

Learning how to implement a French firm's CSR policy in an emerging country

Nathalie AUBOURG

Corinne RENAULT-TESSON

Université du Havre, CERENE laboratory

25 Rue Philippe Lebon, 76600 Le Havre - France

nathalie.aubourg@univ-lehavre.fr

corinne.renault@univ-lehavre.fr

Abstract

The implementation by a foreign multinational of its social responsibility policy in an emerging country raises the question of the boundaries of the firm. In emerging countries, when a company is the only economic player in a particular area, the links between local and corporate governance are all the more important as government action is weak.

This study examines the process used by a French company to learn how to implement its social responsibility policy in an emerging country, Indonesia. By taking into account the management of externalities, firms become part of the environment and their embeddedness leads them to be in contact with both contractual and non contractual stakeholders. This social and economic overlapping places firms in a relational model which will determine their behavior towards CSR. Firms willing to take on their responsibility whilst taking into account the various stakeholders must accept that their strategic choices may be questioned even though they remain first tier players. This proactive behavior is part of a systems logic in which learning takes place using feedback. Thro their desire to provide an answer to the integration of the various levels of responsibility, firms take part in an organizational learning process, in which interactions between individuals are multiplied and coordinated. The beginnings of coordination tend to show that the way is still open to reach the learning objectives.

This research is based mainly on qualitative data. Several semi-structured interviews were held between June 2010 and January 2011, with managers in charge of the mining project and with external stakeholders.

The results of the study show that the implementation by a multinational of its social responsibility policy in an emerging country follows a learning process. To increase its social acceptability, the company develops internal structures, such as a communication department and a foundation dedicated to the local communities, and uses the services of external structures, such as the World Bank's MIGA and French academic, port and health institutions.

Key words: learning, stakeholders, mining company, CSR policy, embeddedness

Introduction

The implementation by a foreign multinational of its social responsibility policy in an emerging country raises the question of the boundaries of the firm. Indeed, in emerging countries, when a company is the only economic player in a particular area, the links between local and corporate governance (Grochain, 2009; Rey and Saint-Simon, 2009) are all the more important as government action is weak and even sometimes non-existent.

More and more enterprises are dedicating significant resources to the presentation of their commitments, the declaration of certain ethics and the demonstration of socially responsible behavior. Several researchers have focused on analyzing large enterprises' Sustainable Development Reports (SDR). Some of the most recent research includes the analysis of the content of American firms' annual reports about environmental communication (Philippe, 2006), research into societal information communicated on the websites of French logistic service providers (Senkel, 2009) and speeches describing good company CSR practice (Gond, Igalens, 2008; Béji-Bécheur and Bensebaa, 2009). Nevertheless, there is not a lot of empirical work on the process used by a firm to implement its CSR policy in an emerging country. A promising way to report on this process is to use learning, especially as the firm has to learn to "govern" its stakeholders in order to be granted the right to operate. Implementing a CSR policy may be considered as a result of organizational learning, of which the ways of acquiring knowledge remain to be explored.

We are firstly going to talk about stakeholder management as a result of organizational learning. We will then oppose the steps taken by a French firm in an emerging country with this theoretical construct, by concentrating on the factors influencing the implementation of a CSR policy.

1. Learning how to implement a French firm's CSR policy in an emerging country

The notion of a stakeholder came about with new ethical demands from civil society, which requests that firms report on the social and environmental consequences of their activity. Firms originally focused on first-tier stakeholders, i.e. those without whom they can neither operate nor survive, but during the last years of the 20th century, the notion of a stakeholder developed to describe a person or organization with a legitimate interest in a project or entity. We can see that the word "*stakeholder*" no longer refers simply to suppliers, employees or clients, but extends to members of the community, area residents, associations and local government, all of whom are sensitive to how the local economy is organized and to environmental protection. This is why all stakeholders are associated with the construction of a firm's integrity. We will firstly present how the firm learned to take stakeholders into account, by selecting some of the ways set out by Huber (1991), and then describe the context in which the research was carried out and the chosen methodology.

