

# **Exercising the Corporate Social Responsibility in Vietnamese Seafood Export Enterprises**

**Nguyen Xuan HUNG**

School of Trade and International Economics, National Economics University

*Email: hungnx@neu.edu.vn*

**Tong Thi Bich NGUYET**

School of Trade and International Economics, National Economics University

*Email: bichnguyet174847844@gmail.com*

**Tran Thi Thanh MAI**

School of Trade and International Economics, National Economics University

*Email: tranmai9a3tdn@gmail.com*

**Do Thi Thu TRANG**

School of Trade and International Economics, National Economics University

*Email: thutrang262000@gmail.com*

**Nguyen Ngoc HUE**

School of Trade and International Economics, National Economics University

*Email: ngngochue.neu@gmail.com*

**Dao Thi XIM**

School of Trade and International Economics, National Economics University

*Email: ximdao1712000@gmail.com*

## **Abstract**

*Corporate social responsibility (CSR) is one of the crucial factors, affecting benefits for export enterprises, customers and communities. This research provides a qualitative analysis of performance of Vietnamese seafood exporters, shedding light on exercising of their social responsibility and main emerging issues. On that basis, the paper proposes main recommendations for Vietnamese seafood exporters to promote effectiveness of the CSR implementation in the years to come.*

**Keywords:** Corporate social responsibility, Export enterprise, Seafood, Vietnam.

## Introduction

The world economy has rapidly and continuously changed during the past decades. This trend has set requirements and challenges for businesses in the matter of sustainable growth, economic development coupled with implementation policies on social security in all fields/industries, especially in those of seafood production and export.

The seafood industry, nowadays, is of particular concern to the world, because it has experienced a number of negative impacts on the environment and society. These include overfishing, habitat destruction, illegal fishing, food hygiene and safety issues, social policy violations (namely, labor abuse, profit distribution, *etc.*), unfair trade interests, and unsafe working conditions.

In that context, seafood-export companies around the world tend to concern about their responsibilities, constantly trying to come up with strategic solutions for sustainable development, implementing social responsibility. It is estimated that three-quarters of the world's leading seafood processing corporations are enterprises in Japan, the European Union and the United States. They consume most of their total seafood catches from developing countries and are gradually impacting the seafood industry by shifting towards stricter choices regarding quality standards, origin, environmental and social issues. In summary, the world is increasingly showing higher requirements on CSR for products and services provided for the benefit of stakeholders in terms of environment, labor, harmonization of business interests and the state, ensuring the sustainable development of cooperation.

Seafood industry is one of Vietnam's five industries with the largest export turnover, recently. In addition to the achievements, Vietnam's seafood industry has been facing many challenges related to the environment, ecological benefits, and benefits of workers, *etc.*, many of which have adversely affected the reputation and quality of Vietnamese seafood when sold to the world market. In addition, in the context of deeper economic integration (EVFTA, CPTPP), the implementation of social responsibilities has been increasingly emphasized and related standards have also improved, accordingly. For example, according to the CPTPP agreement, the SCR shall specifically reflect the mandatory requirements, economic, legal, ethical and human obligations and are expressed in the following provisions: (i) environmental protection; (ii) contribution to the social community; (iii) well performance with suppliers; (iv) insurance of the interests and safety of consumers; (v) good relations with workers; (vi) and sustaining the benefits for shareholders and employees in the enterprise.

With the EVFTA, Chapter 13 of the commitment on trade and sustainable development emphasizes the responsibility of businesses in sustainable development. The issues of jointly improving the environment, dealing with climate change, promoting biodiversity, and sustainable forest resource management... were promoted and attracted much attention.

Faced with the potentials and challenges of the industry, it can be recognized that social responsibility is a vital issue of Vietnam's seafood industry. A good understanding of market signals will help Vietnam's seafood industry meet the increasing requirements as well as more stringent regulations of the importing seafood. The implementation of CSR is closely related to

the sustainable development of the country in general and seafood export enterprises in particular. It is incorrect to state that CSR is a solid shield for the reputation of a business, but it plays a really important role in this and risk management of all businesses. Therefore, a study on CSR implementation of Vietnamese seafood exporters, thereby proposing some recommendations to enhance awareness and effectiveness of implementation of CSR towards sustainable development is necessary.

## 1. Literature review

In the world, the CSR issues were firstly studied and discussed in the 30s of the twentieth century. An article in the Harvard Law Review argued in favor of managers' responsibility to society (Dood, 1932). Since then, the issues have attracted much attention of many researchers around the world. In the last decades, thanks to the research on the impact of CSR on various aspects of business processes, businesses have realized the great benefits of CSR activities in creating potentials and enhancing their position in the market (Simnett *et al.*, 2009; Kim *et al.*, 2012; Dhaliwal *et al.*, 2012). These benefits have been studied and understood from many different perspectives such as: improving operational efficiency (Porter and Kramer, 2002; Saiia *et al.*, 2003; Brammer and Millington, 2005), expansion product market (Menon and Kahn, 2003; Bloom *et al.*, 2006), improving employee quality and employee loyalty (Tuzzolino and Armandi, 1981; Trevino and Nelson, 2004; Valentine and Fleischman, 2008), benefits in capital market expansion (Godfrey, 2005; Dhaliwal *et al.*, 2012), risk management (Richardson and Welker, 2001; Dhaliwal *et al.*, 2011; Cheng *et al.*, 2012; Husted, 2005), and the improvement of income (Chih *et al.*, 2008; Hong and Andersen, 2011; Kim *et al.*, 2012).

