

Section 3

Overview of how CSR concepts translate into practice

This section relies on some information received from WINGS CI members that provide a close look at practices on the ground, as well as a few consolidated studies that provide the broad view of CSR practices. Section 3 is thus presented in three sub-sections:

- 3A – CSR practices on the ground: Latin America and the Caribbean
- 3B – Broad views of practices by global business networks and others.
- 3C – CSR Practices at the national level: CSR in the U.S.

What is the context of private social investment in the region? What are the major challenges and new directions for philanthropy? At a leadership forum about social funding in Latin America (September 2006, São Paulo), leaders analyzed the current framework and implementation of CSR.

3A
Observations from
Latin America and
the Caribbean

“What one observes is that Latin Americans are fully aware of the importance of private social investment, both from the point of view of society, which demands better results, and investors, who begin to concentrate their efforts on the causes of social issues rather than on their effects, and to work across sectors,” argued the sociologist G. Carvajalino, Director of Fundação Empresários pela Educação, Mexico. However, the strengths identified by the group were counterbalanced by the weaknesses diagnosed in the discussions. According to M. Goldenberg, coordinator of the Cátedra Unesco-Instituto Ayrton Senna de Educação e Desenvolvimento Humano, what she calls “institutional corporatism” still prevails. In other words, the little disposition of major social investors to work in networks which results in the overlapping and spraying of social projects. “Most grantmakers support their own projects. The absence of a partnership and collaboration culture hinders a clear perception of how favorable working in networks can be...”²⁹

Among the opportunities identified was to incorporate a systemic view in planning to result in “broader projects which do not focus on a local view” (M. Carvajal, of Fundação Carvajal, Colombia). Another opportunity was to increase interaction among the first, second and third sectors, given the environment of increasing openness. “The space for each sector must be clearly defined, specially when we talk about working across sectors” (Alicia Pimentel, of the Fundação Empresas Polar, Venezuela.)

In the context of the above, the challenge was to turn motivation into permanent commitment (Marcos Kisil, President-Director of IDIS)... “It is vital to focus on domestic donations (from local investors) for fair, innovative, strategic and transforming development of the country. Everyone is responsible for this issue.” ...“What we seek is a more sophisticated and professional sector, with more innovative funding options. Focusing on the causes rather than on the effects of social issues has become a main challenge for grantmakers who expect returns from their donations.”(Russel Prior, of Charities Aid Foundation (CAF)

²⁹ Rodrigo Zavala, Group Assesses Social Investment in Latin America, “Nota” from email of WINGS CI.

A less than positive observation is made of current CSR practices in Jamaica, where in the last five years, there has been a “rebirth” of foundations both corporate and public.

“Many of the corporates are Caribbean or international companies . We are now seeing different operational behaviour to what existed (before the financial meltdown in the 1990s). [There is] less cooperation and a more aggressive rivalry. It is also true to say that most of these foundations are managed by their company’s marketing department; newly recruited staff seem to have had little or no exposure to the work of foundations and seem to place more emphasis on the amount of the spend and not the outcome. There is also a lot of press advertising on projects undertaken [because] companies need to be seen as good corporate citizens. JFCD has tried to engage them through workshops and seminars...but there is little commitment...”³⁰

3B
Broad Views of Practices
by Global Businesses
Networks and Others

What are global, regional and national CSR players doing or exploring? The following information is presented per source or reference, citing firstly the more recent scan done by Responsible Business Initiatives – Serbia, Special Issue of the CSR Newsletter (2007); secondly, the 1999 CIVICUS/Imagine of Canadian Centre for Philanthropy study, “Mapping Corporate Citizenship: A Survey of Global, National and Local Initiatives” by Maxwell Brem; thirdly, “a Mapping of giving and volunteering in Asian countries” done by the Asia Pacific Philanthropy Consortium. Information overlaps occur in the three documents.

