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CORPORATE SOCIAL RESPONSIBILITY INFLUENCE TO EMPLOYEES IN LATIN AMERICA

Summary. The workers in Latin America are among the least protected in the world in terms of working conditions, the level of labor payment, and the provision of social guarantees. At the same time, there is an increase in the number of companies in the region, which are positioning themselves to be socially responsible members of the global community. The analysis of the information, which is presented is the social reports of studied companies, has shown a generally positive impact of CSR on the local workers' state. The priority directions of socially responsible activity were: to increase the level of safety and health of workers, to ensure a decent level of remuneration and to provide additional social guarantees to employees. It would be prudent for the enterprises to focus on eliminating the causes of negative trends in changing the indicators of labor rights, the formation of an optimal ratio of direct and indirect methods of human capital development.

Keywords: corporate social responsibility, Latin America, informal employment, labor rights, the United Nations Global Compact, Global Reporting Initiative, social reporting, social guarantees, labor conditions.

Problem statement. Over the past few years, Latin American companies have been active in joining the United Nations Global Compact. Within this initiative of developing a corporate social responsibility on a global scale, one of the central principles is to ensure decent working conditions. Despite the fact that the Latin American region is the second largest preceded by Europe in terms of the number of signatories of the Global Compact, inappropriate working conditions, low levels of payment, a high proportion of workers off the record, lack of social guarantees for workers remain acute problems for the states of Latin America. According to the latest available data, out of the 300 million people employed in the region 83% were below the poverty line. The share of permanently employed was only 48%. 45% of employees had no social insurance [7, p. 133].

The situation is complicated by the fact that more than half of all employed work in microenterprises as low-skilled self-employed without official remuneration [7, p. 133]. And as you know, corporate social responsibility is the prerogative of large multinational companies that take care of their image and have enough resources to implement social initiatives beyond the statutory minimum.

Even in the period of economic growth, this region remained one of the most problematic in the world in terms of the scale of poverty, social inequality and violations of the fundamental rights of workers. In this regard, the question arises as to how effective the socially responsible practices of Latin American companies are in terms of their positive impact on the situation of workers in the current conditions of economic recession.

Analysis of recent research and publications. Corporate social responsibility in the countries of Latin America is the subject of scientific interest of a wide range of authors, including Amini

C., Dal Bianco S. [1], Casanova L. [3], López-Morales J.S., Ortega-Ridaura I., Ortiz-Betancourt I. [6], CarmenSuescun Pozasa M., Lindsay N.M., Monceau M.I. [2] and others. However, recent research covers the general issues of social responsibility of Latin American companies, considering certain aspects of it, in particular employee rights, only superficially. Given that violations of the rights of workers in various forms remain acute for the region, the following research questions remain open: which CSR measures are being practiced by companies in Latin America; how they affect the position of local workers; whether it is necessary and possible to invoke CSR initiatives to overcome these problems.

Formulating the objectives of the research paper. The objective of this research paper is to study the impact of corporate social responsibility on the employees of companies in the mining sector in Latin America.

Research findings. Corporate social responsibility in Latin America is a complex phenomenon. Its origins are connected not only with the centuries-old history of the domination of transnational business, but also with the traditionally strong influence of religious ideas about equity on domestic entrepreneurs. Together with the global trends of CSR development, they influenced the formation of a specific profile of the social responsibility of Latin American companies.

First, the vast majority of CSR initiatives are part of a wider strategy aimed at obtaining a so-called "social license" for the right to engage in natural resources extraction. Many mining companies are building social infrastructure (schools, hospitals, etc.) to create a good relationship with local communities. The role of CSR in the mining industry is of particular importance because of the significant devastating impact of this production on the environment, as well as the high level of risk of occupational injuries and diseases.

Second, Latin American companies, through socially responsible measures and further reporting thereon, seek to overcome non-tariff trade barriers to exports, which are created due to high demands from foreign governments and consumers regarding labour standards, environmental standards, etc. One of the prerequisites for gaining recognition and establishing trust relationships with foreign counterparties is the inclusion in the United Nations Global Compact and participation in the Global Reporting Initiative. Regular disclosure of social reporting ensures an adequate level of transparency of the company, and also allows evaluating the results of its impact on the environment, workers, local communities, etc.