Currently, many scientists are interested in the relationship between CSR and company performance. Studies show that different CSR activities of a company will bring different impacts on the company's profits and the value achieved (Cochran and Wood, 1984; McGuire *et al.*, 1988; Pava and Krausz, 1996...). Although there are some studies that confirm that CSR seems to have a negative or no effect on the profitability and financial performance of the company (Friedman, 1970; Griffin and Mahon, 1997; Waddock *et al.* Graves, 1997; Harrison and Freeman, 1999; McWilliams and Siegel, 2000), but most researchers have shown and demonstrated that they are positively related (Porter and Kramer, 2002; Saiia *et al.*, 2003; Brammer and Millington, 2005; Godfrey, 2005; Orlitzky, 2003; Roman *et al.*, 1999, ...). The SRC issue is also receiving a lot of attention from organizations and individuals all over the world, especially senior leaders, that is relationship between CSR and business performance (including financial and non-financial performance). In general, the studies on corporate social responsibility in the world are very rich in terms of subjects as well as quality, nevertheless, most of the research results tend to demonstrate positive impacts on all aspects of the businesses and encourage businesses to improve their CSR implementation.

In Vietnam, research on CSR has been conducted in the last two decades, but it is becoming a top concern for both academia and business. Initially, the research focused on clarifying the content of corporate social responsibility and its role (Pham Van Duc, 2011). The studies have gradually shifted to analyzing a certain aspect such as employee loyalty (Nguyen Ngoc Thang,

2010; Vo Khac Thuong, 2013), customer satisfaction (Le Thuy Huong and Dang Anh Minh, 2017; Le Thi Nhu Thao 2018), brand value (Le Phuoc Huong, Luu Tien Thuan, 2019), environmental protection (Bui Thi Mai Huong, 2014), *etc.* Notably, in the world, studies can be divided into three groups: SRC-induced positive impact, negative impact and neutral impact; meanwhile, in Vietnam, the positive relationship between these two factors is considered as an inevitable result in some studies (for instance, Chau Thi Le Duyen *et al.*, 2014; Tran Thi Hoang Yen, 2016; Chau Thi Le Duyen, Nguyen Pham Tuyet Anh, 2018; Ho Thi Van Anh, 2018). In general, the research on social responsibility in Vietnam has not clarified the implementation of CSR by economic sector/domain. However, the authors have emphasized the importance and trend of implementing CSR activities. In particular, there are very few in-depth studies on the implementation of CSR of seafood exporting enterprises for the seafood sector.

## **2. The benefits and necessity of implementing corporate social responsibility**

Corporate social responsibility is the willingness of businesses to make ethical business commitments to stakeholders such as employees, suppliers, customers, investors/lenders, the community and the environment to improve operational efficiency for businesses and contribute to increasing social welfare for the community. Implementing CSR will bring benefits to not only businesses but also the community/country, consumers and employees.

### *Firstly, benefits for businesses*

For businesses, effective implementation CSR contributes to:

- Improve the brand value and reputation of the business: this is the most obvious benefit when businesses practice CSR well. Especially, in today's modern mass information technology, good CSR practice is an effective way for a company to develop its brand and gain consumer sympathy for its brand. This result research can lead to increased sales and revenue for the company.

- Reduce costs for employees: Practicing CSR for good employees means creating a favorable and safe environment for employees; thereby, creating motivation for employees to work harder and be more creative at work. Besides, CSR contributes to building loyalty for the company, helping to reduce the cost of recruiting and training new people. Moreover, this is also an excellent condition to attract quality workers to the company. In Vietnam, there are not many high-quality human resources, so attracting and retaining good workers is even more of a challenge for businesses.

- Improve the economic efficiency of the company: this is a natural benefit that is created when sales revenue increases, while costs, especially labor costs, decrease.

- Help to control unwanted risks: the risks here can be occurred from natural disasters, social scandals, crises due to lack of transparency or injuries in the workplace... Safety measures going beyond legal obligations create employee satisfaction and helps maintain productivity within the company. The risk reduction has a cost benefit, as it has been recognized by the financial authority that the effective operator of the policies leads to a reduction in premiums and passive interest.

*Second, benefits for consumers*

The benefit for the consumer is the satisfaction of using the product. Along with CSR, customer safety and satisfaction are put higher, and after-sales and customer care provide a deeper consumer experience.

*Third, benefits for employees*

Employees work for the basic and common purpose of income. CSR can increase income or equivalents such as bonuses, insurance, and welfare regimes and increase employee benefits. Moreover, working in a safe environment with development conditions also helps employees be more satisfied with their work.

*Fourth, benefits for the community/country*

Social responsibility is an inevitable trend of enterprises in international competition and integration. In particular, the government plays a role in promoting and creating a level playing field for businesses to practice CSR. CSR thus enhances the national image when a large number of enterprises practice CSR well. It is important to note that good CSR practice will bring comprehensive benefits to each group of business-related objects.

