

Encouraging Corporate Social Responsibility in Rayong, Thailand

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Abstract

A review of literature revealed a gap in research on effective ways to promote corporate social responsibility in the Rayong province of Thailand where the Integrated Refinery and Petrochemical Company (IRPC) is located. This case study used purposeful sampling of eight key informants in a CSR program designed to help restore the environment surrounding the refinery, increase cooperation and good will between IRPC and surrounding villages, and make better use of local resources.

Problem

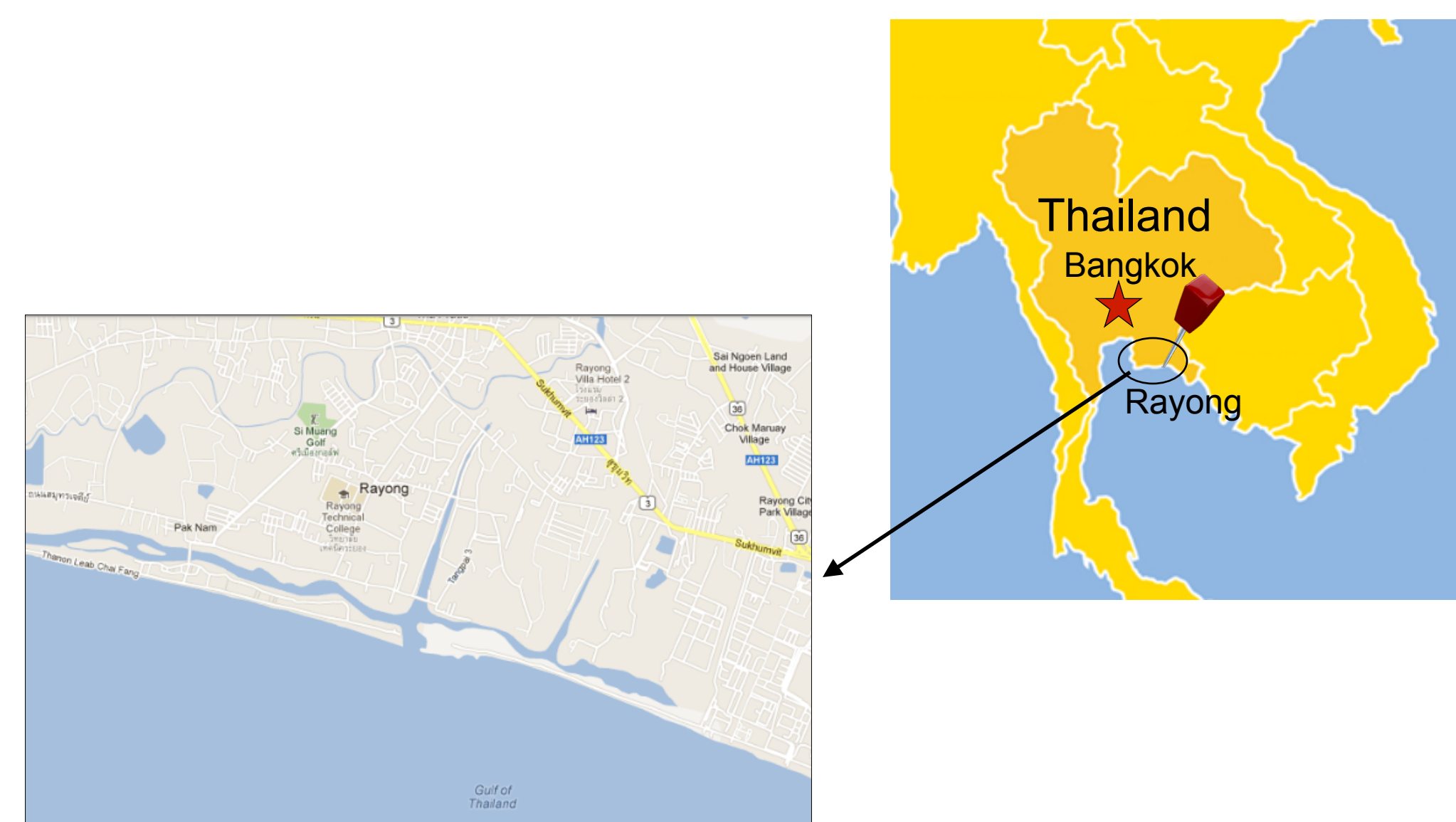
The petrochemical industry is one of the most important industries to the Thai economy. Thailand is the leading producer of ethylene and propylene in Southeast Asia (PRW, 2013; True, 2011; Wall Street Journal, 2013).