Third, by enhancing CSR, TNCs in the region seek to preserve or regain public trust lost due to large-scale corporate scandals associated with the use of female and child labour in pathogenic production, ecological catastrophes, etc. [5]. The developed CSR system serves as one of the channels for reducing poverty and overcoming other violations of workers' rights. National and multinational companies generate demand for local labour, actively influencing the growth of employment and welfare of local communities. In socially responsible companies, employees are officially registered,

most of them (and often also members of their families) have social guarantees provided for in a collective agreement. Workers are also provided with a number of other benefits, including additional forms of financial and non-financial incentives, regular training, advanced training, etc.

Fourth, the region still has a narrow understanding of CSR as charity. Many business owners, primarily the family business, describe their obligations to society as the need to “act correctly” within the ethics of Catholicism [4, p. 153]. This is conditioned by point, non-systemic nature of the CSR practices of national companies, which focus their efforts on implementing charity measures for particular social groups.

Taking into account the specified core characteristics, as well as to ensure comparability as a research object, the companies of mining industries were selected, which are among the top 500 companies in Latin America and are signatories of the UN Global Compact. The main source of information was their social reporting for 2010-2016. The results of an independent peer review of non-financial reports from more than a thousand companies from 12 Latin American countries show that their content can be considered as a reliable source of data for the study of CSR practices and their impact on employees [9].

Of 76 companies surveyed, only 21 were signatories to the UN Global Compact. Eight enterprises regularly published their social reports in 2010-2016, of which two transnational corporations that worked in Brazil (Vale S.A. and Statoil) had reports in which it was impossible to distinguish relevant data in the perspective of individual countries. In Brazil, Chile and Peru, where the largest number of mining companies is concentrated, the share of enterprises that positioned themselves as socially responsible was lower than in Argentina, Colombia and Mexico (Table 1).

Examination of the social reports of 6 Latin American companies showed the availability of a significant amount of information on CSR initiatives in the area of employee rights. However, its pre-

Table 1
Characteristics of Mining Companies of Latin America in Terms of the CSR

Country	Number of surveyed companies	Number of companies signatories of the UN Global Compact	Number of companies that regularly published social reports in 2010-2016
Argentina	6	3	1
Bolivia	1	1	0
Brazil	15	5	3
Chile	22	3	1
Colombia	8	2	2
Costa Rica	1	0	0
Ecuador	1	0	0
Mexico	5	2	1
Peru	15	4	0
Uruguay	1	1	0
Venezuela	1	0	0
Total	76	21	8

Source: own author's research using the data from [10; 11]

sentation is not systematized, many of the important indicators are absent, or the method of their calculation does not allow comparisons to be made in the dynamics. Indicators on which trends can be followed are presented in Table 2 and Table 3.

During 2010-2016, all companies reported a wide range of measures aimed at preventing occupational injuries and guaranteeing the health and safety of their employees. However, the dynamics of the frequency of injuries with temporary disability did not become

Table 2
Dynamics of Healthcare and Safety Indicators of Latin American Companies

Name of Indicators	Years						
	2010	2011	2012	2013	2014	2015	2016
Minera Alumbra (Argentina)							
Frequency rate of injuries with temporary disability	0.19	0.18	0.34	0.16	0	0.75	0.22
Number of deaths	0	0	0	0	0	0	0
Collahuasi (Chile)							
Frequency rate of injuries with temporary disability	n/a	1.26	1.18	1	0.88	0.6	0.45
Number of deaths	0	0	3	0	0	0	0
Petrobras (Brasil)							
Frequency rate of injuries with temporary disability	n/a	0.68	0.83	0.75	0.72	0.76	0.59
Number of deaths	10	16	13	4	10	16	3
ECOPETROL (Colombia)							
Frequency rate of injuries with temporary disability	1.55	1.02	0.79	0.7	0.92	0.49	0.48
Number of deaths	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Terpel (Colombia)							
Frequency rate of injuries with temporary disability	0.94	0.6	3.44	4.09	0.9	1.12	1.43
Number of deaths	0	0	0	0	0	0	0
Grupo Mexico (Mexico)							
Frequency rate of injuries with temporary disability	1.05	1.22	1.06	0.94	0.84	0.69	0.75
Number of deaths	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: own author's research using the data from [10; 11]