For businesses, the implementation of social responsibility is a necessary job. From their perspective, the implementation of corporate social responsibility is governed by three pressures: from the government, from society, and market competition. Government acts as a regulator of business conduct of individuals and groups (such as companies), especially in relation to conflicts of interest (Scott, 2013). Businesses practice CSR to ensure legal requirements. Companies are strongly motivated to gain legitimacy from social sectors, as legitimacy leads to better access to social and market resources, scope to pursue activities in their business performance and thus, better prospects for long-term survival and growth (Brown and Deegan, 1998; Meyer and Rowan, 1977). In addition, the company gains lower compliance costs and higher stock market valuation (Staw and Epstein, 2000; Tuschke and Sanders, 2003), or symbolic and intangible benefits such as brand and publicity, endorsement and good reputation (Ashforth and Gibbs, 1990; Fiss and Zajac, 2006); and competitive advantage (Heugens and Lander, 2007). Therefore, the company's practice of CSR under government pressure often accompanies the company's strategy.

Norms in society are also prescriptive and mandatory. These norms lie in the informal expectations and rules of society. Social groups, suppliers, customers or trade associations can institutionalise CSR standards through various means such as educational systems, trade publications and trade association membership (Campbell, 2007). When these standards are well implemented by enterprises, through the activities of the media, the brand, reputation and image of the business are also enhanced, winning social approvals.

Pressure from competition leads to widespread adoption of CSR practices (Majumdar and Venkataraman, 1993). Enterprises tend to imitate the companies that have successfully applied CSR to reduce costs as well as reduce costs such as compensating for unforeseen potential losses. Good CSR practices make customers recognize the company's products with higher quality, reduce insurance costs and meet high standards in the supply process.

### 3. Current status of social responsibility of Vietnamese seafood export enterprises

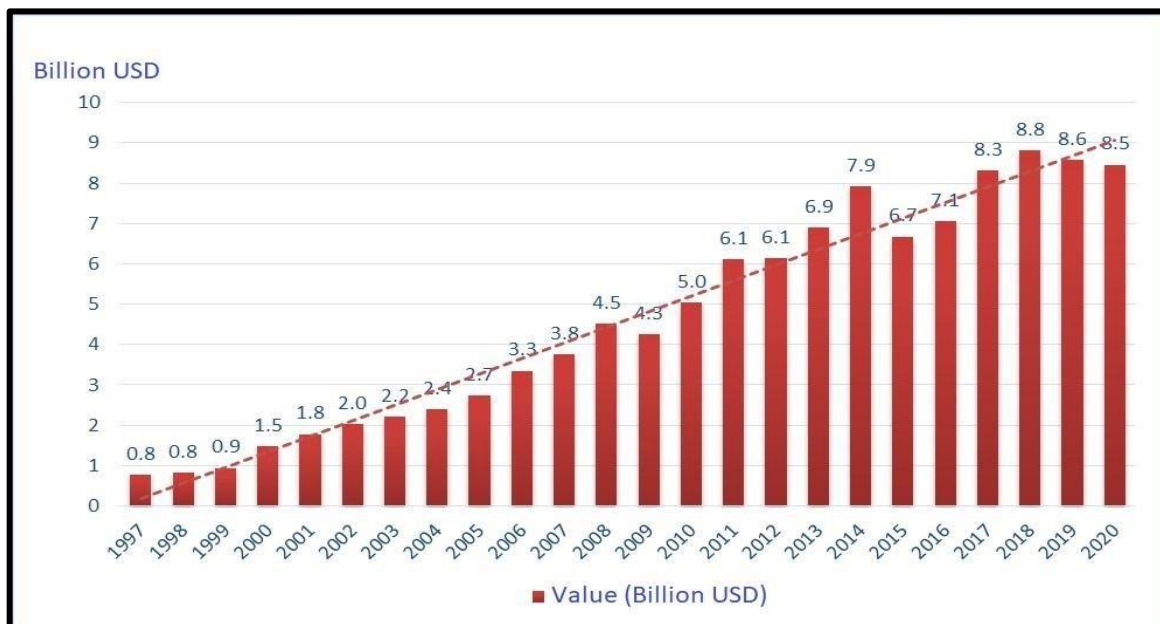
#### 3.1. Overview of Vietnam's seafood exportation

Thanks to Vietnam's long coastline, favorable geographical position and climate, aquaculture has long been a priority for development and plays an important role in the national economy. In recent years, the development of the fishery industry continues to create high economic growth, greatly contributing to the process of restructuring agriculture and rural areas, participating in poverty reduction, improving life of coastal inhabitants. With the opportunity to access high(er) technical technology, advanced management of the region and the world in a number of seafood processing fields, Vietnam's quality-guaranteed export seafood products are becoming more and more popular, enhancing its reputation/prestige in the world arena.

Since 1995, thanks to the government's development promotion program and the efforts of enterprises in the industry, Vietnam has risen to become one of the top five seafood exporting countries within the world, playing a key role in providing global seafood resources.

Vietnam exports seafood to more than 160 markets with key items such as shrimp, pangasius, and other seafood. In which, the 10 largest markets include: the US, the EU, Japan, China, South Korea, ASEAN, Australia, UK, Canada, Russia, accounting for about 92-93% of Vietnam's total seafood exports. In recent years, exports to the EU have slowed down, to ASEAN and South Korea have been stable, while exports to China have grown the most, and exports to the US and Japan have also maintained positive growth. As for the period 1997-2020, export turnover experienced a steady growth year by year as shown in Figure 1.

