THE A TO Z OF
CORPORATE
SOCIAL
RESPONSIBILITY

Wayne Visser,
Dirk Matten,
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Nick Tolhurst

There also are ideological differences among members of different sectors, i.e. between government, civil society and business. These ideological differences influence what CSR issues are prioritised, the expectations from business and what gets accepted or practised as CSR.

Conflictual issues arise from the diversity of these different CSR perspectives and the tensions between value systems and practices, and/or any prevalent stereotypes, misconceptions and prejudices.

Cultural issues in CSR pose challenges for achieving a universal understanding of CSR or for the convergence of practices across these diverse geographical, socio-political or ideological cultures. These issues are also challenging when trying to change from one type of culture to another, or in getting cultural fit for the multinational companies that have to work in and with different cultures of CSR.

Anupama Mohan

DEVELOPING COUNTRIES
→ Development, Poverty

CSR in developing countries incorporates the formal and informal ways in which business makes a contribution to improving the governance, social, ethical, labour and environmental conditions of the developing countries in which they operate, while remaining sensitive to prevailing religious, historical and cultural contexts.

The category of 'developing countries' is used broadly to include countries that have relatively lower per capita incomes and are less industrialised. For a listing of countries that might fall into this grouping, see the World Bank's classification of lower and middle income countries.

Far from being a unified field, debate on CSR in developing countries is extremely diverse, ranging from optimistic views

about the role of business in society to highly critical perspectives. However, there seems to be an emerging consensus that developing countries provide a socio-economic and cultural context for CSR which is, in many ways, different from developed countries.

In particular, CSR in developing countries has the following distinctive characteristics:

- CSR tends to be less formalised or institutionalised in terms of the CSR benchmarks commonly used in developed countries, i.e. CSR codes, standards, management systems and reports.
- Where formal CSR is practised, this is usually by large, high profile national and multinational companies, especially those with recognised international brands or those aspiring to global status.
- Formal CSR codes, standards and guidelines that are most applicable to developing countries tend to be issue specific (e.g. → fair trade, supply chain, → HIV/AIDS) or sector led (e.g. agriculture, textiles, mining).
- In developing countries, CSR is most commonly associated with philanthropy or charity, i.e. through corporate social investment in education, health, sports development, the → environment and other community services.
- Making an economic contribution is often seen as the most important and effective way for business to make a social impact, i.e. through investment, job creation, taxes, and → technology transfer.
- Business often finds itself engaged in the provision of social services that would be seen as government's responsibility in developed countries, e.g. investment in → infrastructure, schools, hospitals and housing.
- The issues being prioritised under the CSR banner are often different in developing countries, e.g. tackling → HIV/AIDS, improving working conditions, provision of basic services, supply chain integrity and poverty alleviation.

- Many of the CSR issues in developing countries present themselves as dilemmas or trade-offs, e.g. → development versus environment, job creation versus higher labour standards, strategic philanthropy versus political governance.
- The spirit and practice of CSR is often strongly resonant with traditional communitarian → values and religious concepts in developing countries, e.g. African humanism (*ubuntu*) in South Africa, coexistence (*kyosei*) in Japan and harmonious society (*xiaokang*) in China.

The drivers for CSR in developing countries include:

- Cultural tradition – drawing strongly on deep-rooted indigenous cultural traditions of philanthropy, → business ethics and community embeddedness.
- Political reform – including democratisation, → globalisation and liberalisation, which can drive business behaviour towards integrating social and ethical issues.
- Socio-economic priorities – including poverty alleviation, healthcare provision, → infrastructure development, education and empowerment of marginalised groups.
- Governance gaps – where CSR is seen as a way to plug the 'governance gaps' left by weak, corrupt or under-resourced governments that fail to adequately provide various social services.
- Crisis response – including philanthropic responses to economic, social, environmental, health-related or industrial crises, catastrophes or accidents.
- Market access – seeing unfulfilled human needs as an untapped market, including the now burgeoning literature on '→ Base of the Pyramid' strategies.
- International standardisation – including the adoption of global CSR codes and standards by the subsidiaries of multinationals or national companies wishing to export.