Dynamics of Indicators of Social Guarantees and Development of Workers of Latin American Companies

Name of Indicators	Years						
	2010	2011	2012	2013	2014	2015	2016
Minera Alumbrera (Argentina)							
Share of local workers, %	40	41,1	45,3	47,6	50	52,5	41,3
Share of workers covered by collective agreement, %	46.1	41.7	38.3	38.3	40.6	44.8	42.4
Employee turnover, %	1.9	2.09	2.5	3.3	3.3	n/a	1
Number of hours of training on average per employee	72.6	65	166	232	131	60	54
Wages and other rewards per employee, ths. USD	114	147.5	183.8	247.0	303.4	424.5	655.1
Social investment per employee, ths. USD	25.6	23.2	23.2	26.2	22.3	18.1	4.5
Collahuasi (Chile)							
Share of local workers, %	42	44	48	47	46.1	44.9	44.8
Share of workers covered by collective agreement, %	64	54	68	68	94	94	93.1
Employee turnover, %	3.8	11.5	9.5	n/a	2.5	1.3	1.1
Number of hours of training on average per employee	118	109	85	55	14	26	20
Wages and other rewards per employee, ths. USD	66.3	77.7	80.3	95.4	97.0	97.0	98.0
Social investment per employee, ths. USD	5.8	6.4	5.3	4.7	4.5	3.7	3.7
Petrobras (Brasil)							
Social investment per employee, ths. USD	8.8	7.8	6.5	9.0	8.6	6.3	3.5
Number of hours of training on average per employee	86	73.5	96.3	84.54	65.5	54.16	51.7
ECOPETROL (Colombia)							
Share of local workers, %	n/a	n/a	n/a	89.2	82.8	83.9	85.9
Number of hours of training on average per employee	88.3	86.1	85.8	77.6	77.9	52.9	27.4
Wages and other rewards per employee, ths. USD	159.4	171.7	179.3	185.5	202.0	233.2	244.4
Social investment per employee, ths. USD	23.6	29.3	37.7	38.8	35.9	6.7	1.7
Terpel (Colombia)							
Share of local workers, %	n/a	97	96	97	96	96	97
Share of workers covered by collective agreement, %	n/a	n/a	n/a	99.6	90.8	90.1	89.6
Employee turnover, %	12	n/a	n/a	12.5	17	14.4	10.8
Number of hours of training on average per employee	8.5	4	7.72	3	15.46	28.71	59.9
Wages and other rewards per employee, mln. pesos	47.3	46.5	84.3	100.2	109.7	127.9	145.1
Social investment per employee, mln. pesos	1.9	1.7	3.0	2.9	3.8	3.8	4.4
Grupo Mexico (Mexico)							
Employee turnover, %	5.36	6.92	6.08	6.86	6.61	6.71	10.31
Number of hours of training on average per employee	49.6	30	41.9	48	22	38	31
Wages and other rewards per employee, ths. USD	80.5	68.5	61.5	59.0	81.1	59.3	63.2
Social investment per employee, ths. USD	3.3	1.4	1.9	2.7	4.8	5.4	3.4

Source: own author's research using the data from [10; 11]

unambiguously descending in any of the enterprises. Two companies registered fatal cases in the production. This raises questions about the effectiveness of their management systems for hazard and potentially hazardous activities.

During 2010-2016, all companies reported a wide range of measures aimed at preventing occupational injuries and guaranteeing the prevention of industrial injuries and safety of their employees. However, the dynamics of the frequency of injuries with temporary disability did not become unambiguously descending in any of the enterprises. Two companies registered fatal cases on-site. This raises a question about the effectiveness of their management systems for hazard and potentially hazardous activities.

Table 3 shows that a significant level of employment in the surveyed enterprises was due to the local labour force (about 50% in Argentinean and Chilean companies, more than 80% in Colombian companies). The share of employees who signed a collective agreement did not exceed 50% in Minera Alumbrera, while in Collahuasi

and Terpel about 90% of workers had documented additional social guarantees from employers in 2016.