**Figure 1: Vietnam seafood export value, 1997-2020**



*Source:* Vietnam Association of Vietnam Association of Seafood Exporters and Producers (VASEP).

Seafood exports have increased 11 times, with an average annual growth of 10% from USD 800 million in 1997 to USD 8.5 billion in 2020. Despite the impact of the COVID-19 pandemic and floods in the country's Central region, seafood export value began to decrease in 2020, but then there are signs of recovery and growth again. In March 2021, the export value was estimated at USD 685 million, bringing the seafood export value in the first 3 months of 2021 to USD 1.69 billion, up 3.3% over the same period in 2020 (General Department of Fisheries, 2020).

The recently signed FTAs (CPTPP, EVFTA and UKVFTA) have created many great opportunities for Vietnamese seafood products to penetrate deeply into the members' market. However, Vietnam's seafood export industry still faces many difficulties. The application of technological advances to the fishing industry, especially in product preservation and post-harvest loss reduction, has been gradually improved but is still slow and has not met the demand. The cultural environment in the business, the fishing mode of the fishermen is still outdated and has not maximized productivity. Meanwhile, the major seafood import markets in the world, especially the EU, the US, Japan and South Korea all have strict requirements on quality control and country of origin.

Therefore, in addition to taking these advantage, Vietnam's seafood industry in general and seafood export in particular should quickly come up with solutions and operational mechanisms to minimize existing shortcomings and limitations. The seafood business community will have to make great efforts to improve the quality of seafood, well control the sustainable production process, and ensure the standards of labor, environment and social security, *etc.* can achieve their goals in the coming years.

### **3.2. The situation of implementing social responsibility of Vietnamese seafood exporters**

#### **3.2.1. Awareness of social responsibility of seafood export enterprises**

To date, many Vietnamese seafood enterprises have raised their awareness of CSR and have moved to focus on environmental protection - the most important factor in CSR for the seafood industry. In addition to meeting the requirements of legal documents such as the Law on Fisheries, the Law on Labor, the Law on Environmental Protection, and the standards of Vietnam (TCVN), enterprises also have to equip 18 more related certificates implement social responsibility (*eg.*, Global Gap, HACCP, Halal, BRC, MSC, ASC...). Thus, for each industry and business field, there are standards to measure the implementation of social responsibility towards sustainable business development.

According to a study by Le Thi Minh Hue and Cao Thi Huong (2019) on CSR for the environment of seafood processing enterprises in Thanh Hoa, 100% of enterprises are aware of the importance of the environment. Some seafood processing enterprises have a positive perception when they think that implementing environmental responsibility will help improve their image to consumers (8/58 businesses surveyed). However, despite being aware of environmental problems, the awareness of environmental protection of seafood exporters is not adequate at present; only a small number of large enterprises focus on environmental treatment, most small and medium

enterprises believe that investment in waste treatment will generate costs and reduce the possibility of waste treatment compete on the price of the product.

According to Dinh Xuan Lap (2016), awareness of environmental CSR practices among most parties in the supply chain of caught seafood products, especially fishing boats, is still limited. Most businesses do not apply standards of environmental CSR practices, except for a few companies belonging to multinational corporations, companies with investment capital and shares from abroad. In addition, implementing environmental CSR in seafood processing and exporting enterprises is "dealing" to meet the requirements of the market (customers), not voluntary or responsible. The legal framework and sanctions for environmental CSR practices in fishery products' production and supply chain are lacking, limited and unclear.

### 3.2.2. The situation of implementing social responsibility of seafood export enterprises in recent time

According to research by ICAFIS (2015) (was implemented and completed from May to July 2015 in the provinces of Nghe An, Hai Phong, Kien Giang, Ben Tre, Khanh Hoa, Binh Thuan with the subjects being business owners, ship owners, officials in charge, workers, crew members, local managers, industry experts...), the implementation of environmental CSR by fishing and seafood processing enterprises in Vietnam still has many shortcomings. There are many different reasons, but the main reason is that enterprises have not properly and fully understood the relationship between production and business activities with environmental issues (Table 1).

**Table 1: Topics related to environmental protection responsibilities of enterprises/ship owners**

Topic	Content	Response rate (%)
1	Enterprises/ship owners have technical staff to handle environmental pollution, chemicals, <i>etc.</i> (collection and treatment)	37.5
2	Enterprises/ship owners strictly control the use of production materials	76.3
3	Enterprises/ship owners have policies related to the economical use of electricity, water, <i>etc.</i> , and production materials	90.8
4	There is staff in charge of looking for sustainable use of raw materials/sustainable extraction	46.7

*Source:* ICAFIS (2015).

Some enterprises have done quite well with environmental CSR. For instance, Thanh Hoa Seafood Import-Export Joint Stock Company has gradually innovated the technological process of preservation, storage and transportation to minimize environmental pollution; waste control, investment for waste treatment. Hoa Hai Seafood Processing Co., Ltd. has invested and budgeted

to fulfil its responsibility to protect the environment. In 2019, Nam Viet Joint Stock Company implemented a policy to save energy sources such as electricity, gasoline, oil and water in order to save resources for the country as well as protect the environment; CP Vietnam Livestock Joint Stock Company also coordinated with the Can Gio Protection Forest Management Board to organize a afforestation program with the message "Joining hands for the green environment"; cooperated with international youth organization (AIESEC) to implement the project "4.0 Warrior" to raise awareness, change attitudes and initiate simple actions towards reducing plastic waste for the company in particular and Vietnamese society in general, calling for a reduction in the use of single-use plastic products and non-degradable plastic bags, increase recycling and reuse.

