355" Washington DC, http://www.imf.org/external/pubs/ft/scr/2007/cr07355.pdf, last accessed 22 November 2007.

Ite, U.E.: 2004, "Multinationals and Corporate Social Responsibility in developing countries: A case study of Shell in Nigeria", Corporate Social Responsibility and Environmental Management, 11(1) 1-11

Ite, U.E.: 2005, "Poverty reduction in resource-rich developing countries: what have multinational corporations got to do with it?", Journal of International Development; 17(7), 913-929

Ite, U.E.: 2007, "Changing times and strategies: Shell's contribution to sustainable community development in the Niger Delta, Nigeria", Sustainable Development, 15(1), 1-14.

Kapelus, P.: 2002, "Mining, Corporate Social Responsibility and the "community": The case of Rio Tinto, Richards Bay Minerals and the Mbonambi" Journal of Business Ethics; 39(3) 275-296

Kolk, A.: 2005, "Environmental Reporting by Multinationals from the Triad: Convergence or Divergence?", Management International Review, 45(Special Issue 1/2005), 145-167.

Kolk, A., R. van Tulder and B. Westdijk: 2006, "Poverty alleviation as business strategy? Evaluating commitments of frontrunner Multinational Enterprises", World Development, 34(5), 789-801.

KPMG: 2005, "KPMG International Survey of Corporate Responsibility Reporting 2005", Amsterdam.

MacDonald, G. and T. McLaughlin: 2003: "Extracting conflict", in R. Sullivan (ed.), Business and human rights (Greenleaf Publishing, Sheffield), 232-242.

Malone D.and S. Goodin: 1997, "An analysis of U.S. disinvestment from South Africa: unity, rights, and justice", Journal of Business Ethics, 16(16), 1687-1703

Mehlum, H., K. Moene and R. Torvik: 2006, "Cursed by resources or institutions?", The World Economy, 29(8), 1117-1131.

Meyer, K.E.: 2004, "Perspectives on multinational enterprises in emerging economies", Journal of International Business Studies, 35, 259-276.

Nelson, J.: 2000, "The business of peace", Prince of Wales Busines Forum, London.

Nestle: 2005, "The Nestle commitment to Africa", Vevey.

Newell, P. and J.G. Frynas: 2007, "Beyond CSR? Business, poverty and social justice: an introduction" Third World Quarterly, 28(4), 669-681.

Nikanor: 2007, "Annual report 2006", London.

Norsk Hydro: 2007, "Annual Report 2006", Oslo.

Oetzel, J., K. Getz and S. Ladek: 2007, "The role of multinational enterprises in responding to violent conflict: A conceptual model and framework for research", American Business Law Journal, 44(2), 331-358.

Ojo, O.: 2008, "Nigeria: CSR as a vehicle for economic development" in Idowu, S.O. and W.L Filho, (eds) Global Practices of Corporate Social Responsibility, Springer, Berlin, 393-433

Omeje K.: 2006, "Petrobusiness and security threats in the Niger Delta, Nigeria", Current Sociology, 54(3), 477-499.

Phillips, F.: 2006, "Corporate social responsibility in an African context", Journal of Corporate Citizenship", 24(Winter), 23-27.

Reed D.: 2002, "Resource extraction industries in developing countries", Journal of Business Ethics, 39(3), 199-226.

Reichardt M. and C.L. Reichardt: 2006, "Tracking sustainability performance through company reports: a critical review of the South African mining Sector" in W. Visser, M. McIntosh and C. Middleton (eds), Corporate citizenship in Africa: Lessons from the past; paths to the future (Greenleaf Publishing, Sheffield), 171-189.

Renner, M.: 2002, "The Anatomy of Resource Wars". World Watch Paper 162, Washington.

SGS: 2007, “Annual report 2006”, Geneva.

Sachs, J.D. and A.M. Warner: 2001, “The curse of natural resources”, Natural Resources and Economic Development, 45, 827-838.

Statoil: 2007, “Statoil and sustainable developmen6 2006”, Stavanger.

Sullivan, R. (ed.): 2003, “Business and human rights”, Greenleaf Publishing, Sheffield.

SustainAbility: 2006, “Taxing issues. Responsibility business and tax”, London.

UNCTAD: 2006, “World investment report 2006. FDI from developing and transition economies: Implications for development”, New York and Geneva.

UNCTAD: 2007, “World Investment Report 2007. Transnational corporations, extractive industries and development”, New York and Geneva.

Visser, W.: 2002, “Sustainability reporting in South Africa”, Corporate Environmental Strategy, 9(1) 79-85

Visser, W.: 2005, “Corporate Citizenship in South Africa: A review of progress since democracy”, Journal of Corporate Citizenship, 18(Spring), 29-38

Visser, W.: 2006a, “Research on corporate citizenship in Africa: A ten-year review (1995-2005)”, in W. Visser, M. McIntosh and C. Middleton (eds), Corporate citizenship in Africa: Lessons from the past; paths to the future (Greenleaf Publishing, Sheffield).

Visser, W.: 2006b, “Revisiting Carroll’s CSR pyramid. An African perspective”, in E.R. Pedersen & M. Huniche (eds.), Corporate Citizenship in Developing Countries, Copenhagen: Copenhagen Business School Press, 29–56.

Visser, W, M. McIntosh and C. Middleton (2006) (eds), “Corporate citizenship in Africa: Lessons from the past; paths to the future” Greenleaf Publishing, Sheffield.

Wheeler, D., H. Fabig and R. Boele: 2002, “Paradoxes and dilemmas for stakeholder responsive firms in the extractive sector: Lessons from the case of Shell and the Ogoni”, Journal of Business Ethics, 39(3), 297-318.

World Bank, 2007: “Africa development indicators”, Washington.

