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Assignment Topic
Does the corporate citizenship discourse represent a sincere attempt by business to contribute to sustainable development, or is it primarily about maintaining business as usual? What are the implications for Companies, the state and the civil society organisations?

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Introduction
The concept of corporate social responsibility or corporate citizenship is a new idea of our time, which has generated a great deal of debate with many divergent views being expressed by different stakeholders. Gill Coleman of new academy of business, UK observes in his commentary that, “some contested the concept of the citizenship’ responsibilities of corporations, as they emerge as a powerful social force and is becoming part of the language of wealth creation, globalisation, and increasingly, of development”.

The discussion of this paper is meant to demonstrate that corporate social responsibility (CSR) can be used to promote sustainable development if the right regulatory frameworks are adopted to ensure that all businesses act as responsible citizens, carry on business with a sense of social responsibility, and heavily contribute towards developmental issues in partnership with the communities they operate in and involvement of all the other stakeholders.

The Paper is organized into 6 broad sections. First, is the introduction; Secondly, The genesis and debate pertaining to Corporate Citizenship, Thirdly, Arguments for and against initiatives towards corporate social responsibility, Fourthly, Implications for companies, the state, NGOs and civil society organisations, Fifth, Way forward and finally Section Six, the Conclusion.

The genesis and debate pertaining to Corporate Citizenship.
The issue of corporate social responsibility emerged in the early 1960’s when changing social values and expectations gave rise to the debate about the role of business in society. Notably, as the role of the states diminishes in the business circle, the private sector or privatisation processes seem to have taken over the running of business enterprises. This coupled with the issues of globalisation has therefore, given rise to an examination of how businesses can act responsibly by being good citizens in the conduct of their operations in a humane manner, without hurting the society and the environment in which they operate in and yet leave the world a better place to live in, even after they have undertaken their own profiteering operational activities.

The main focal point about this debate has centred on the definition(s) of the of corporate social responsibility, and whether and/or how good citizenry responsibility (ies) could be discharged, how the performance could be measured and that the reporting could be done through a method of social responsibility accounting. The observation here is that, such a method of accounting would indicate the nature and manner of the firms’ social contribution or outputs. As of today, this corporate citizenship discourse is now being embedded into the sustainable developmental issues and agenda.

Gill Coleman (New Academy of Business, UK) observes that: “there is some change under way in how business is to be conducted, that long accepted models of business functioning inflict a substantial burden on both people and planet, and this is a situation that must in some way be addressed…………. This is a set of initiatives and emergent practices that are concerned with social change, the exact nature of the desired change is seldom addressed- perhaps because of different players in the field would be unlikely to agree on them- but corporate citizenship is not, in essence, about business-as-usual – it is part of a move to question the rules by which we humans have collectively chosen to run our world”.
On their part, the Christian Aid-UK in the 2004 report observes that, “some companies will use CSR as an opportunity to cover up or defend their operations, which sometimes can be used as a branch of public relations (PR)”. And with respect to now the infamous MNC’s, it is an obvious fact that in most cases, their actions especially in the developing world have impacted negatively on the society and the environment. These trans-national corporations have constantly been accused by human rights groups that, they have been violating human rights by engaging cheap labour in the production of their products, especially in the third world countries, by paying them less than the minimum wages as set out by labour laws of these countries. Not only have they exploited the poor populace, but they have also been using child labour in productive practices, while at the same time polluting and depleting the environment as they source for raw materials for their products. Christian Aid have continued to argues that, the impact by multinational corporation affects the most vulnerable and poor especially in the third world countries. I fully concur with this observation, having personally witnessed such cases of abuse in the Kenyan flower industry, by virtue of my involvement in the horticultural and floricultural sectors, wherein I used to visit most of these multinational flower companies established in the country. The situation pertaining degenerated to a point whereby, in the year 1998, certain human rights groups in the European countries agitated for a boycott of the Kenyan “blood” flowers, which then forced the affected firms to start certain programmes that aimed at redressing the situation. The resultant effect of this was a new development towards self-regulation of the industry with establishments of internationally recognised, auditable codes of practices and conduct.