- Investment incentives – including investments in developing countries being screened for CSR performance through the trend of socially responsible investment (SRI).
- Stakeholder → activism – in the absence of strong governmental controls over the social, ethical and environmental performance of companies.
- Supply chain – including the social and environmental requirements that are being imposed by multinationals on their supply chains, especially among small and medium-sized companies.

The focus on CSR in developing countries can also be a catalyst for identifying, designing and testing new CSR frameworks and business models, e.g. Visser's CSR Pyramid for Developing Countries and the C.K. Prahalad's Bottom of the Pyramid model.

Research into CSR in developing countries is still relatively underdeveloped and tends to be ad hoc with a heavy reliance on convenience-based case studies. The focus is often on high profile incidents or branded companies and a few select countries (e.g. Brazil, China, India, South Africa), rather than being comprehensive national or regional surveys that produce comparable → benchmarking data. Hence, a massive opportunity exists to improve our knowledge about CSR in developing countries by expanding the scope and coverage of CSR research. For a more comprehensive review of CSR in developing countries, see the chapter by Visser in the *Oxford Handbook of CSR*.

Wayne Visser

DEVELOPMENT
→ Base of the pyramid model, Developing countries, Poverty

At its broadest, the term 'development' denotes the progression, evolution or maturation of an individual or society. Despite the wide usage – and crucial importance – of terms such as international

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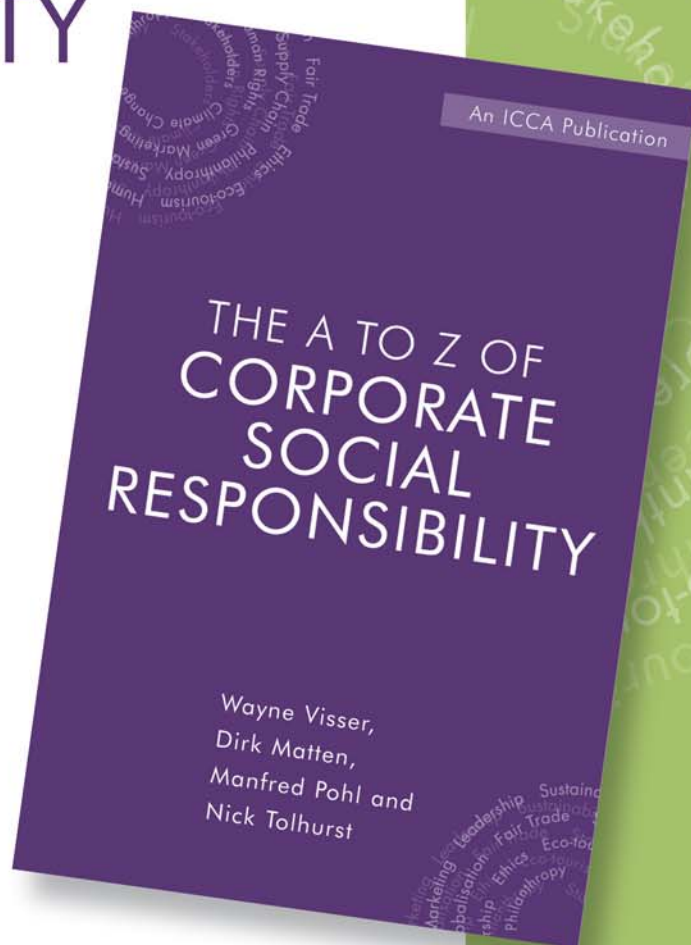
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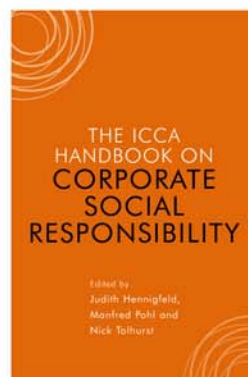- Telecommunications
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THE A TO Z OF CORPORATE SOCIAL RESPONSIBILITY:
The Complete Reference of Concepts, Codes and Organisations
Editors: Wayne Visser, Dirk Matten, Manfred Pohl and Nick Tolhurst