1.1. Stakeholders and learning

A firm is a coalition of stakeholders (Acquier and Aggeri, 2005), with expectations (Freeman, 1984) and diverging soft power (Michell et al., 1997), and is strongly dependent and interdependent on other players (Cyert and March, 1970; Crozier and Friedberg, 1977). It is even possible to think of the firm as being embedded in a social network on which it may rely, and in which it plays an active role (Piau, 2007). By taking the various stakeholders into account, and the responsibility of corporate executives (Carroll, 1999) towards potential damage caused by the firm's activity, firms can articulate the transition between SD and CSR. Donaldson and Preston (1995), Carroll (1979), Capron and Quairel (2001) find the contractual arrangements put forward by Friedman (1970) insufficient. By taking the management of externalities into account, firms become part of the environment and their embeddedness leads them

to be in contact with both contractual and non contractual stakeholders. This social and economic overlapping (Granovetter, 1973, 1985) places firms in a relational model which will determine their behavior towards CSR. Firms willing to take on their responsibility whilst taking the various stakeholders into account must accept that their strategic choices may be questioned even though they remain first-tier players. This proactive behavior is part of a systems logic in which learning takes place using feedback. Thro their desire to provide an answer to the integration of the various levels of responsibility, firms take part in an organizational learning process, in which interactions between individuals are multiplied and coordinated (Weick and Roberts, 1993). The beginnings of coordination tend to show that the way is still open to reach the learning objectives, according to Koenig (2006). Indeed, learning is a group phenomenon of acquisition and development of skills which change the way in which situations are managed, and the situations themselves. Koenig (2006) states that the impact of learning increases with the number and diversity of produced interpretations, as this widens the range of possible forms of behavior. The numerous stakeholders, associated at different degrees, will become aware of the environmental stakes. They will make contact with one another and interact at different levels of responsibility. They will compare their respective skills, and acquire new ones. This is how the common desire of all the stakeholders will change the way in which situations of environmental degradation are managed, thanks to the acquisition of new skills.

In its desire to compare the skills of the various players, an organization will learn how to implement its CSR policy. This learning process refers to Huber's work (1991), and centers itself on the following themes: ways of acquiring knowledge, sharing and processing the information obtained, integrating the acquired skills into the organizational memory. The fact that there is hardly any empirical research into the implementation processes by CSR policy organizations makes the question of the ways of acquiring knowledge particularly sensitive. Two of the ways put forward by Huber (1991) seem to be relevant to the understanding of the factors influencing the implementation of a CSR policy: experiential learning and grafting.

- Experiential learning results from an organization's ability to manage its accrued experience (by setting up ad hoc structures or self-assessment procedures) and its ability to remain open to experimentation. The organization will adapt to changes in its environment, and also develop its adaptability.
- Grafting comes from interactions with other organizations or individuals outside the organization. The firm thus learns by finding itself confronted with its stakeholders, with whom it may exchange and share knowledge and know-how.

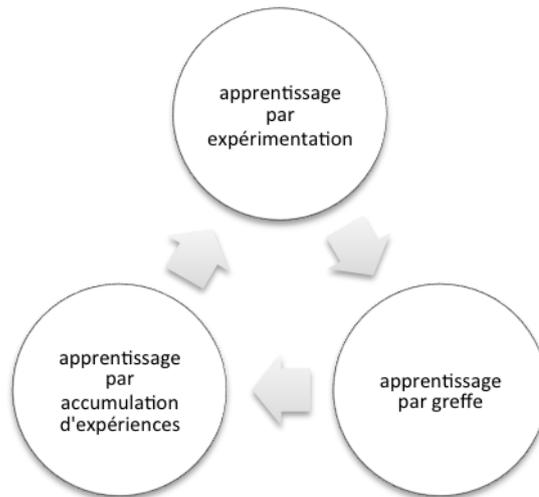


Figure 1 The ways of acquiring knowledge when learning how to implement a CSR policy

When an organization sets up ad hoc exchange structures with its stakeholders, it also learns by accruing experience. It will deliberately try and manage the acquisition of new knowledge. However, the intentionality of this approach may also find itself related to trial and error type situations, resulting from non intentional experiments. We are then faced with the contradictory demands of any organizational learning, between the logic of experience and the logic of experimentation. The organization is under the influence of, and adapts to its environment, as well as constructing it. This embeddedness in the environment requires a voluntary, permanent learning approach.

1.2. Research environment and methodology

We want to look at the process used by a French firm to learn how to implement its CSR policy in an emerging country, Indonesia. We would particularly like to understand how organizations acquire the knowledge needed to manage their relations with stakeholders, in this specific context. Using the typology of knowledge acquisition processes according to Huber (1991), are the ways of learning the result of grafting, accrued experience or experimentation?