Arguments for and against initiatives towards corporate social responsibility

Inevitably, corporate social responsibility is now being incorporated and used as a tool to enable governments in the developing countries to realize the attainment of the developmental objectives of 2015-millennium development goals. Basically, there is the need for companies to balance their economic profit maximization agendas with the participation in community’s social activities or projects, which could encourage regeneration of environmental resources, that have been depleted. When companies get involved in constructive developmental activities, there is an assurance that, the communities starts viewing them as promoters of sustainable development, and not otherwise, as people who are trying to cover up their evil actions. Where such social activities are structured in a manner that allows more people within the communities to participate, it then becomes a source of employment within the communities. The creation of more jobs for the communities entails poverty eradication and/or alleviation.

However, the introduction of the CSR has not been received favourably by many companies, which are not keenly enthusiastic to get involved in formalised social projects. Those that have embraced the concept, on the other hand, have tended to use their contribution as an extension of public relations or marketing device. For example, a company such as BAT has been accused of using this initiative as a marketing strategic tool for the firm’s business activities. On the reverse, most of the companies are not even aware of what role they could play, and have elected to adopt the strategy that, it is business-as-usual. The reasoning for non-involvement in these sociable activities is that these do not add any economic value to their business at the
end of the day after all. According to Clarkson, these corporations contend that, they
are not dependent for their survival on secondary stakeholder groups. But what they
lack to know is that such groups, however, can cause significant damage to a

Outside certain areas of business and investment and supporters in the public sector,
few people will know much about what CSR is, where it comes from and how it
works. If they have ever heard of it, they will probably just think that it sounds like a
good thing. But this is now a big and growing industry seen as a vital tool in
promoting and improving the public image of some of the world’s largest
corporations (Christian Aid, 2004).

Clarkson points out that, there is still lack of clarity of what CSR entails and this has
the disadvantage of sounding like just another “jargon”. It is not clear for whom, what
and who judges and by what standards that are to be followed, even those who are
familiar with the concept and would like to get involved.
Hamman et al, goes further to state that: “the question is whether the companies are
aware or do even ever care about the environmental challenges and whether they want
to get involved in the agenda to promote sustainable development.

Accordingly, Christian Aid argues that CSR is seen to be a growing big industry,
which is a vital tool in promoting and improving the public image of some of the
world’s largest corporation. This is the reason that many companies take the initiative
to fund social activities, but one wonders whether they are doing it from deep within
or they have a hidden motive. A further observation by the Christian Aid 2004 report,
is that, it looks like a modern version of selfless philanthropy and no doubt in some
cases they have brought in some benefits. It can also be argued that CSR can be used
as public relations exercise to market the products of the companies, but when one
looks at it through the eyes of social responsiveness, there is a likelihood of mis-
mash of the objectives with the actions. For example, a case in point is the infamous
story of Shell Oil Company in Nigeria as cited by this report (Christian Aid), whereby
the company preaches to be a good neighbour and yet they do not act it out, byway of
cleaning up the oil spill that ruins many villages. This definitely would look like a
marketing tool for the company. Arguably, Shell may not be the only victim/offender
in this position but also many other companies both TNC and medium size companies
across the globe have acted in a similar irresponsible manner.

In Kenya, for instance, a chemical turnery company used to dispose of its waste
chemicals into the river Athi, one of the biggest rivers in that country. The river well
known for its fresh fish was no more, because all the fish was destroyed. The other
related effects were that the water which many large and small agricultural and
horticultural farmers were dependent on, as a source for irrigation water could not be
used anymore. The river was also a source of clean drinking water for many
households, whereby the water now became poisonous and dangerous for drinking,
which led to untold suffering to the people living along this river.

This company was finally closed down by the government, but in such many cases,
would it not be necessary to make the company (ies) affected, undertake development
projects which are either aimed at reversing the damage and or if the damage is
beyond repair then identify other projects that can compensate the settlers for the loss
of use of the resource which they can do to lift their livelihood?. It has been argued that when regulations are introduced, they instead hamper the companies’ goodwill to contribute to social activities. But this may not be true, regulations can change the situation or have an impact, by enabling the companies to act responsibly (Christian Aid, 2004).