Animosity between the Integrated Refinery and Petrochemical Company (IRPC) and surrounding villagers grew over environmental and health concerns as the 1000-acre complex expanded into surrounding villages in Rayong province, Thailand.

The CSR project was created after villagers launched a series of protests, marches, and blockades against the plant.

Purpose

The purpose of this case study was to assess how well the IRPC's CSR project promoted corporate social responsibility and reduced animosity between the plant and villagers.

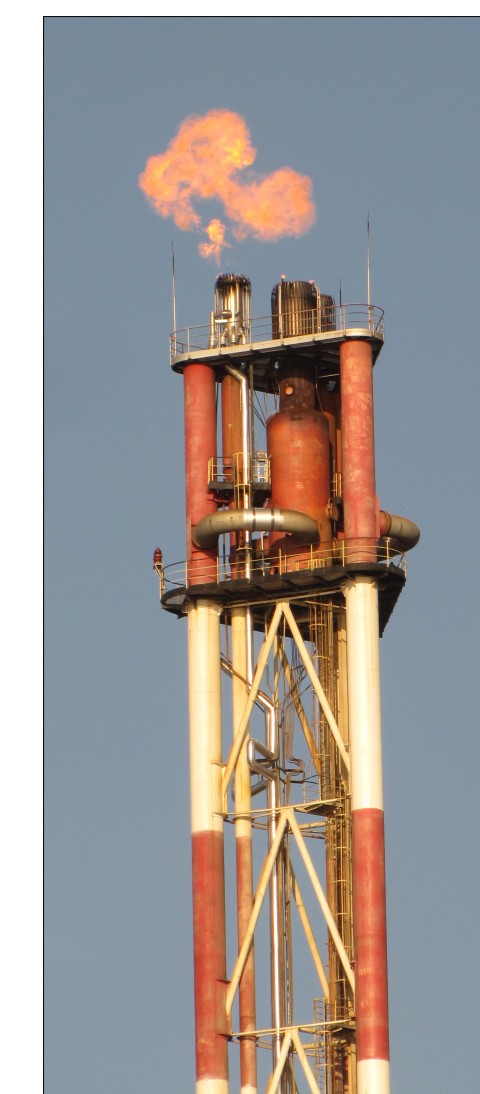


Relevant Literature

Much has been written about

- the **environmental and health impacts** of coal-fired plants (American Lung Association, 2011; Gabbard, 2008; Hvistendahl, 2007)
- the **petrochemical industry** (International Petroleum Industry Environmental Conservation Association, 2011; United Nations Environment Programme, 2008)
- and the **economic importance** of these industries in Thailand (GlobalData, 2012; Petroleum Institute of Thailand, 2012).

There is also significant literature on the **importance of corporate social responsibility** (Coates, 2013; Fooks, Gilmore, Collin, Holden, & Lee, 2012; Kalpana, 2013; Wei, 2013). However, research on CSR programs that effectively address the range of issues specific to the Rayong province in Thailand is lacking.



IRPC helped clean some polluted zones and planted mangrove trees to restore the environment and to separate industry from the community. Villagers in affected communities report an increase in fish population as a result of CSR efforts.

Limitations

Limitations include time and open and honest responses from participants. The small sample may not be representative of all CSR projects involving petrochemical plants in operation in Thailand. This study is specific only to the IRPC and villages surrounding this particular plant in Rayong.

Research Questions

What are participants' perceptions of the CSR program?

How has the program affected relationships between the company and villagers?

How have villagers' perception of the company changed since the CSR program was implemented?

How have perceptions of the environmental conditions near the plant changed since the CSR program was implemented?

Procedures

Purposeful sample of eight key informant interviewees (CSR program project manager, village leaders, industry representatives, sub-district leader, leader of a group of fishermen, media representative).

General interview guide with open ended questions allowed for follow-up questions and clarification.

Observation of interaction between stakeholders at a community meeting.