The mining company in question, Eramet SA, the 6th largest nickel producer in the world, wants to diversify its sources of nickel supply, which have been centered in New Caledonia up to now. Eramet has 40 production sites in 20 different countries and employs 15,000 people worldwide. The French public sector has a significant share in the firm's capital, as the Areva group holds 26%. Eramet acquired the PT Weda Bay Nickel (WBN) project in Indonesia in May 2006, in order to double its nickel production in the long term (expected capacity of 60,000 T), and joined forces with Mitsubishi Firm and PT ANTAM (ANeka TAMbang, an Indonesian firm with 10% of WBN's capital).

WBN wants to develop a nickel and cobalt mine, and a hydrometallurgical processing plant on the island of Halmahera located in North Maluku Province, northeast of Indonesia. North Maluku Province used to be a department of the Maluku province (Kabupaten), but obtained the status of province in 1999. Ternate officiated as temporary capital of the province for a long time; today's capital is Sofifi located on the island of Halmahera. There are 1.2 million inhabitants in the province, including 950,000 who live in Ternate and Tidore, and 250,000 on the island of Halmahera. According to the local development manager, "*the island of Halmahera is the largest island of the province but also the least developed one. Some parts of the island have no electricity or running water, and there is sometimes only one doctor for ten villages*". The project managers estimate that "*18 villages may be potentially affected by the*

extraction activities, that is less than 20,000 inhabitants". The WBN project is still in its financial feasibility phase. WBN is continuing its exploration activities, is optimizing the process thanks to pilot experiments outside Indonesia, completing the social, environmental and health components of the impact studies, and initiating the first phase of core infrastructure implementation. The WBN project currently employs 850 people (both direct jobs and sub-contracting), including 650 from the island of Halmahera and neighboring islands. The financial feasibility is being assessed, and the final decision to continue with the WBN project should be made in 2012.

Our methodology is based on the following:

- Semi-structured interviews held between September 2010 and February 2011. The various verbatim reports produced after these interviews are in italics and between inverted commas in the text. These interviews took place at Le Havre University, in the presence of the PT WBN project director, the head of communication and local development, and the head of human resources and external relations. These people had been identified as being decision-makers when it comes to the implementation of the CSR policy on the island of Halmahera. One of the secondary stakeholders' representatives, the University president, was also interviewed. These interviews lasted three hours each, and their topical content was analyzed.
- In-house documents belonging to Eramet, presented by a member of WBN during a conference organized at the Gadjah Mada University in Indonesia in October 2010, which we were allowed to use, and Internet sources.
- Non-participant observations during a trip to North Maluku Province, which we were able to set up at the end of October 2010. Further to a request made by ERAMET, based in Upper Normandy, to Le Havre University, we were able to discuss cooperation in both training and research. As far as research is concerned, the social science laboratories were approached, as were the ecotoxicology and industrial maintenance laboratories. Eramet issued an invitation to sign the master agreement between North Maluku Province Universities and Le Havre University, in North Maluku Province. We were able to take part in the exchanges, and thus report on field practices.
- Our exploration refers to an essentially abductive approach. We start with facts which we would like to relate to theoretical knowledge, in order to understand them. We have used Koenig's definition of abduction (1987): "Abduction is an operation which does not belong to logic, and therefore allows us to escape from our chaotic perception of the real world, by trying to speculate on the effective relationships between things [...]. Abduction consists of inferring from observation speculations which we then have to test and discuss". Abduction enables us to make assumptions which are merely probable and speculative; it consists of suggesting a rule created from case knowledge and its consequences. We made use of the theories of learning and stakeholders, for this approach geared towards understanding.

Some of these points are worth emphasizing, if we are to better understand the stakes of the implementation of a corporate social responsibility policy. First of all, the field of activity in question, the mining industry, has had to face violent reactions from local populations due to behavior described as "irresponsible"¹ for the environment (this is still the case for Freeport, an American firm, which develops a gold mine in Grasberg, Papua). Mining companies would therefore do well to prevent these social risks, or quite simply ensure their social acceptability, for the "sustainable" management of their activities. The PT WBN project director and president says that "*this risk management is a real investment*". It must be specified that the WBN project is currently under

¹ at the site in Novethic on 14/06/2006

validation by the shareholders “*who pay great attention to the environmental and social consequences of such a project*”. It is therefore a matter of creating exchanges with local populations who have no idea of the disruption which will be caused to their environment by the development of such a site, in an unspoiled area a far cry from the issues raised by the development of an industrial base. To finish, Indonesia is a country in which the first democratic elections took place in 1999, whose institutions are strongly decentralized and must learn to become organized and dialog with central and local authorities.