Corporate social responsibility for employees (CSR - labor) is reflected through policies on gender equality, wages, health care for employees in each enterprise in particular and the whole seafood industry in general. However, most businesses are still not interested in implementing issues related to social responsibility for employees. According to statistics of the General Department of Fisheries, in the seafood processing and exporting enterprises of Vietnam, the majority of employees are female with the ratio up to 85%. However, the salary of a female worker is only about 80% of that of a male worker. This is also the subject with a higher ratio of occupational diseases in hazardous and dangerous working conditions and lack of suitable labor protection equipment for their weaker physical condition than men. Research by Nguyen Thi Thuy Trang *et al* (2020) on the health status of workers in seafood processing facilities in the Central region - where a large number of export seafood processing facilities are located, pointed out that workers in these facilities have to work in an environment containing many unfavorable factors due to the production process and labor characteristics. The working environment of seafood processing workers has high humidity, low temperature and poor ventilation due to low air circulation speed. Workers are also exposed to toxic disinfectants, commonly chlorine, which increases the risk of exposure to chlorine gas, causing serious effects such as respiratory failure with constricted airways or pulmonary edema. In order to share and partially offset the burden of occupational diseases for employees and attract the participation of new workers, most companies have only applied simple measures such as increasing wages, but not yet taking measures to improve their health, longer-term policies and address the root cause of problems such as improving working environment conditions, increasing research and development of protective gear, working equipment or paying more attention to workers' lives. Because, this requires large investment capital or strong financial capacity, and the provisions of the law still do not have specific and sufficient deterrent sanctions for violations in this field. In particular, at the beginning of 2020, the outbreak of the Covid-19 Pandemic caused negative impacts and had great pervasive effects on the entire Vietnamese economy. Due to the fact that a large number of workers in various industries have temporary or permanent loss of work due to the inability of the business to cover its operating expenses. The implementation of CSR - labor of enterprises has also become more difficult. Companies in the seafood industry like Nam Viet Joint Stock Company have regulations to support employees such as arranging alternate work schedules so that no workers have to lose their jobs as well as keeping wages and benefits stabilize in the situation of Covid-19 epidemic.

The VASEP also aims to promulgate and fully implement supportive policies for businesses to attract labor resources welfare support for employees through the government's existing policy packages; packages for businesses to borrow to pay wages to employees, *etc.*).

Regarding corporate social responsibility for suppliers (CSR - suppliers), according to current statistics, the output from aquaculture accounts for more than the amount of fishing. Vietnamese government has encouraged the use of "four stakeholders" scheme (the state, scientists, entrepreneurs, farmers) in aquaculture and seafood export. For example, in 2014 and 2015, Dong Hai district, Bac Lieu province built an improved extensive shrimp farming model that combines little water change with the use of microorganisms in a chain of "four stakeholders" scheme in Cay Gia hamlet, commune. Dinh Thanh with an area of 200 ha/119 households. In order to help farmers applying science and technology to production more efficiently, the State provides scientific and technical support, enterprises support seeds and microbial products, and at the same time consume agricultural products. Farmers in the cooperative group guarantee a price higher than the market price from 15,000 - 30,000 VND/kg, creating a clean material shrimp farming area to meet consumption and export demand. Since then, the enterprise has purchased products from farmers in the cooperative groups with over 50,000 kg of commercial shrimp. The model is quite effective and sustainable, helping farmers to increase income per unit area with low cost, limited disease and towards building a clean raw material shrimp production area to meet demand. In addition, the model facilitates creat a link between farmers and enterprises in supporting input investment and consumption of output products, building raw material areas with stable markets and direct suppliers, clean raw materials for export enterprises, gradually reducing the intermediary levels through traders (see more in Table 2).

However, the scheme of linking "four stakeholders" at present is still only encouraging and has not been really trusted and implemented by aquaculture farmers. Many businesses also do not really believe in the success of the scheme. Therefore, the policies proposed by the enterprises have not paid much attention to the interests of farmers, but only interested in the final products brought for sale by farmers, and there are no measures to guide and advise farmers on technical skills, farming techniques and the use of chemicals and antibiotics in the treatment of aquatic diseases. This is also one of the reasons why businesses cannot control product quality and residues of banned antibiotics and chemicals, leading to negative effects on the export of the country's seafood, directly affect the implementation of corporate social responsibility towards customers.