Summary of Global Business Networks and Other Networks

Source:
Responsible Business
Initiatives Serbia,
newsletter, special edition
on CSR, July 2007³¹

Name of Global Network	When and Where Established	Who They Are	What They Do
Business in the Community	1982	750 companies including 80 of FTSE Top 100 promoting integration of responsible business practices in operations and undertaking collaborative action to tackle issues of disadvantaged	Supports education and environment programs, including benchmarking about environmental practices; promotes cause-related marketing; campaigns for support to the homeless, community investment, diversity, health and well-being.
CSR Europe	1995	Over 60 multinationals and 18 national partner organizations (reaching 1,400 companies in Europe) existing to promote CSR solutions, shape business and political agenda on sustainability and competitiveness	Provides stakeholder engagement services thru services with leading European institutions; help-desk for daily assistance and information; business exchange and seminars

³⁰ Notes emailed by JFCD to WINGS, October 2007.

³¹ <http://www.smartkolektiv.org/admin/article/download/files/RBI%20newsletter-special%20edition.pdf?id=33>

Name of Global Network	When and Where Established	Who They Are	What They Do
Global Compact	2000	Hundreds of companies worldwide, interrelating with international labour and civil society organizations to advance the 10 universal principles on human rights, labour, environment and anti-corruption	Promotes corporate citizenship to tackle challenges of globalization through practical solutions; demonstrates leadership in corporate citizenship using the convening power of the UN with governments, business and civil society
International Business Leaders Forum Example of affiliates: - Bulgaria Business Leaders Forum (1998) - Business Leaders Forum of Slovakia (2004)	1990	80 companies promoting responsible business practice and sustainability, with focus on developing and transitional countries	Promotes values-based leadership to improve business practices while working with company managers on implementation; works through innovative cross sector partnerships with business, international agencies and governments on tackling social, economic and environmental issues

Other Business Networks

Name of Global Network/ Platform	When and Where Established	Who They Are	What They Do
Africa			
Business Action for Africa	2005	150 businesses influencing policy for growth and poverty reduction, promote more balanced view of Africa, develop good business practice	Promotes governance and transparency, trade campaigns, enterprise & employment, human development
Asia Pacific			
Association for Responsible and Social Investment in Asia (ASrIA)	2001	57 companies (investment institutions and the like) promoting sustainable, responsible investment practice, to "build market capacity for SRI within the community"	Manages information- Resource Centers, Training and Seminars, Conferences
Europe			
respACT (Austria)	2005	83 companies affiliated with CSR Europe and cooperating with its goals	Conducts communication and marketing; exchange of experiences information; training

Name of Global Network/ Platform	When and Where Established	Who They Are	What They Do
econsense Forum for Sustainable Development of German Business (Germany)	2000	23 companies affiliated with CSR Europe and cooperating with its goals	Allows members to dialogue and exchange experiences; discuss specific CSR and sustainability issues; share good practice and promote synergistic partnerships
Hellenic Network for Corporate Social Responsibility (Greece)	2000	85 companies affiliated with CSR Europe and cooperating with its goals	Promotes information sharing, advice and training, CSR tools re benchmarking
IMS Entreprende pour la Cite (France)	1986	130 companies affiliated with CSR Europe and Business in the Community and cooperating with their goals	Undertakes programs in corporate citizenship (support of NGOs, cause-related marketing), diversity in the workplace, development of disadvantaged urban areas; societal innovation
Sodalitas (Italy)	1995	64 companies affiliated with CSR Europe and cooperating with its goals	Provides research and monitoring of CSR developments through a resource centre; Benchmarking corporate governance and management systems, and grantmaking corporate foundations
Russia Partnership for Responsible Business Practices (Russia)	2004	18 members affiliated with Prince of Wales Business Leadership Forum and cooperating with its goals	Consultancy and advice on CSR strategy and process; implementation of projects that mutually benefit companies and stakeholders; training; public information
Philiias (Switzerland)	2000	22 companies that believe profits and social responsibility go hand in hand; affiliated with CSR Europe	Conducts awareness raising events; provides consultancy on stakeholder dialogue, community investment, CSR training
Latin America			
EMpresa Privada y Responsibilidad Social en las Americas	1997	Members in 20 countries in North and South America that strengthen national and regional business coalitions promoting social responsibility	Conducts activities for information exchange, training and conference sponsorships
North America			
Business for Social Responsibility	1992	89 companies that strive for commercial success while respecting ethical values, people, environment	Undertakes CSR reporting, implementation of policies addressing human rights, environment and economic development; Promotes stakeholder engagement