We would like to observe and understand the implementation of ERAMET’s CSR policy as part of a far-reaching project, not only for ERAMET but also for North Maluku Province and the Indonesian state. The various structures set up by WBN aim to increase its social acceptability in Halmahera, in Indonesia and also beyond the national boundaries. We will examine the learning process which both ERAMET and WBN are going thro, as part of their desire to “*develop a socially and environmentally sustainable project*” (taken from the website, Eramet.fr). In contrast with social reporting, which must report on past actions, we are looking at probable consequences and a few current actions. We nevertheless think that this phase of the project is a key element of the decisions made by the shareholders. The stakeholders currently identified and contacted by the firm are the Indonesian state and its local government², the inhabitants of Halmahera, the shareholders, the media, the NGOs and associations of all sizes, as well as national³ or supranational⁴ institutions.

2. Learning to govern the stakeholders

PT WBN’s CSR policy implementation process was focused on the setting up of specific management tools and a participative approach with the World Bank, local populations and a French university.

2.1. Management tools set up by Weda Bay Nickel

Since 2007, an Indonesian law⁵ has required that mining companies take their social and environmental responsibilities. As the PT Weda Bay Nickel project is not yet in operation, it is not obliged to abide by this law. The company has nevertheless set up specific structures foreshadowing the official implementation of a CSR policy; these structures employ around thirty people.

The first entity closest to local populations is the *Community Development (Com’dev)*. Since 2008, the purpose of this department has been to create a development program for the stakeholders and corporate employees, as regards health, the environment, the development of the local economy and education. The *Community Development’s* annual budget is one million US dollars. Since January 2010, the Saloi⁶ Foundation has been acting as an operational support to the *Community Development* program. These two entities are strongly related and managed by the PT WBN project director. According to the local development manager, “*the foundation enables partnerships with NGOs or public or private bodies, which would otherwise not like to work directly with a private firm*”. This is how, in May 2010, the foundation created the cooperation between North Maluku Province and the region of Upper Normandy. Agreements were signed in the fields of education, health, port infrastructures and national and regional planning.

The table below shows some of the Saloi foundation’s actions:

Education	- Program to train 56 teachers
-----------	--------------------------------

² The governor of the province, the Bupati, the local authorities

³ Such as universities

⁴ Such as the World Bank

⁵ Law on Minerals and Coal Mining

⁶ Saloi is the name of the basket traditionally used by populations in Eastern Indonesia to transport goods. It is also a symbol of work.

	<ul style="list-style-type: none"> - Supply of teaching materials to schools in 15 villages - Construction of a dormitory for 32 students - Funding of 55 scholarships
Health	<ul style="list-style-type: none"> - Free appointments with doctors and supply of medicines - Payment of salaries for two doctors and two nurses - Renovation of healthcare facilities - Plans for the prevention of malaria
Development of local economy	<ul style="list-style-type: none"> - Launch of 10 experimental programs in agriculture, fishing and animal farming - Program to train people in the creation of enterprises - Access to microcredit
Environment	<ul style="list-style-type: none"> - Reforestation program - Installation of 750 solar panels - Funding of a program to research into the protection of the coral barrier reef

As some of the permits for the project have not been granted, an “External Relations” department must lobby the central authorities in Jakarta. This department works for the site on the island of Halmahera, Ternate and Jakarta.

The Saloi Foundation and the “External relations” department are related, by the communication department which they share. The creation of a new department meant to record the claims from local populations, and to inform the different structures of the firm of them, is currently under study.