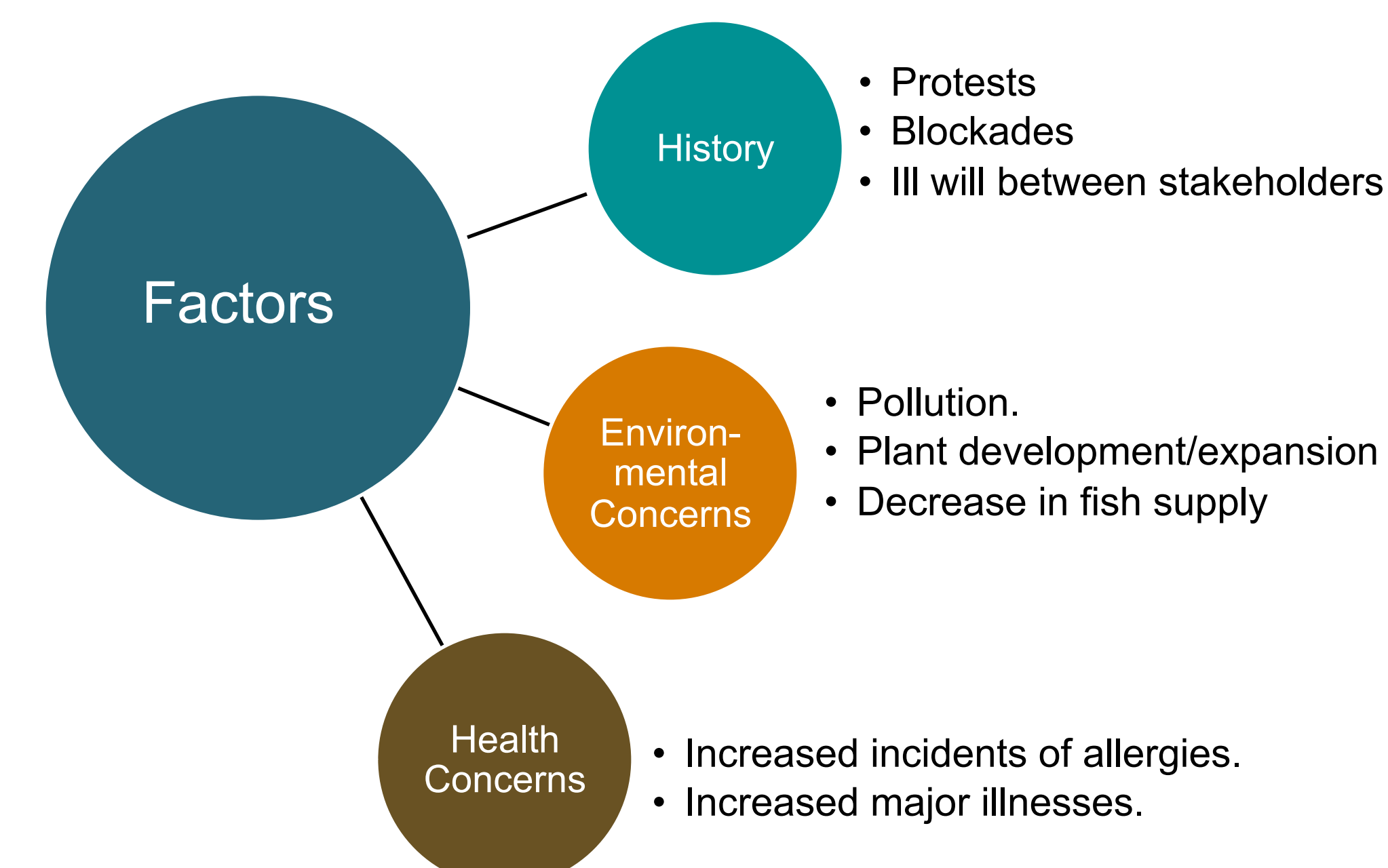
Site visit to village and IRPC.

Data Analysis

Qualitative data from semi-structured interviews with participants and observations were analyzed both inductively and through coded outlines to look for patterns regarding attitudes about the importance of education and the challenges faced in sending children to school.

Identification of themes

NVivo 9 was used for data organization and coding



Findings

Perceptions of the CSR Program

- Villagers and company representatives reported a more collaborative relationship developed as a result of the CSR program.

Impact on Relationships between Company and Villagers

- Villagers and industry representatives reported increased sense of trust.
- Village forums with stakeholders to discuss development planning, present plan to leaders rather than the other way around.

Impact on Perceptions of the Company

- Increase in level of acceptance of voices from community members.
- Villagers said they feel empowered to let the company know their concerns.

Impact on Perceptions of Environmental and Health Concerns

- Industry helped clean some polluted zones, planted mangrove trees to restore environment and to separate industry from the community.
- Long-term project with local hospitals, health department, and villagers to monitor health factors and collect data on illnesses.

Conclusions

Cooperation and trust between stakeholders in Rayong increased as a result of the corporate social responsibility program. Participating in the program allowed participants to work together to address concerns about the environment, health, and the use of local resources.

Social Change Implications

This study provides insight into the participants' attitudes and perceptions about the corporate social responsibility program and some of the challenges they face in working together to resolve environmental and health concerns. Results of the study suggest strategies that could be implemented in other regions with similar conflicts between industry and community stakeholders