Table 2: Summary of CSR implementation of some Vietnamese seafood exporters

Name	The implementation of CSR of enterprises
<b>Vinh Hoan JSC</b>	<ul style="list-style-type: none"> <li>- Organizing blood donation program</li> <li>- Every year, the company donates many Health Insurance cards, hundreds of wheelchairs and sponsors dozens of heart surgeries for the disabled, orphans and poor patients in the locality.</li> <li>- Sponsoring free surgery for thousands of difficult patients in Dong Thap Province.</li> <li>- Giving houses of love, houses of gratitude, shelters of trade unions</li> <li>- Accompanying Wings of dreams with Nguyen Sinh Sac Study Promotion Fund.</li> <li>- Sponsoring ambulances for hospitals in districts and provinces</li> <li>- Sponsoring ventilators for hospitals in Ho Chi Minh City, Dong Thap and An Giang, joining hands to contribute to repelling the COVID-19 pandemic</li> </ul>
<b>Minh Phu Seafood Corporation JSC</b>	<ul style="list-style-type: none"> <li>- In 2020, awarded to People's Hospital 115 an outpatient screening clinic 310m2, including a medical declaration area, 4 screening tables for temporary isolation rooms with a total value of VND 2.2 billion.</li> <li>- Contributed to Mutual Fund; give the house of love</li> <li>- Organized collective activities, tours for employees</li> <li>- Annually organized a general health check-up for the accreditation staff, as well as organizes training sessions on health and safety protection.</li> <li>- Regularly organized training and training courses to improve the skills and skills of officials and employees.</li> <li>- Given gifts to children of officials and employees with excellent academic achievements</li> <li>- Given gifts on accession of Tet (New Lunar Year), International Women Day (8 March), Vietnam's Women Day (20 October) for employees.</li> <li>- Implemented ESOP program for key staff</li> </ul>
<b>Sao Ta Food Joint Stock Company</b>	<ul style="list-style-type: none"> <li>- Officials and employees contribute to the Trade Union mutual fund to consider for employees in difficulty borrowing interest-free loans and installments, with the total amount of the fund up to over VND 300,000,000</li> <li>- The Trade Union mobilized officials and employees to actively contribute to the gratitude fund, to take care of the Vietnamese Mother-Heroic, to contribute to other social security funds, with a total amount of over 360 million VND.</li> <li>- Building 40 rooms on the company's premises, fully equipped with necessary items for eating and living for employees who are far away.</li> <li>- Building 6 canteens to serve staff throughout from 5 a.m. to 12 p.m. (shift 3) and a market to serve the diverse needs of eating and shopping of employees. Because the company is located in an area far from the market)</li> </ul>

	- Build a reading room, karaoke room, install video games, build 2 badminton courts, 1 mini football field, 3 ping pong tables to create a healthy atmosphere of fun and entertainment after work.
<b>Nam Viet Joint Stock Company</b>	Over the years, the Company has made financial contributions to: <ul style="list-style-type: none"> <li>• Spring Fund;</li> <li>• Charity Social Work Fund;</li> <li>• Gratitude Fund; and</li> <li>• Reward children of employees with achievements in study.</li> </ul>
<b>Cuu Long An Giang Seafood Import Export Joint Stock Company</b>	<ul style="list-style-type: none"> <li>- The company regularly organized skill training courses for new workers.</li> <li>- Every year, organized re-training classes for former workers to improve their skills and knowledge on food safety and hygiene to ensure product quality.</li> </ul>
<b>Camimex Joint Stock Company</b>	<ul style="list-style-type: none"> <li>- Presented gifts for officials and workers, organize visits to workers' families in difficult circumstances on holidays, <i>Tet</i>....;</li> <li>- Organized a free shuttle bus for workers from home to work place for remote workers who cannot travel;</li> <li>- Cooperated with Trade Union and Youth Union to take care of workers' lives, organize many movements of physical training, sports, cultural and art activities...;</li> <li>- Organized self-training on skills for workers directly in production, organize periodic training on occupational safety and fire prevention for all workers;</li> <li>- Maintained health check for employees 02 times/year by health organizations for employees;</li> <li>- Taken care of the heroic Vietnamese mothers, regularly organize monthly visits and provide financial support to them;</li> <li>- Helped families with policies and families with meritorious services to the revolution; and</li> <li>- Maintained movement activities to support funds for the poor, families with meritorious services to the revolution, flood-affected people, built schools, allocated gifts to people in difficult circumstances on the occasion of holidays and <i>Tet</i>.</li> </ul>

*Source:* The authors' synthesis.

Regarding corporate social responsibility for customers (CSR - customers), most Vietnamese seafood processing and exporting enterprises have well implemented regulations on labelling and packaging to ensure product information is sent to consumers in import markets in the clearest way. However, the issue of product quality and safety for consumers is one of the main

limitations in implementing CSR towards customers. According to the Agro-Forestry-Fisheries Quality Management Department, the number of exported seafood shipments that do not meet the regulations on quality and product safety over the years when being inspected tended to increase again in the period 2014 – 2015 after a sharp decrease in 2012 and 2013. In 2014, Vietnamese seafood exporters had 187 shipments been warned in export markets. In 2015, Vietnam's seafood exports continued to be warned of violations of food safety regulations in importing countries. Specifically, products of the following companies: Mekong Delta Food Enterprise - TS Can Tho Import-Export Joint Stock Company (DL 369) were warned for frozen *pangasius* products due to unsatisfactory sensory quality (with Ammonia odor in the product) and in products containing Sodium carbonates (E500) are not allowed. Southern Seafood Industry Co., Ltd (DL 14) was warned for frozen pangasius products containing Sodium Erythorbate (E316), which is not allowed to be used. Foodtech Joint Stock Company (DH 174) was warned of canned tuna products due to histamine levels. Khang Thong Joint Stock Company - Seafood Processing Factory (DL 621) was warned about swordfish due to mercury content. Starting from 2016, nevertheless, the number of batches with warnings has tended to decrease. In 2018, thanks to the drastic intervention of the Prime Minister with Directive No. 09/CT-TTg aimed at eliminating poor quality products and strictly controlling the abuse of antibiotic chemicals in production and business. As a result, the number of exported seafood warned batches has tended to decrease. The number in 2019 is 36 lots, nearly equal to those in 2018 (35 lots) and down 30% compared to 2017 (50 lots). Although the number of warned batches has decreased, it is still at a high level compared to developed countries such as the EU and the US, greatly affecting the reputation of the industry and causing economic damage to businesses.