The firm has therefore shown that it is pro-active, by setting up these different structures to prevent the social risks of such a far-reaching project. It has become equipped with specific management tools, as it wishes to deliberately develop skills which will enable it to adapt to a specific environment. It is thus going to accrue experience by learning to dialog with local populations. These exchanges are seen as an obligatory step, even by shareholders who have recently become more aware of the social risk. As the Weda Bay Nickel project director says, “CSR is not seen to be a legal obligation, it is considered to be an investment to guarantee the continuity of our operations”. While the project depends on agreement from the shareholders, we could also be led to believe that the latter have become very sensitive to the social risk. Consulting and listening to stakeholders could become an asset with which to convince shareholders to get involved in the performance of this project. Should we see this, as explained by Coutrot (2010), as the expression of an “active democracy” which would consist of replacing shareholders’ monopoly power by the “government of stakeholders”?

2.2. Different processes used to mobilize stakeholders

2.2.1. Experienced stakeholders

The company simultaneously wanted to reassure the project shareholders, by obtaining the right to operate from an international organization with the reputation of not being easily inclined to provide guarantee for mining investments. An important step in the performance of the project was made in March 2010, when the MIGA (Multilateral Investment Guarantee Agency) came. MIGA is a credit rating agency which depends on the World Bank; it aims to measure the political risk and social acceptability of direct foreign investments in emerging countries. This agency ensures that foreign investments contribute to the economic growth of emerging countries, and also reduce poverty by improving the quality of life of the affected populations. MIGA uses qualitative criteria

for assessment. MIGA auditors went to the future mining site and interviewed the local populations. During the interviews with the local development manager, the latter told of his surprise at the methods used by the credit rating agency: the MIGA teams questioned the inhabitants of the concerned territory at random, using both photographic and audiovisual equipment. The consultation of the local populations was more like a street poll than a rigorous approach adapted to the local environment. Finally, further to this audit, MIGA gave its agreement in July 2010 by issuing a public report⁷. It must be noted that generally speaking, MIGA provides very little guarantees for mining projects. This step was important for the PT WBN project, not for financial reasons (the amount of the loan requested from the World Bank is nothing compared to the overall project) but because it represented an extra asset with which to obtain the shareholders' support⁸. Indeed, the survey report issued by MIGA is considered as a key asset in communication with the NGOs. Despite the fact that, in its report, Eramet declares that it met both local and national NGOs, in reality, it has actually worked with two NGOs, one of which is greatly contested by civil society – the private foundation, Sampoerna, which develops training programs in Indonesia. This foundation depends on the group of the same name, which is one of the leading Indonesian cigarette manufacturers bought out by Philip Morris in 2005. Despite the fact that the NGOs acknowledge the existence of a consultation about the project, some of them refused to participate because, as underlined by an NGO director, *“during this type of consultation, some members of the communities feel pressurized into going with the flow of the project, because the firms work hand in hand with the local authorities to decide on land issues, for example”*.⁹ Some NGOs are also reticent due to previous catastrophic experiences as far as the environment is concerned. The development of two gold mines by an Australian firm on the island of Halmahera at the beginning of the decade stirred up the anger of the local communities. Given these elements, a coalition of NGOs¹⁰ sent several letters to MIGA to inform it of the risks, to no avail.

2.2.2. Stakeholders initiated despite themselves

Since November 2009, the local development manager has created exchanges with the local populations. During one of the interviews, he declared that *“we need local authorities, as they are the ones to audit and control us”*. Since the law on independence of the Indonesian regions, the national authorities only grant the right to operate if permission is given by the local authority (even if the project had started before this law was enacted). The executive power of North Maluku Province¹¹ is made up of a governor elected by direct suffrage since 2005 and seven heads¹² of district (Kabupaten) also elected. Democracy is new in Indonesia and is still in its adjustment phase. The representatives of the local populations are the village headmen. It took one year of public meetings and discussions to get the ten headmen of the villages concerned by the future site to support the project. This phase was essential because, as underlined by the local development manager, *“they are in a position to be able to lobby the Bupati”*¹³. In November 2010, meetings were held with the village headmen about

⁷ http://www.miga.org/documents/WedaBay_ESRS.pdf

⁸ Extract from the ERAMET report: “In 2010, WBN also asked for and obtained (July 2010) coverage for the project from the World Bank Multilateral Investment Guarantee Agency (MIGA), against the political risks during the exploration and feasibility phases. On this occasion, an intermediate file describing the environmental and social impacts of these two project phases was issued, examined and audited in depth. This was an opportunity to meet both local and national NGOs, and to make the file public on the Internet for 60 days so that all the stakeholders were able to make comments.”