The **CIVICUS/Imagine study** reported on the activities of CSR players, classified according to:

1. Intermediary groups and networks working to expand corporate citizenship at global, regional and national levels;
2. Corporate participation in policy dialogue on social and other issues that affect civil society;
3. Multilateral programs that promote corporate citizenship and corporate engagement;
4. Membership-based, capacity-building business organizations with a focus on developing CSR and corporate citizenship;
5. Research and teaching institutions that specialize in corporate citizenship and related issues;
6. Selected private consultancies supporting leadership initiatives in corporate engagement; and others.

The study identified the following key players and their programs:

[Intermediary groups and networks working to expand corporate citizenship at global, regional and national levels](#)

- Global initiatives include the Prince of Wales Business Leaders Forum (UK) and the Business Partners for Development. Both initiatives use cross-sector partnerships to promote CSR advocacy, brokerage, capacity and institution building, and support for international development projects.
- Sectoral initiatives include the World Business Council for Sustainable Development and its coalition of business leaders in 34 countries and 20 major industrial sectors. WBCSD advocates for issues connected with the environment and sustainable development. Another sectoral initiative is the Global Business Council on HIV/AIDS, that works together with the UNAIDS organization.
- Regional initiatives include the European Foundation Centre-Corporate Citizenship Europe, European Business Network for Social Cohesion, The European Baha i Business Forum, the Asia Pacific Philanthropy Consortium, EMPRESA-Forum on Business and Social Responsibility in the Americas.
- National level intermediate initiatives include a wider range of CSR practice, reflecting the characteristics of the country and experience with CSR or corporate citizenship. These are: BSR-Argentina, Philanthropy Australia, Instituto Ethos in Brazil, Abrinq Foundation for the Rights of the Child, Imagine/Canadian Center for Philanthropy, Chilean Benchmarking Group, Partners in Change (India), Confederation of Indian Industry (India), Friends of the Environment (Indonesia), Keidanren (Japan), Mexican Centre for Philanthropy, Chihuahua Business Social Fund (Mexico), Rossing Foundation (Namibia), New Zealand BSR, Empresa Privada para Responsibilidad (Panama), Philippine Business for Social Progress, Business Leaders Forum in Poland, Thai Business Initiative in Rural Development, Business in the Community (UK), American Leadership Forum (ALF).

2

Corporate participation in policy dialogue on social and other issues that affect civil society

At the international level, key players include the Caux Round Table (100 senior business leaders in North America, Europe and Japan that has developed an international code of ethics for business and other declarations); the International Chamber of Commerce, whose principles for environmental management were codified as the Business Charter for Sustainable Development; and WBCSD as mentioned earlier.

At the national level, policy dialogue focuses on thematic issues like sustainable development, HIV/AIDS (in Thailand, Zimbabwe and India), welfare-to-work government and business task forces (in the UK and US), and employment policies (China Employee Benefits Forum).

Other national initiatives going beyond themes include the Private Enterprise Foundation (Ghana), Peru 2021 (promoting a new vision of business leadership working in partnership with government), the National Business Initiative for Growth, Development and Democracy in South Africa (175 leading companies implementing programs such as Business Against Crime), the Shanghai Business Leadership 2000 Program (capacity building about CSR for corporate employees)

3

Multilateral programs that promote corporate citizenship and corporate engagement

The World Bank Group has organized the Business Partners for Development promoting partnerships among business, civil society organizations and relevant government agencies, with WB as an equal partner. Its “clusters” work in areas like natural resources, water and sanitation, youth development, safety partnership and knowledge resource.

The UNDP through its Private Sector Development Program promotes sustainable livelihoods. Its program includes the Global Sustainable Development Facility which aims to bring 2 billion people to the global market economy by 2020. The UNDP also implements programs like the Growing Inclusive Markets (GIM) which is set for launching end of 2007 starting in Africa, then Asia and other regions by early 2008 to bring awareness of how the “bottom of the pyramid” business model can provide a win-win solution to companies and social problems.

