

European Union (EU) - Latin American and Caribbean (LAC) Forum

Responsibility and competitiveness – the contribution of Corporate Social Responsibility (CSR) and multi-sectoral alliances to competitiveness and sustainable development

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Working Table III

How should a CSR concept involving all sectors be implemented?

While in the European Union, where there is a strong concern for issues such as climate change, the tendency to make companies become more responsible developed from a bias towards the environment, in Latin America and the Caribbean, where there is a strong concern about poverty, inequality and exclusion, the trend originated in philanthropy. Currently the concept is evolving in both regions, albeit with important nuances, towards the kind of responsibility with which a company conducts its business; that is to say, with a comprehensive perspective on the various domains that constitute the responsibility of companies (corporate governance, labour practices, marketing, environmental management, procurement, social investment).

It is clear that the promotion of corporate responsibility is growing in both regions—again, with important nuances—and social demands on companies are increasing while there is an ever-growing number of business groups, academic institutions, national and local governments, international agencies, civil society organisations, consultants and communication media that pursue courses of action to promote this topic. But against this background pops up the question of whether corporate responsibility grows in the same proportion, considering that, while there are companies with genuine and proper efforts to become more responsible, there are many companies that have greater standards—with respect to their respective country of origin—than those they apply in countries where their subsidiaries or value chains are located. To this another set of issues to review in the context of promoting corporate responsibility is added, such as the fact that many companies are acknowledged for what they themselves say they are or do, without their actions necessarily reflecting any of that. In other words, reputation is prized above responsibility.

In both regions there is a growing opinion that "CSR" (and its "derivatives" such as "interest groups", "collaborators" or "responsible consumers") is a concept too focused on companies, rather than provide a sufficiently integrated approach to social cohesion, in the way other concepts would be, such as "shared responsibility" among stakeholders, "sustainable economic development" or "development of citizenship." In this context, it is necessary to ask oneself whether CSR, as it is currently conceived and communicated, can actually bring together and engage the various sectors in addressing processes of community building.

Questions for this debate session:

- 1) Which approaches exist in order to promote CSR? Is there a single approach that ranges above all others?
- 2) Should different approaches be taken in different environments (LAC and EU)? Is there a single approach that might work for trade between the two regions?
- 3) How can CSR be used to achieve greater social cohesion, i.e. inclusion, fair working conditions and co-operation right across society in pursuit of the common good?