⁹ at the site in Novethic on 26/10/2010

¹⁰ Walhi, Earthworks (American association specialized in the impact of mining operations), Bank Information Center (helps NGOs to influence financial institutions).

¹¹ North Maluku became a province in 1999, before then it had only been a district (comparable to a *département* in France).

¹² Called Bupati

¹³ The Bupati will (not) give permission to develop the site!

the work processes to be implemented in order to start a participative approach. The village headmen undertook to invite all the social categories of the villages to the public meetings, during which three key actions were to be proposed. These priority actions were then compared with the local authority's projects. The village headman is an important person according to the local development manager, as *"everything goes through him, even if he does not always have the vision for his own village"*, as far as the gigantic Weda Bay Nickel project is concerned.

In fact, the people having initiated dialog with the local populations were expecting requests relating to education, health or the development of the local economy. The local development manager therefore made proposals to this end, to revitalize the fishing industry. In 2010, the results of this participative approach were considered as disappointing¹⁴ by the firm's executives. By way of an example of the actions identified by the populations, there were a lot of requests to put up barriers around the mosque. The actions are judged disappointing with regard to the means unleashed, but what is the local populations' perception of this? Furthermore, the heads of the communication department provided a methodology, but was it adapted to the way in which decisions are made in Indonesia? Even if the results of the consultation seem derisory at the moment, they are tainted by a linear conception of time; what is more, the time allocated may seem short. As regards this notion of time, did the populations feel confident enough to be able to express themselves in a time scale which they might have found insufficient? We must also remain aware of the fact that, as reminded by the governor of North Maluku Province, *"the development strategy for all the districts is based on efforts made to unify 800 islands and their 34 different languages"*.

2.2.3. "Surety" stakeholders

In 2010, Le Havre University was a member of the scientific and technological park for the city of Le Havre. This park aims to facilitate the setting up of innovative enterprises in the field of sustainable development. The *Communauté d'Agglomération*, the Chamber of Commerce and Industry, and the *Grand Port Maritime* all govern this park, which is chaired by the city mayor, and whose vice-president is the vice-president of the Chamber of Commerce and Industry. The latter has also been elected head of sustainable development for the city of Le Havre. On a professional level, the vice-president is the director of the Eramet facility located in the industrial area. On the occasion of the Weda Bay Nickel project manager's visit to Le Havre, the director of the Eramet facility in Le Havre persuaded him of the interest of creating cooperation between the institutions in Le Havre and Weda Bay Nickel. Two institutions, which are members of the scientific and technological park, were called upon: the GPMH and the Le Havre University.

The Weda Bay Nickel project manager, concerned with obtaining support of the shareholders in order to move on to the project validation phase, must therefore make sure that the project is socially acceptable. A partnership with a public institution of higher education has the merit of making the socially responsible aspect of the project credible in the eyes of the project's stakeholders. Indeed, Le Havre University has particular assets in the fields of training and research. Thanks to its international dimension, the university welcomes lots of foreign students and has skilled teachers of both French as a foreign language and Malay-Indonesian. It would therefore be possible, in the long term, to train Indonesians recruited to develop the site in North Maluku Province, in Le Havre, in the linguistics field; this could also be a way of training them in French management processes. As underlined by the project director, *"these employees must learn how to work in a European way with European products"*. An agreement between Le Havre University and an Indonesian university was set up by a research professor in Malay-Indonesian. This was an unavoidable step towards obtaining support from the local populations. This project is of interest to research, as it presents opportunities for some laboratories to research into chemistry, ecotoxicology

¹⁴ According to our system of assessing and prioritizing development

and renewable energies. By way of example, biological indicators of discharge are to be set up. This cooperation with a private enterprise is also an opportunity to obtain funding as part of a project to create a corporate foundation at university.

The president of Le Havre University sees this decision to accompany a mining project as part of the university's social responsibility. According to him, it is not a question of *“acting as an alibi, it is a question of positioning ourselves as specialists, particularly in the environmental field, in order to ensure that the country's resources are used as they should be”*.

3. Discussion

As part of the examination of the ways of learning how to implement a CSR policy, we have shown how different learning processes are interrelated.