Attention is drawn to the fluctuation of the values of indicators of employee turnover and their periodic increase in individual corporations over the regulatory value of 3-5% per year. The results of many studies indicate that the high employee turnover is usually due to the dissatisfaction of employees with the content of their duties, requirements to them, the system and the level of remuneration. The consequences of high employee turnover are a decrease in the level of general staff qualifications, an insufficient level of mutual understanding between employees, and a decrease in labour productivity during the adaptation period [8]. The company is forced to reduce its economic activity and spend additional resources for training new staff. In this context, one cannot fully appreciate the increase in the number of hours of training on average per employee, since it coincided with the growth of employee turnover indicators.

Positive points include the increase in the amount of wages and other rewards per employee. Instead, the indicator of social investment in 2016 compared to 2010 increased only in 1 company, Terpel, in Grupo Mexico it remained unchanged, and it decreased in the rest of the enterprises. A comparison of trends for the indicators of average wage and other rewards with social investment indicators per employee shows an increase in the importance of direct financial incentives in corporate human capital development systems. That is, the management of companies in the region predominantly has a narrow sense of investment in human capital as an investment in the company's internal environment. Such investments pursue the task of improving the staff welfare, its intellectual, physical and spiritual development, ensuring safe working conditions and healthcare. While the importance of external social investment in the development of the local community, its cultural, sporting life, supporting the most needy strata of the population forming a favourable environment for the reproduction of manpower, are underestimated.

Conclusions. Enterprises of mining industry in Latin America form a group of entities that has a decisive influence on the formation of a specific CSR profile of the region. It transforms them into one of the most important channels for overcoming the critical mass of social problems accumulated in the region. The low level of involvement of the largest companies in the industry in the global initiative to develop corporate social responsibility and social reporting reduces the level of transparency of the company and limits the ability to assess the effectiveness of their CSR initiatives.

The results of the analysis of social reports indicate a generally positive impact of CSR on employees. The main areas of socially responsible activity of companies in the region were: increasing the level of safety and healthcare of workers, ensuring a decent wage level and providing additional social guarantees to employees. Ambiguous tendencies in changing the indicators of employee rights show the need to improve the existing CSR systems for the development of human capital through direct and indirect methods.

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Matute Ríofrío Stefanie. Вплив корпоративної соціальної відповідальності на працівників у Латинській Америці

Анотація. У країнах Латинської Америки працівники є одними з найменш захищених у світі з погляду умов праці, рівня її оплати, забезпечення соціальних гарантій. У статті здійснено дослідження впливу корпоративної соціальної відповідальності на працівників компаній добувного сектора в країнах Латинської Америки. Аналіз інформації, представленої у соціальних звітах досліджених компаній, показав загалом позитивний характер впливу КСВ на становище працівників регіону. Пріоритетними напрямками соціально відповідальної активності були: підвищення рівня безпеки та охорони здоров'я працівників, забезпечення гідного рівня оплати праці та надання працівникам додаткових соціальних гарантій. Подальші зусилля підприємств доцільно зосередити на усуненні причин негативних тенденцій у зміні індикаторів прав працівників, формуванні оптимального співвідношення прямих і непрямих методів розвитку людського капіталу.

Ключові слова: корпоративна соціальна відповідальність (КСВ), Латинська Америка, неформальна зайнятість, права працівників, Глобальний договір ООН, Глобальна ініціатива звітування, соціальна звітність, соціальні гарантії, умови праці.

Matute Ríofrío Stefanie. Влияние корпоративной социальной ответственности на работников в Латинской Америке

Аннотация. В статье было проведено исследование влияния корпоративной социальной ответственности на работников компаний добывающего сектора в странах Латинской Америки. Анализ информации, представленной в социальных отчетах исследованных компаний, показал в целом позитивный характер влияния КСО на положение работников региона. Приоритетными направлениями социальной ответственной активности были: повышение уровня безопасности и охраны здоровья работников, обеспечение достойного уровня оплаты труда и предоставление работникам дополнительных социальных гарантий. Дальнейшие усилия предприятий целесообразно сосредоточить на устранении причин негативных тенденций в изменении индикаторов прав работников, формировании оптимального соотношения прямых и косвенных методов развития человеческого капитала.

Ключевые слова: корпоративная социальная ответственность, Латинская Америка, неформальная занятость, права работников, Глобальный договор ООН, Глобальная инициатива отчетности, социальная отчетность, социальные гарантии, условия труда.