#### 4. Conclusions and recommendations

CSR is one of the criteria that international importers require for Vietnamese seafood. On other hand, practicing CSR is also an important factor to improve the competitiveness of Vietnam's seafood industry, ensuring the benefits of small-scale producers and workers in the seafood value chain, contributing to environmental protection, ensuring fair sharing of values and natural resources, and ensuring the cohesive role of small-scale producers. Implementing social responsibility not only brings benefits to the seafood industry but also for the sake of sustainable development. Therefore, the implementation of social responsibility for Vietnamese seafood exporters is increasingly being widely encouraged and received attention of many businesses in their development strategy. Many businesses have begun to learn and step by step implemented social responsibility through specific actions such as: performing charity activities, protecting the environment and taking care of the material and spiritual lives of customers, employees, renewing and improving machinery and technological lines, gradually approaching and perfecting advanced management methods, *etc.*

However, the awareness and implementation of CSR of seafood exporters Vietnam still has many limitations. In fact, large-sized enterprises usually have higher awareness and more effective implementation than small- and medium-sized enterprises do. In the field of seafood export in Vietnam, nevertheless, more than 90% of total number of enterprises are medium- and

large- sized enterprises. Some of them do not have proper awareness of the benefits and necessity of implementing social responsibility, assuming that implementing CSR will increase production costs and reduce the competitiveness of products in the market. Some, although aware of the importance of CSR, do not have sufficient resources to implement it or only do it half-heartedly. Therefore, the authors provide some recommendations for Vietnamese seafood exporters as follows:

*Firstly*, businesses need to be properly aware of CSR as well as the importance and necessity of CSR in the current trend of globalization and international integration to be able to participate in the global supply chain and for the sake of the goal of sustainable development.

*Secondly*, enterprises need to arrange and improve the capacity of personnel specialized in CSR, develop and publish company regulations and policies on CSR (labor, environment, gender equality, social contribution).

*Thirdly*, businesses need to improve labor management, implement basic policies in CSR compliance: forced labor, child labor, harassment and abuse, salary-welfare, working time, occupational health and safety, non-discrimination, freedom of association establishment, collective bargaining, working from home. Businesses need to pay close attention to ensure their supply chains are free of problems with forced labor, especially the use of child labor, otherwise they will lose its reputation and adversely affect their work, business, even suffer heavier consequences as stipulated by new-generation FTAs' provision.

*Fourth*, strengthen the construction and maintenance of waste treatment systems in seafood processing in addition to improving processing and production technology in the direction of improving social responsibility for the environment.

*Fifth*, businesses need to closely link and support with aquaculture farmers, on the basis of mutual benefits from the selection of varieties to harvesting and transportation to build a long-term business relationship; thereby serving as the basis for successful "four-stakeholders" linkage.

*Sixth*, businesses need to focus on issues of food hygiene and safety in each stage of processing and production to be able to meet the increasing demands of both domestic and international customers.

## References

- Alan J. Richardson, Michael Welker (2001). "Social disclosure, financial disclosure and the cost of equity capital", *Accounting, Organizations and Society*, Volume 26, pp. 597–616.
- Ashforth BE & Gibbs BW (1990). "The double-edge of organization's legitimation", *Organization science*, 1(2), 177-194.
- Berger-Walliser G. & Scott I. (2018). "Redefining corporate social responsibility in an era of globalization and regulatory hardening", *American Business Law Journal*, 55(1), 167-218.

- Brown N. & Deegan C. (1998). "The public disclosure of environmental performance information - a dual test of media agenda setting theory and legitimacy theory", *Accounting and business research*, 29(1), 21-41.
- Bui Thi Mai Thuong (2014). *Social responsibility of enterprises in complying with regulations on environmental protection: the case of mining enterprises in Nghe An province*, MA Thesis, National Economics University.
- Chau Thi Le Duyen, Nguyen Huynh Kim Ngan and Nguyen Thanh Liem (2014). "Study on the relationship between implementing social responsibility, business benefits and financial performance of enterprises in Can Tho city", *Journal of Science Can Tho University*, No. 32, pages 7-18.
- Chau Thi Le Duyen, Nguyen Pham Tuyet Anh (2018). "Corporate social responsibility: relationship with performance - the case of enterprises in the Mekong Delta", *PhD thesis*. School University of Economics Ho Chi Minh City.
- Cúrdoba JR & Campbell T. (2007). "Implementing CSR initiatives-the contribution of systemic thinking", *Pensamiento & gestiún*, (23), 112-130.
- Dan S. Dhaliwal, Suresh Radhakrishnan, Albert Tsang, Yong George Yang (2012). "Nonfinancial Disclosure and Analyst Forecast Accuracy: International Evidence on Corporate Social Responsibility Disclosure", *The Accounting Review*, American Accounting Association Vol.87, No. 3.
- David H. Saiia, Archie B., Carroll Ann K., Buchholtz (2003). "Philanthropy as Strategy: When Corporate Charity "Begins at Home", *Business & Society*, Vol. 42, issue 2, 169-201.
- Dodd M.E. (1932). "For Whom Are Corporate Managers Trustees?", *Harvard Law Review*, Vol. 45, 1145-63.
- Fiss P. C. & Zajac E. J. (2006). "The symbolic management of strategic change: Sense-giving via framing and decoupling", *Academy of Management Journal*, 49(6), 1173-1193.
- Frank Tuzzolino and Bary R. Anmandi (1981). "A Need-Hierarchy Framework for Assessing Corporate Social Responsibility", *Academy of Management Review* Vol. 6, No.1
- Heugens PP & Lander MW (2009). "Structure! Agency! (And other quarrels): A meta-analysis of institutional theories of organization", *Academy of Management Journal*, 52(1), 61-85.
- Ho Thi Van Anh (2018). *Social responsibility and financial performance: Evidence from Vietnamese listed companies*, Doctoral thesis, University of Economics Ho Chi Minh City.