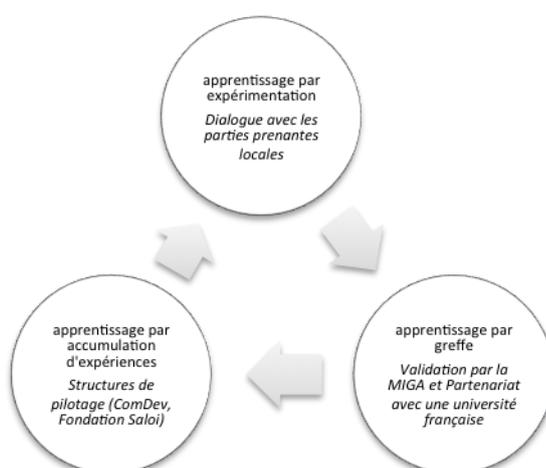


Figure 2 The ways in which knowledge is acquired when learning how to implement a CSR policy for the Weda Bay Nickel project

Adapting a CSR policy to a particular territory can be clearly likened to an exercise of stakeholder governance. In order to reach this goal, the firm accrued experience through ad hoc control structures. By mobilizing different kinds of stakeholder, it was able to benefit from the experience of other institutions (like MIGA, or French or Indonesian institutions of higher education). This is what Huber (1991) called grafting. The results which were deemed disappointing by the local development manager during the participative approach are part of a trial-and-error experiment, which can be added to the skills acquired thanks to the control structures. At this stage of the project, it is still too early to know how the firm will make use of the knowledge acquired through CSR policy learning. A co-construction phenomenon is under way but visibility is limited. The various actions undertaken are nevertheless constituent of project progress.

The list of these stakeholders shows us their organizational and geographical differences with relation to the WBN project. They are called upon, associated and recognized as partners by WBN.

WBN sets up means to maintain relations with the different stakeholders so that the latter can be listened to and express themselves. This learning process is made up of trials and errors on a particular territory, with experiments which should enable a decrease in the resistance to change and the invention of new forms of communication between the players. Due to the constant concern to increase the project's social acceptability, a certain number of structures have been developed, like the communication department and the Saloi foundation at an internal level, and requests made to external structures such as the World Bank's MIGA and the expertise of academic, port and health institutions in France. These stakeholders also maintain

relations between one another. The fact that they belong to different networks makes things more difficult for WBN, as it does not have just one contact. Having said that, the fact that there are several players with different knowledge states makes the CSR learning process stand out. The level of information in a village on the island of Halmahera is used in the same way as MIGA, an entity affiliated to the World Bank participating in the UNO. The fact that some NGOs refuse to dialog also shows that the firm still has a way to go before it is credible. Its governance of the stakeholders is still perceived by the latter as purely instrumental, managerial logic only. The process of listening to the stakeholders is long and complex, and hardly compatible with conventional managerial requirements. The failure of the participative approach bears witness to the firm's will to impose its own vision, which is more of a top-down approach than a bottom-up one. In view of the diversity of the stakeholders and the various levels of expertise, empowerment is vital (Schmitt, 2010). Mining industry projects are not only technically complex, but also require knowledge in the fields of sustainable development, law and economics if there is to be participation in a consultation. This infers the ability to identify those stakeholders likely to understand all these stakes. If the implementation of a CSR policy in an emerging country is to be successful, it must make way for a less structured governance of the stakeholders, because, as underlined by Callon (1986), "everything is uncertain and reversible, order and stability are more of an exception than a rule".

Conclusion

We may be surprised that so many different stakeholders are associated; the territorial approach nevertheless enables us to understand that geographical, sociological and institutional proximity are brought together. Geographical proximity is highlighted, both in Indonesia and in France. WBN is in direct contact with the governor, the Bupati and the village headmen. Eramet calls upon the institutions located near its industrial facility in Sandouville, Upper Normandy. The GPMH (*Grand Port Maritime du Havre*) is called upon for its expertise in port infrastructures, the ARS (*Agence Régionale de Santé*) in Rouen and Le Havre University have been selected as experts and are part of the project progress. Sociological proximity is maintained thro the will to employ inhabitants from the Maluku provinces and other Indonesians. Once the project will be operational, between 2,000 and 2,300 people will work on site, 50% of the personnel will probably come from North Maluku Province. It is a matter of creating a large pool of human resources for WBN, as the turnover rate is predicted to remain high. An Indonesian changes employer on average once a year, which means that creating loyalty among the Indonesian workers is an important stake. Institutional proximity is based on the wish to have permanent contact with provincial and local institutions, as they are the only ones able to grant the license to develop the mine.