4

Membership-based, capacity-building business organizations with a focus on developing CSR and corporate citizenship

In Europe, the US and Canada, these organizations offer their members services to help companies develop, manage and evaluate corporate citizenship activities and to provide networking opportunities. A few examples are:

- Business for Social Responsibility (USA) has more than 1,400 members and affiliated members—many of them are medium and small-scale companies. BSR operates the BSR Education Fund, implements a Human Rights Program as well as programs on environment, workplace policies and practices and community involvement and affirmative action. BSR has inspired counterparts in Canada, Panama, Chile and assisted in the creation of EMPRESA.
- The Centre for Tomorrow’s Company (UK) assists members to develop stakeholder management skills. It has set up an investment fund to invest in companies that subscribe to the Tomorrow’s Company management model.

- The Conference Board (USA and Canada) provide research, networking and professional development services in corporate community involvement for members. They also track corporate performance. High performers are recognized with the Ron Brown Award for Corporate Citizenship, awarded annually by the US President.
- Council on Foundations (USA), a nonprofit membership association of grantmaking foundations promotes responsible and effective philanthropy. Its corporate citizenship project has developed a comprehensive framework for measuring the impact of corporate citizenship on business performance.
- Social Venture Network (USA and Europe) has a membership of more than 450 business owners, investors and social activists, focusing on issues of business and sustainable development, public policy, social equity. SVN has created BSR, the Investors' Circle, Students for Responsible Business and a Latin American Network.

Research and teaching institutions that specialize in corporate citizenship and related issues

5

Among these institutions are the Boston College Center for Corporate Citizenship Relations (of the Wallace Carroll School of Management), the Corporate Citizenship Unit of the Centre for Corporate Strategy and Change at Warwick Business School in the UK, The Institute for Social Responsibility (San Jose State University in Northern California), The New Business Academy (founded by the Body Shop International), Deakin University in Victoria, Australia, the Norwegian School of Economics and Business Administration at Bergen, Norway, and Maastricht University in the Netherlands.

Selected private consultancies supporting leadership initiatives in corporate engagement; and others

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To cite a number of these consultancies:

- London Benchmarking Group that has worked on creating templates and methodologies for classifying and measuring the value of corporate community contributions and evaluating these.
- The Corporate Citizenship Company (London) helps global companies manage their social responsibility and community involvement activities through advice on policy, management, evaluation and benchmarks. One of its reports is the Global Corporate Citizenship—Rationale and Strategies (1997).
- SustainAbility (UK) is a think tank and consultancy group that works with companies around the world to realign corporate strategy to the sustainable development agenda; promoting the triple bottomline concept (“economic, environmental and social”). It began in 1995, its program on “Engaging Stakeholders.”
- Council on Economic Priorities (USA) rates companies on issues like environmental stewardship and treatment of employees and operates the CEP Priorities Accreditation Agency, which aims to promote a universal standard for labor practices of companies worldwide.

The **Asia Pacific Philanthropy Consortium** provided “a mapping of giving, volunteering and social responsibility patterns in the region:³²