TABLES

Table 1. Some basic information about Angola, DRC and Congro Brazzaville

	Angola	**DRC (Democratic Republic of the Congo)**	**Congo Brazzaville (Republic of the Congo)**
Conflict period	1970-2002	1997-	1995-1999
Area	1.246,700 square kilometres	2.345,000 square kilometres	342,000 square kilometres
GDP	$ 53.9 billion	$ 5.6 billion	$5.1 billion
GDP/capita	$ 3.400	$ 120	$ 700
Natural resources	Oil, diamonds, iron ore, phosphates, bauxite, uranium, gold, granite, copper, feldspar	Copper, cobalt, diamonds, gold, other minerals; oil; wood; hydroelectric potential	Oil, wood, potash, lead, zinc, uranium, phosphates, natural gas, hydropower
Main export	Oil (95%); diamonds	Diamonds (45%); copper; cobalt	Oil (90%); timber
Population	15.5 million	58 million	3.8 million
Ethnic groups	Ovimbundu 37%, Kimbundu 25%, Bakongo 13%, mixed racial 2%, European 1%	More than 200 African ethnic groups; the Luba, Kongo, and Anamongo are some of the larger groupings of tribes	5 principal Bantu groups; more than 70 subgroups. Largest groups are Bacongo, Vili, Bateke, M'Bochi, and Sangha

Source: basic country information (except for first row) derived from http://www.state.gov/r/pa/ei/bgn/2823.htm; http://www.state.gov/r/pa/ei/bgn/2825.htm; accessed on 13 September 2007; IMF, 2007; World Bank, 2007.

Table 2. Overview of companies categorized by disclosure
(n=54)

	Do companies engage in CSR reporting?	
Reporting on conflict?	*Yes*	*No*
No information	35%	30%
Only a generic reference	9%	2%
More detailed information	24%	0%

Appendix . Basic information on MNCs in the sample

(listed in alphabetical order, with country of origin, sector, turnover and activity in the three countries)

Active in Angola, Congo and/or DRC	Name of MNC	Turnover (US$ mln)	Nationality	Industry
ANG	A.P. Moller Maersk	37,358	DEN	Industrial transportation
ANG	ABB Asea Brown Boveri ltd	24,412	SWI	Electronic equipment
CON	Air Liquide	14,599	FRA	Chemicals
ANG	Alrosa	2,900	RUS	Mining
DRC	AngloGoldAshanti	2,964	SAF	Mining
DRC	Anvil mining	175	CAN	Mining
ANG	BakerHughes	9,027	US	Oil equipment
ANG / DRC	BHP Biliton	32,153	AUST-UK	Mining
ANG / DRC	Bollore	5,608	FRA	Transport
ANG	BP	265,906	UK	Oil and gas
ANG / DRC	British American Tobacco	19,158	UK	Tobacco
ANG / DRC	Camec	136	UK	Mining
CON	Cameron International	3,742	US	Oil and gas
ANG	CGG Veritas	1,773	FRA	Oil equipment
ANG / DRC / CON	Chevron Texaco	204,892	US	Oil and gas
DRC	Citigroup	146,777	US	Finance
ANG / DRC	Coca cola	24,088	US	Food and beverages
ANG / DRC	De Beer	6,150	SAF	Mining
ANG / DRC / CON	DHL / Deutsche post	80,734	GER	Transport
ANG / DRC	Energem	577	SAF	Mining
ANG / CON	ENI	114,818	ITA	Oil and gas
ANG	EXXON Mobil	365,467	US	Oil and gas
ANG / DRC	First Quantum	1,094	CAN	Mining
ANG	Galp Energia	16,281	POR	Oil and gas
ANG	Halliburton	22,504	US	Oil equipment
DRC	Heineken	15,773	NL	Food and beverages
ANG	ITM mining limited	n/a	BAH	Mining
ANG	Johnson and Johnson	53,324	US	Orthopedic
DRC	Katanga Ltd	n/a	CAN	Mining
ANG	Kuehne and Nagel	12,230	GER	Industrial transportation
CON	Lukoil Holding	55,774	RUS	Oil and gas
ANG	Marathon oil	64,896	US	Oil and gas
DRC	Metorex	199	SAF	Mining
CON	MTN Group / Libertis telecom	3,726	SAF	Telecom
ANG / CON	Nestle	80,888	SWI	Food and beverages
DRC	Nikanor	n/a	UK	Mining
ANG	Norsk Hydro	32,226	SWE	Oil and gas
ANG	Odebrecht	9,083	BRA	Construction / Mining
ANG / DRC	Petrobras International, Braspetro	76,852	BRA	Oil and gas
DRC	Phelps Dodge (Freeport)	5,790	US	Mining
CON / DRC	Pinault Printemps Redoute	23,910	FRA	Trade
ANG	Repsol	73,447	SPA	Oil and gas
ANG	Royal Dutch / Shell Group	318,845	NL/UK	Oil and gas
ANG	Schlumberger	19,230	US	Oil equipment

ANG	Schneider Electric	18,308	FRA	Electricity
CON	SGS Group	3,139	SWI	Inspection – certification
ANG / CON	Sodexho alliance	15,683	FRA	Food services and facilities
ANG	Statoil	69,553	NOR	Oil and gas
DRC	Teikoku oil / Inpex Japan	5,977	JAP	Oil and gas
DRC	Tenke - Lundin	539	CAN	Mining
ANG / DRC / CON	TotalFinaElf	176,936	FRA	Oil and gas
ANG	Toyota	178,530	JAP	Automobile
ANG	Transocean	19,230	US	Oil equipment
ANG / CON	Weatherford international	6,578	US	Oil equipment

Source: annual reports of companies, 2007; 2007 largest 500 lists (Fortune Global, FT Global, FT Europe, FT US)