- Center for International Cooperation in Aquaculture and Sustainable Fisheries (ICAFIS) (2015). Report on the current status of socially responsible practices (CSR) in fishing in Vietnam.
- ICAFIS (2015b). “Corporate and Social Responsibility Story”, *TSVN Enterprise Information*, 14(213), July 16, 2015.
- Le Phuoc Huong, Luu Tien Thuan (2019). “The relationship between social responsibility, brand equity and financial performance: the case of commercial banks in the Mekong Delta”, *Journal Science of Can Tho University*, Vol. 55, College of Economics (2019) pp 85-94.
- Le Thi Minh Hue, Cao Thi Huong (2019). "Social responsibility for the environment: view from seafood processing enterprises in Thanh Hoa", *Financial Review*, [<https://tapchitaichinh.vn /tai-chinh-business-trach-nhiem-sa-hoi-doi-voi-moi-truong-nhin-tu-c-business-business-che-bien-thuy-san-tai-thanh-hoa-307923 .html>], accessed March 10, 2019].
- Le Thi Nhu Thao (2018). "Evaluating the implementation of corporate social responsibility (CSR) at Vietinbank, South Thua Thien Hue branch", *Graduation thesis*, Hue University of Economics.
- Le Thuy Huong and Dang Anh Minh (2018). "The influence of CSR on customer satisfaction in irrigation enterprises in Vinh Phuc province", *Journal of Science and Technology*, 44, 120-125.
- Majumdar SK & AMP; Venkataraman S. (1993). “New technology adoption in US telecommunications: The role of competitive pressures and firm-level inducements”, *Research Policy*, 22(5-6), 521-536.
- Nguyen Ngoc Thang (2010). "Associating human resource management with corporate social responsibility", *Journal of Science, Vietnam National University, Hanoi, Economics and Business*, 26 (4), 232-238.
- Nguyen Thi Thu Ha, Tran Quoc Trung (2016). “Strengthening the social responsibility of Vietnamese seafood processing and exporting enterprises”, *Journal of External Economic Relations*, No. 82 (May 2016).
- Nguyen Thi Thuy Trang, Pham Thi Nhat Giang, Vo Nam Son (2020). “The health situation of workers in seafood processing establishments in the Central region due to exposure to chlorine gas in the environment labor”, *Journal of Scientific and Technological Activities - Health and working environment*, No. 4, 5, 6.
- Nguyen Vinh Long, Luu The Vinh (2019). “Opportunities and challenges when implementing social responsibility of Vietnamese enterprises in the process of integration”, *Journal of Science and Technology of Hung Vuong University*, T. 15, No. 2 (2019): 77-87.

- Paul C. Godfrey (2005). "The Relationship between Corporate Philanthropy and Shareholder Wealth: A Risk Management Perspective", *The Academy of Management Review*, Vol. 30, No. 4, 777-798.
- Pham Van Duc (2011). "Some urgent theoretical and practical issues in the implementation of social responsibility of Vietnamese enterprises today", *Journal of Economic Research*, 400(9), 18-23.
- Simnett R., Vanstraelen A. and Chua WF (2009). "Assurance on sustainability reports: An international comparison", *The Accounting Review*, Vol. 84, No. 3, 937-967.
- Stawv BM & Epstein LD (2000). "What bandwagons bring: Effects of popular management techniques on corporate performance, reputation, and CEO pay", *Administrative Science Quarterly*, 45(3), 523-556.
- Tran Thi Hoang Yen (2016). "Study on the impact of corporate social responsibility on financial performance at Vietnamese commercial banks", Master thesis, Vietnam National University, Hanoi, Vietnam.
- Tuschke A. & Gerard Sanders W. (2003). "Antecedents and consequences of corporate reform: The case of Germany", *Strategic Management Journal*, 24(7), 631-649.
- Vo Khac Thuong (2013). "SCAN - An effective tool to screen businesses", *Journal of Development and Integration*, 10(20), 39-41.
- Vu T., Tran H., Le T. & Nguyen H. (2020). "The effect of corporate social responsibility on performance in Nam Dinh seafood enterprises", *Management Science Letters*, 10(1), 175-182.
- Yongtae Kim, Myung Scok Park, Benson Wier (2012). "Is earnings quality associated with corporate social responsibility?", *The Accounting Review*, 1 May 2012; 87 (3): 761-796.

### Article history

---

Received on 7 June 2022.

Revised on 25 August 2022.

Accepted on 1 September 2022