One other grey area in this debate about corporate citizenship or corporate social responsibility is the process to determine what issues to address. Given that corporations are now engaging themselves on social issues it thus becomes very difficult to pin them down on what to react to or on what to take responsibility for. Clarkson, 1995, supported this view when he argued that “there is tension in determining what a social issue is and which company should be concerned and involved, yet it is also not clear what the companies are expected to do”. The question many would ask is that, do we penalise the offenders or do we solicit for reaction from the companies who are willing to participate?. Clarkson, (1995) continues to argue that the existence of a company code of conduct, practice, ethics would be a good starting point because it gives evidence that a company is aware of its responsibility to the wider society and it would therefore be easier for the regulatory authorities to take action against the company for their negative actions.

But there is a risk that codes and standards facilitate the translation of corporate citizenship into business as usual. They will be absorbed within business processes in ways, which will not bring about change in the society. To some companies corporate citizenship is a marketing tool/question involving image and symbol rather than the delivery of broader social benefit (McIntosh et al, 2003:87-123).

Clarkson (1995) takes this debate further by arguing that it is difficult to define what social issues are that companies should be concerned about and whether managers should be evaluated on these social issues if they were to be said to be acting responsibly. In terms of conducting their business, managers do not act responsibly. The question is to who should they be responsible and for what? And who judges what and by what standards. Tension can easily develop especially when there are issues that may not be perceived as social. Clarkson argues on, that organisations cannot be made responsible before responsibilities can be assigned and before managers can be made accountable for the results of their actions. According to Margolis (2003:270), the point of tension is that managers will misappropriate the firms’ resources if they are left in charge of social activities. It therefore becomes necessary to define what is and what is not a social issue for a corporation.

Business leaders and firms themselves are even responding to calls for enhanced corporate social responsibility… an approach to business that affirms the broad contribution that companies can make to human welfare beyond maximising the wealth of shareholder (Margolis, 2003: 268-305). But according to Fredman, a critic of corporate social responsibility, he believes that it is the responsibility of the state to address social problems. He affirms that, firms ought to be left to decide whether they want to invest in social activities. Hence, the critics of CSR argue that it should not be accorded such respect and cooperation, as is currently the case because it is not based on a sincere attempt to genuinely improve social and environmental impacts of industry (Hamann, 2003). An example is Nike and Addidas who normally sponsor international sporting events such as golf, soccer and tennis. e.t.c. Others would offer
health, catering facilities to their employees. This Philanthropic donations and support may appear like they are undertaking CSR but in essence the various outcomes for the business is establishment of their reputation as being caring corporate citizens.

Implications for companies, the state, and civil society organisations.
In the past the role of initiating sustainable development had been left in the hands of the NGOs, the international donor agencies (both bilateral and multilateral), the government, the communities and sometimes the civil society. With the evolvement of corporate citizenship, the society has started to view corporate as one of the key offenders, who should actually be steering the campaign to promote sustainable development. And quite recently the main role players in development have realised the need to create partnerships with all stakeholders, (including businesses) with a view to corporately plan together, dialogue with each other and promote sustainable development initiatives.

Indeed there is an increasing range of evidence to suggest that partnership between businesses, the government and civil society can benefit the interest of all the parties. Despite this new found partnership, the NGOs see the businesses/ corporate as the greatest allies in sustainable development, but at the same time, they have the fear that they may lose their popularity in promotion of development activities. They are now demanding a more targeted government intervention to ensure they are well protected, that there is justice, human right and respect for the environment (Hamman, et al: 2003). The point of contention is that, since they have been in the business of mobilising communities in development projects, once the partnership is adopted then, they will most likely loose their popularity with the communities and others who have been benefiting from their services.

The corporate have been behind the business of trading with products, which have been produced using resources, which every human being depends on for their survival. It is in the furtherance of their business that we have witnessed depletion of natural resources and the environment. In recent decades there has been a wide range of initiatives within business, government and civil society concerned with corporate citizenship and corporate social responsibility. In particular since 1995 a number of standards and codes have emerged to guide company practice. In addition, competition is emerging between different corporate social responsibility and sustainable development standards, giving rise to considerable confusion on the part of those who need to decide which codes and standards to adopt for their own operations. (McIntosh et al, 2003:87-123.)

