

Going glocal with CSR: Multilateral musings in Mexico

By Wayne Visser

In some senses, my CSR quest world tour, which was the main inspiration behind *The Quest for Sustainable Business*, started back in December 2007, on a trip to Guatemala. The main purpose of the visit was to launch *The A to Z of Corporate Social Responsibility* at the Inter-American Development Bank (IADB) annual conference on CSR. That was when the seed of the idea was planted—while talking to my colleague and co-author, Professor Dirk Matten, over a glass of celebratory champagne in the hotel bar late one night.

One of the greatest insights for me had come after a tour we had at a local sugar plantation. The company had prepared a presentation on its approach to CSR, and imagine my delight when I saw that it also had a CSR pyramid! The interesting thing, however, was that it was not Carroll's CSR pyramid or a Prahalad and Hart's BOP pyramid. Economic responsibility was still seen as most important, and depicted as the bottom layer of the pyramid, but the next most important responsibility was to the families of the plantation's employees. The third tier was community responsibility and, rather intriguingly, the apex of the pyramid was 'engagement in responsible national policy development'.

Was that company right and others wrong in its interpretation of CSR? Of course, they were right. That is the beauty of 'glocality'. It is not an 'either-or' mentality, but a 'both-and' approach. The other interesting observation is that they had formed a cooperative of farms in order to tackle CSR. Individually, they were too small to justify a sustainable business programme, but collectively, it made sense. This is one of the ways that SMEs can address sustainable business, through pooling their resources and collaborating.

I gained more insights into sustainable business and SMEs when I visited Mexico in 2008, at the invitation of Jorge Reyes, Director of the IDEARSE Centre at Anahuac University, which is doing some excellent work on the subject. In 2009, I was invited back to deliver the keynote address at its 7th International CSR Conference, and again in 2010 to run a workshop, so I got to know a little bit about its research programme.

In response to a government-sponsored project aimed at SME growth acceleration, IDEARSE put together an approach for supporting growth of the businesses through the implementation of a sustainable business administration model that would develop competitive advantages for the companies. Built into its business training programme, therefore, were six elements for SME development: self-regulation, stakeholders, human rights, environment, labour and social/community impact. Working with the supply chains of big brands such as Sony, Coca-Cola and Cemex, IDEARSE have taken more than many SMEs through the programme, with impressive results. On average across the six sustainable business dimensions, the SMEs improved from a score of 23% to 43%, while simultaneously showing average annual sales growth of 30%. They have effectively demonstrated that CSR is perfectly feasible for SMEs and may even be constructed as part of a growth and competitiveness strategy.

In 2008, on another trip to Mexico City, I was presenting at the invitation of the Heiligendamm Dialogue Process, which was meeting to discuss the major challenges in the world economy—including CSR—that had been identified at the Heiligendamm Summit in 2007. If you're wondering what the Heiligendamm Dialogue Process is, you are not alone. I had never heard of it until I got the invitation. In fact, it is probably the closest thing we have to a consensus position by the world's

regional superpowers – in this case, the leaders of the G8 and the G5 countries (Brazil, China, India, Mexico and South Africa) – on how sustainable business fits into the bigger picture of global development.

One of the four main topics for the Dialogue Process, which was hosted by the OECD, is 'promoting cross-border investment to our mutual benefit including the encouragement of responsible business conduct'. A lengthier document on 'Growth and Responsibility In The World Economy', issued as a G8 Summit Heiligendamm Declaration on 7 June 2007, makes fascinating reading, not least because, according to the G8, the world outlook at the time was all sunshine and roses. 'We note,' they said, 'that the world economy is in good condition.' How quickly the world can change!

Beyond this piece of trivia, however, the document contained some very revealing content on sustainable business and broader socioeconomic and environmental trends, which I summarise in *The Quest for Sustainable Business*. Two years later, in the concluding report of the Heiligendamm Process, the superpowers make the following observations about responsible business conduct (RBC) and CSR:

Dialogue partners agreed that building confidence and trust in open investment policies is crucial to ensure public support of foreign direct investment and that common principles of RBC and CSR contribute in this respect. Insofar as [they] provide more transparency, conducive to economic, social and environmental sustainability, and empower workers and consumers, [RBC and CSR] show the important role that business plays in society. In order to encourage the highest possible rate of corporate participation, Partners agreed that international and voluntary CSR guidelines, including the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact could be fostered and promoted. It is understood that these instruments are complementary to, and not substitutes for, adequate regulatory policy and supervision by governments.'

Certainly no earth shattering revelations there. However, it does show that the growth and globalisation debate is getting more nuanced, implicitly acknowledging that there is such a thing as 'uneconomic' growth and globalisation which does not share its benefits fairly; also that issues like poverty and climate change are critical to long-term economic prosperity. My overall impression from the Heiligendamm Dialogue Process is that the battle to have sustainable business acknowledged as part of the social and environmental suite of solutions has been won, but the war to see CSR as a more holistic, embedded and transformative concept is still in danger of being lost.

Article reference

Visser, W. (2013) Going glocal with CSR: Multilateral musings in Mexico, *Wayne Visser Blog Series*, 24 July 2013.

Source

Part 6 of 13 in Wayne Visser's Searching for Sustainable Business blog series for CSRwire

Part of the WAYNE VISSER BLOG BRIEFING Series

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