Bibliography

- Acquier A. et F. Aggeri, (2005) "La théorie des stakeholders permet-elle de rendre compte des pratiques d'entreprise en matière de RSE?", Colloque de l'*AIMS*, Angers, 7-9 juin, 17p.
- Béji-Bécheur A., Bensebaa F., (2009), "Les stratégies de positionnement responsable : le cas des tours opérateurs", *Décisions Marketing*, n° 54.
- Callon M., (1986), Some elements of a sociology of translation-Domestication of the scallops and the fishermen of St Brieuc Bay, in J.Law (Ed.), *Power, action and belief* (pp 196-233), London: Routledge and Kegan Paul.
- Capron M., Quairel-Lanoizelée F., (2001), "Les dynamiques relationnelles entre les firmes et les parties prenantes", *rapport pour le Commissariat Général du Plan*, research notebook CREFIGE-ERGO, Paris, pp.165.
- Carroll A.B., (1979), "A three-dimensional conceptual model of corporate performance", *Academy of Management Review*, vol.4, n°4, pp.497-505.
- Carroll A.B., (1999), "Corporate Social Responsibility, Evolution of a definitional construct", *Business and Society*, vol.38, n°3, pp.268-295.
- Coutrot T., (2010), "Jalons vers un monde possible. Redonner des racines à la démocratie", Ed. Le Bord de l'eau, Lormont, 226p.
- Cyert R., March J., (1970), *Processus de décision dans l'entreprise*, Dunod.
- Crozier M., Friedberg E., (1977), *L'acteur et le système*, Editions du Seuil.
- Donaldson T., Preston L., (1995), The stakeholder theory of the modern firm: Concepts, evidence and implications. *Academy of Management Review*, vol. 20, n°1, pp. 65-91.
- Freeman R.E., (1984), "*Strategic management: a stakeholder approach*" Pitman, Boston.
- Friedman M., (1970), The Social Responsibility of Business is to Increase its Profits, *The New York Times Magazine*, September 13.
- Gond J-P., Igalens J., (2008), *La responsabilité sociale de l'entreprise*, Presses universitaires de France, collection Que sais-je?
- Granovetter M., (1973), "The Strength of Weak Ties", *American Journal of Sociology*, Vol. 78, Issue 6, May, pp. 1360-1380.
- Granovetter M., (1985), "Economic Action and Social Structure: The Problem of Embeddedness", *American Journal of Sociology*, 91, pp. 481-510.
- Grochain S., (2009), "La Responsabilité Sociale d'Entreprise, entre gouvernance d'entreprise et gouvernance locale", *Actes du RIODD*.
- Huber G.P., (1991), "Organizational learning: the contributing processes and the literatures", *Organizational Science*, 2, 1, February, pp.88-115
- Koenig G., (1987), "La théorie de l'organisation à la recherche de son équilibre", in collectif, de *Nouvelles théories pour gérer l'entreprise*, Paris, Economica, p. 105-128.
- Koenig G., (2006), "L'apprentissage organisationnel: repérage des lieux", *Revue Française de Gestion*, n°160, pp 293-306.
- Michell R., Agle B. et Wood D., (1997), "Towards a theory of stakeholder identification: defining the principle of who and what really counts", *Academy of Management Review*, 22 (4).
- Philippe D., Durand R., (2006), "Communication environnementale et réputation de l'organisation", *Revue Française de Gestion*, vol 10, n°3.
- Piau N., (2007), "Développement durable: est-ce bien rationnel", *Revue Sociétal* n°55, janvier.
- Rey P. et de Saint-Simon F., (2009), "L'entreprise n'est pas l'Etat", *Actes du RIODD*.

Schmitt R., (2010), "Dealing with Wicked Issues: Open Strategizing and the Camisea Case", *Journal of Business Ethics*, vol 96, 11-19.

Senkel M-P., (2009), "La représentation de la RSE sur les sites Internet des prestataires de services logistiques français", *Logistique et Management*, Vol. 17 n°1.

Weick K.E., (1979), *The social psychology of organizing*, Readings (Mass.), Addison Westley.

Weick K.E. et Roberts, (1993), "Collective mind in organizations: heedful interrelating on flight decks", *Administrative Science Quarterly*, 628-52.