During the WSSD in Johannesburg the business community was viewed as one of the stumbling block to sustainable development, but it was pointed out that it was necessary to incorporate them into these initiatives through and by government enforcing strict regulations that would ensure that corporations were held accountable (Hamman et al, 2003).

The direction that should be taken to ensure that the CSR initiative is fruitful is by ensuring that the government is well informed about the initiatives that each corporation intend to undertake. There may not be a problem in tracking down the existence of various corporations, since it is the same government that authorises their
legal existence. What needs to be put in place is a mechanism that would ensure that all upcoming initiatives are well allocated to the companies that are in existence. It is for this reason that, some corporate companies, such as BP and ABB are redefining the nature of their business from product-oriented to service oriented. Others are trying to address abuses they committed in the past (McIntosh et al, pg 67).

In Kenya, for example, the Kenya Flower council, which has developed the national code of practice to regulate the horticultural industry, has recently called upon the Kenyan government to put in place the necessary legislations to assist in the enforcement and compliance by all the affected firms, both within and without the industry. This demonstrates that governments can no longer afford to stand by, even in this era of privatisation, but they have to actively participate in the regulation, enhancement and oversight of corporate social responsibility, a role it had left to the civil rights groups and NGO’s. Christian Aid-UK, 2004, is also lobbying for an international regulation that will ensure enforcement of real social responsibility on corporate world. They have further continued to campaign for adoption of new laws that will make corporate social and environmental reporting mandatory, a frame work on company directors to make them responsible for actions of their companies, and laws to be changed to enable corporations overseas to seek redress in UK courts and provide them with resources to do so.

The “Corporate Citizenship Company”, argues that, the challenge lies with the identification of the various levels, at which the corporate social responsibility issues arise. From its own experience, this company identifies three key levels, which are: “the basic values, policy and practices of a company’s owned and operated business, the management of social issues within the value chain by business partners, from raw material acquisition to product disposal, and the wider contributions and resolving social and environmental problems around the world”. It further observes that, “the following core groups all have expectations of responsible behaviour from the business in all its dealings with them and the wider society. These include, environmentalists, governments, consumers and their families, employees and their families, investors, business partners and local communities. If these expectations are not met, or at least acknowledged, then these ‘stakeholders’ may take action that in various ways damages the long-term success of the business in some or all of the markets within which it operates”. (The Corporate Citizenship Company)

Way forward.
Communities need to understand what CSR means and their role in this debate so that they can be able to contribute meaningfully in this debate. This will enable them to be up to date with developmental issues that arise within their areas so that they will be able to assist the planners in identifying the prime problems that ought to be addressed. It is only through consultation and partnership that they will be able to work together with the other players to enhance promotion of sustainable development projects especially if they focus on the pro poor projects, environmental projects and fight against HIV/AIDS both nationally and at work places, and their involvement in nationwide economic sector recovery strategies/programmes in support of poverty alleviation, and wealth creation especially in developing countries.

According to cult et al 2001 as quoted in Hamann et al, (2003) partnership between businesses, the government and civil society can benefit the interest of all parties. The
key to any partnership between business and civil society is clearly the issue of process and the building trust. Implementation of such projects will not succeed without proper frameworks in place. This would be a responsibility left not only to the government but also to the other parties, the civil society, the corporate, the NGOs and the community at large. And of course the government will need to support these initiatives by putting in place the right legislations. Perhaps the main lessons that civil society and the government need to engage directly with CSR agenda…Without compromising the right to disagree, campaign or litigate, civil society needs to engage in order to ensure that CSR initiatives complement-rather than pre-empt or replace-regulation and do not diminish civil society rights (Hamann et al, 2003).

**Conclusion:**
From the foregoing it clear that by involving businesses, it will enhance contribution towards sustainable development, that the only way projects can be sustainable is by involving NGOs. Communities, civil societies, Government and the business where by they regularly meet to plan together, initiate projects together, monitor and evaluate collectively as equal/key players or stake holders. In that way the limitation of involvement of businesses in pursuit of social responsibility will be enhanced and their participation closely monitored by other stakeholders. Their involvement in community investment programmes will go beyond the current focus by the companies where by they give voluntary handouts.
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