1. Australia – Business (67% of total businesses in Australia) provided in 2003-2004, \$3.3 billion for various sponsorships and community projects, according to the Prime Minister’s Community Business Partnership. This was mostly cash donations, rather than goods and services.
2. India – CSR is implemented through cash donations (81%), company facilities (25%), staff deputation (24%), staff volunteering (20%), company products (19%), and enabling employment (17%), according to the Partners in Change India survey in 2003. Health, education, schools and relief camps were popular recipients.
3. Indonesia – 93% of companies surveyed said they gave a donation the last 3 years; 61% reported they gave in an “incidental manner;” 18% said they have a written policy on donations. This was according to a study of the PIRAC.
4. Japan – In 2002, the Keidanren survey of 2002 reported that companies gave 119 billion Yen, a 9.9% increase from 2001. Companies gave an average of 2.39% of current profit to philanthropy, versus 2.03% in 2001.
5. Korea – Giving Korea 2005, the annual survey by The Beautiful Foundation, reported giving at 39.1% of companies donated less than 100 million Won, and 6% donated more than 10 billion. The top causes for support were social welfare (37.8%), education (18.5%), disaster relief (8.2%), cultural programs (5.1%).
6. Pakistan – A 2005 study in selected cities showed 25 top “PLC” giving PKR 842.7 million. Health (30%), education (29.5%), basic services (6.6%) (water, housing, child welfare), disaster relief (6.5%), religious causes (5.2%), culture (4.5%), and the environment (3.1%) and others were the causes supported. Giving directly to beneficiaries was the most preferred way to give (51%) and the most satisfactory for 78% of companies.
7. Singapore – The National Volunteer and Philanthropy Centre (NVPC) reported in the 2005 State of Giving that 28,500 companies made cash donations of \$111million in 2003-2004. The main reasons given were “social responsibility” and to “help the under-privileged.”
8. Malaysia – A 2005 survey of 200 publicly listed companies conducted by a business magazine reported that 82.5 million Ringgit was donated by 65 companies for the period July 2003 to December 2004. This was given to charitable societies, programs and orphanages. The top 3 donors gave 34.3% of the total contributions.
9. Pakistan – The Pakistan Centre for Philanthropy reported that total giving by 568 PLCs for 2000-2003 was PKR 1336.2. Giving as a percentage of pre-tax profit was higher among listed (0.33%) than unlisted companies (0.21%).
10. Philippines – The League of Corporate Foundations and the Philippine Business for Social Progress provide information to the AIM-RVR Center for the periodic giving survey. LCF figures provided the latest—as of 2006, PHP 3 billion was provided in 2005 by companies for various causes, mainly education, health, livelihood and entrepreneurship.

³² Brief report, “A Mapping of Giving, Volunteering and Social Responsibility Patterns in the region,” Asia Pacific Philanthropy Consortium, 2006.

This section is based on findings from the 2005 State of Corporate Citizenship by the Boston College Center for Corporate Citizenship and the U.S. Chamber of Commerce Center for Corporate Citizenship.

3C
CSR Practices at the
national level:
CSR in the U.S.

In the U.S., corporate citizenship is a priority of business. Large companies implement corporate citizenship as part of their business strategy. In the 2005 survey on the *State of Corporate Citizenship*, it was revealed that:³³

- 98% believe that corporate citizenship needs to be a priority for companies
- 91% believe the public has a right to expect good corporate citizenship
- 84% believe that corporate citizenship makes a tangible contribution to the company's bottom line

...While all companies engage in similar corporate citizenship activities, large companies have a more expansive definition of their role in society. Among large companies:

- 64% indicate the corporate citizenship is part of their business strategy
- 68% have increased investment in corporate citizenship over the past two years

According to the survey of the Chronicle of Philanthropy: For 81 businesses, the total dollar amount of cash donations rose to \$3.8-billion in 2006 from \$3.5-billion the previous year. The companies' cash giving increased by a median of 6 percent, meaning that half of them increased their giving by a higher percentage and half by less. Companies are giving to "greening projects" and to improving education.

Giving Profile in the US

A less rosy picture of corporate giving is reported by the Giving USA annual survey, finding that "corporations of all sizes gave 10.5 percent less last year than in 2005.

(Details about some of these organizations are captured in the Annexes.)

In a "timeline of corporate citizenship" from 1900 to 2005 onwards, Dr. Googins captured the development of business involvement in society from charitable activities (reputation driven) to activities that leverage capacity (compliance driven) to business innovation (value driven) and to business creation (market driven).³⁴ This paper showed how, within the timeline, current CSR practices are widely scattered. The trend, however, is clearly in one major direction, that is, for increased business contribution to a sustainable world.

Closing

³³ The State of Corporate Citizenship in the US : Business Perspectives in 2005, by the Boston College Center for Corporate Citizenship and the U.S. Chamber of Commerce Center for Corporate Citizenship

³⁴ Bradley Googins, Managing and Integrating the Challenges of Corporate Citizenship, Presentation at the Conference of the League of Corporate Foundations, July 2007, Manila, Philippines.