

## **EU-ALC Forum - Working Table II: Debate on the applicability of integral systems and standards of responsible management**

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For the last decade, the Corporate Social Responsibility agenda in Latin America has focused on deepening traditional commitments to corporate philanthropy. It has not focused much on promoting the essential pillars of true corporate commitments towards sustainability, namely upholding the law in terms of social, environmental and economic negative externalities related to production. I call this generic Latin American understanding of CSR “strategic philanthropy”. The insertion of many Latin American companies of CSR programs in public relations or communications divisions of management clearly shows that CSR is generally perceived by upper management as communicational or public relations rhetoric and activity, and not as an essential corporate commitment and objective. The typical insubordination of CSR targets to broader financial targets is yet another testimony of this situation.

The race of so many companies towards various forms of *strategic philanthropy* has been fueled in places like Argentina by a fast growing and very sophisticated civil society sector, and has been further strengthened by social and economic crisis such as the financial and political crisis lived in Argentina in the early 2000s. Such crisis and the accompanying rise of civil society actors linked to bottom-up movements striving for upward social mobility, created a natural fit with the expanding philanthropically focused Latin American CSR agenda.

This situation is slowly changing. The international evolution of the CSR agenda towards issues such as human rights compliance by corporations, and the growing political interest of governments to hold companies accountable for environmental and social impacts, suggests that a page is turning for the world and also for the region.

The appearance of legislation such as the recent Buenos Aires law mandating sustainability reporting for companies of 300 or more employees, the growing interest of governments to engage with the UN on exploring corporate accountability on human rights, and the inclusion of sustainability reporting services in large financial consulting firms in the region, are but a few examples of the slowly expanding agenda for CSR in Latin America.

We still see, however, that many actors involved in the CSR movement in the region, including some very prestigious academics, and highly visible CSR experts, resist the idea that CSR is more than just voluntary actions by corporations that are largely or entirely in the realm of corporate philanthropy. The field however, is moving very rapidly in a very different direction, and we can expect that in the coming decade, sustainability reporting, mandatory accountability on human rights performance, transparency on environmental and

other social impacts will form the basis of a reinvigorated CSR agenda for the region.