DESCRIPTION

This is the world's first complete reference on CSR, compiled by the Institute for Corporate Culture Affairs (the ICCA). The entries have been written by leading experts, leading global thinkers and CSR practitioners. The reference also lists and describes the most important organizations and landmarks in the field of CSR. The book comprises 339 terms, which are split into core concepts, key words and definitions to form the standard reference for managers, academics, teachers, students, officials and volunteers in the field of CSR. This is a timely and innovative contribution to the field of Corporate Social Responsibility: the definitive terminology reference on CSR, business society relations and the organizations and standards in the field.

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TERMS

3 Rs | Accountability | Accounting | Accreditation | Activism | Advertising | Affirmative action | Africa | Agricultural sector | AIDS | Air pollution | Animal rights | Animal testing | Animal welfare | Anti-capitalism | Anti-globalisation | Asia | Assurance | Auditing | Australia | Automotive sector | Banking sector | Base of the Pyramid model | Benchmarking | Best of class investing | Best practice | Biodiversity | Bioremediation | Black economic empowerment | Bluewash | Boycotts | Branding | Bribery | Business case | Business ethics | Carbon balance | Carbon credits | Carbon funds | Carbon neutral | Carbon offsetting | Carbon sink | Carbon tax | Carbon trading | Cause-related marketing | Certification | Charity | Chemicals sector | Child labour | Civil regulation | Civil society organisations (CSOs) | Clean technology | Cleaner production | Climate change | Codes of conduct | Codes of ethics | Codes of practice | Common good | Community development | Community investing | Competitive advantage | Conflict of interest | Conservation | Consumerism | Consumer rights | Continual improvement | Corporate affairs | Corporate citizenship | Corporate communication | Corporate culture | Corporate environmental management | Corporate foundation | Corporate governance | Corporate history | Corporate responsibility | Corporate social entrepreneur | Corporate social investment | Corporate social opportunity | Corporate social performance (CSP) | Corporate social responsibility (CSR) | Corporate social responsiveness | Corporate sustainability | Corporate volunteering | Corruption | Cradle-to-grave | Cultural issues | Developing countries | Development | Digital divide | Discrimination | Diversity | Donations | Donors | Downsizing | Drug and alcohol testing | Due diligence | Due process | Earth Summit | Eco-efficiency | Eco-friendly products and services | Eco-labelling | Ecological footprint | Economically targeted investment | Eco-subsidies | Ecosystem degradation | Eco-taxation | Eco-tourism | E-learning | Emerging markets | Emission trading | Employee rights | Employee volunteering | Empowerment | Energy management | Engagement | Environment | Environment, health and safety (EHS) | Environmental accounting | Environmental auditing | Environmental champions | Environmental due diligence | Environmental entrepreneurship | Environmental excellence | Environmental impact assessment (EIA) | Environmental liabilities | Environmental management | Environmental management system (EMS) | Environmental movement | Environmental reporting | Environmentally friendly products and services | Equal opportunities | Equity | Ergonomics | Ethical consumption | Ethical decision-making | Ethical investment | Ethical sourcing | Ethics | Ethics officer | Europe | Executive pay | Externalities | Factor four / Factor ten | Fair trade | Financial services sector | Food and beverage sector | Forensic accounting | Foundation | Fraud | Gaia hypothesis | Gender issues | Genetically modified organisms (GMOs) | Geographical information systems (GIS) | Global commons | Global governance | Globalisation | Global warming | Governance | Green consumerism | Greenhouse gases | Green marketing | Green movement | Greenwash | Hazardous waste | Health | Health and safety | HIV/AIDS | Human rights | Human security | Hydrogen economy | Impact assessment | Indigenous people | Industrial ecology | Infrastructure sector | Integrated pollution control | Integrity | Intellectual property rights (IPRs) | Interested and affected parties | Intergenerational equity | Intragenerational equity | Joint Implementation | Labelling | Labour issues | Labour relations | Land contamination | Latin America | Leadership | Learning | Legal compliance | Legislation | Licence to operate | Life cycle assessment | Living wage | Lobbying | Local community | Local economic development | Market based instruments | Marketing ethics | Media sector | Microfinance | Microlending | Mining sector | Moral case | Moral responsibilities | Natural capitalism | New economics | Non-financial assurance | Non-financial reporting | Non-governmental organisations (NGOs) | North America | North-South divide | Not in my back yard (NIMBY) | Occupational health and safety (OHS) | Off-shoring | Oil & gas sector | Organic food | Organisational culture | Ozone depletion | Partnerships | Persistent organic pollutants (POPs) | Personal & household goods sector | Pharmaceutical sector | Philanthropy | Policies | Political action committees | Polluter pays principle | Pollution | Poverty | Precautionary principle | Pressure groups | Privacy | Privatization | Product stewardship | Product take-back schemes | Public affairs | Public goods | Public interest | Public participation | Public relations | Public-private partnerships (PPP) | Quality management | Race to the bottom | Recycling | Regulation | Renewable resources | Report verification | Reporting | Reputation | Research | Responsible competitiveness | Retail sector | Risk management | Safety | Security | Self-regulation | Shareholder activism | Shareholder democracy | Shareholder resolution | Sin taxes | Small and medium sized enterprises (SMEs) | Social and environmental accounting | Social auditing | Social enterprise | Social entrepreneurship | Social impact assessment | Social innovation | Social justice | Social reporting | Social responsibility | Socially responsible investment (SRI) | Sponsorship | Stakeholder democracy | Stakeholder engagement | Stakeholder management | Stakeholder theory | Stakeholders | Stewardship | Strategic impact assessment | Subsidies | Supply chain | Sustainability | Sustainability reporting | Sustainable consumption | Sustainable consumption and production | Sustainable development | Sustainable livelihoods | Sweatshops | Take-back schemes | Tax avoidance | Technology sector | Telecommunications sector | Tobin tax | Traceability | Tragedy of the commons | Transparency | Travel and leisure sector | Triple bottom line | Union busting | Utilities sector | Value chain | Value creation | Values | Verification | Voluntary self regulation | Volunteering | Waste management | Water management | Water pollution | Whistle-blowing | White collar crime | Work-life balance | Zen

CODES, GUIDELINES & STANDARDS

AA 1000 Series of Standards | Agenda 21 | Anti-Slavery International | Apparel Industry Partnership (AIP) Code of 1997 | Bribe Payers Index | Business Charter for Sustainable Development | Business Principles for Countering Bribery | Business Social Compliance Initiative (BSCI) | CACG Principles | CERES Principles | Clean Development Mechanism (CDM) | Code of Labour Practices for the Apparel Industry Including Sportswear | Combined Code of Corporate Governance | Commonwealth Corporate Governance Principles | Corporate Responsibility Index | Corruption Perception Index | CSR Competency Framework | Domini 400 Social Index | Dow Jones Sustainability Indexes | Earth Charter | Eco-Management and Auditing Scheme (EMAS) | Equator Principles | ETI Base Code | EU Directive on Waste Electrical and Electronic Equipment (WEEE) | EU Green and White Papers on Corporate Social Responsibility | EU Greenhouse Gas Emission Trading System | Extractive Industries Review | Extractive Industries Transparency Initiative (EITI) | Fairtrade Mark | Five Capitals Framework | FLA Workplace Code of Conduct | Forest Stewardship Council (FSC) | FTSE4Good Index | General Agreement on Trade and Tariffs (GATT) | Global Compact | Global Corruption Barometer | Global Sullivan Principles of Social Responsibility | ICC Business Charter for Sustainable Development | ICFTU Code of Labour Practice | IFC Social and Environmental Performance Standards | ILO Declaration on Fundamental Principles and Rights at Work | ILO-OSH 2001 Guidelines on Occupational Safety and Health Management Systems | ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy | Interfaith Declaration: A Code of Ethics on International Business for Christians, Muslims and Jews | ISAE 3000 Standard for Assurance Engagements | ISO 9000 Series of Standards on Quality Management | ISO 14000 Series of Standards on Environmental Management | ISO 26000 Series on Corporate Social Responsibility | Johannesburg Declaration on Sustainable Development | Joint Implementation | King Report on Corporate Governance in South Africa | Kyoto Protocol | London Benchmarking Group Model | London Principles | Maquiladoras Standards of Conduct | Marine Stewardship Council (MSC) | Millennium Development Goals (MDGs) | Mining and Minerals for Sustainable Development | Montreal Protocol | National Corporate Responsibility Index | Natural Step Framework | OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions | OECD Guidelines for Multinational Enterprises | OECD Principles of Corporate Governance | OHSAS 18001 Standard on Occupational Health & Safety | Operating and Financial Review (OFR) | Rainforest Alliance Certification | Responsible Care Programme | Responsible Competitiveness Index | Rio Declaration on Environment and Development | SA 8000 | Sarbanes-Oxley Act | Sigma Project | Stockholm Convention on Persistent Organic Pollutants (POPs) | Sullivan Principles | Sustainability Reporting Guidelines | TRIPS (Trade Related Aspects of International Property Rights) Agreement | UN Convention Against Corruption | UN Declaration against Corruption and Bribery in International Commercial Transactions | UNEP International Declaration on Cleaner Production | UNEP Statement by Banks on the Environment and Sustainable Development | UNEP Statement of Environmental Commitment for the Insurance Industry | UN Global Compact | UN Millennium Development Goals (MDGs) | UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights | UN Principles on Responsible Investment | UN Universal Declaration on Human Rights | US Federal Sentencing Guidelines | US Superfund Legislation | Voluntary Principles on Security and Human Rights | Wolfsberg Principles | World Federation of Sporting Goods Industry Code of Conduct

ORGANISATIONS

AccountAbility | African Institute for Corporate Citizenship (AICC) | Brundtland Commission | Business and Human Rights Resource Centre | Business for Social Responsibility (BSR) | Business in the Community (BITC) | Carbon Disclosure Project | Caux Round Table | Club of Rome | CSR Academy | CSR Asia | CSR Europe | Ethical Trading Initiative (ETI) | Ethics and Compliance Officer Association | EU Multi-stakeholder Forum on CSR | European Academy for Business in Society (EABIS) | European Alliance on CSR | European Business Ethics Network (EBEN) | Fair Labour Association (FLA) | Fairtrade Labelling Organizations International (FTO) | FINE | Forest Stewardship Council (FSC) | Forum EMPRESA | Global Business Coalition on HIV/Aids | Global Reporting Initiative (GRI) | Institute for Corporate Culture Affairs (ICCA) | Institute of Environmental Management and Assessment (IEMA) | Institute of Social and Ethical Accountability (ISEA) | International Accreditation Forum (IAF) | International Association for Business and Society (IABS) | International Association for Impact Assessment (IAIA) | International Auditing and Assurance Standards Board (IAASB) | International Business Leaders Forum (IBLF) | International Fair Trade Association (IFAT) | International Federation for Alternative Trade (IFAT) | International Organic Accreditation Service (IOAS) | ISEAL Alliance | Marine Stewardship Council (MSC) | Rio Earth Summit | Social Venture Network | Society for Business Ethics | UN Conference on Environment and Development | World Business Council for Sustainable Development (WBCSD) | World Commission on Environment and Development (WCED) | World Economic Forum | World Social Forum | World Summit on Sustainable Development | World Trade Organization (WTO)