

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 VI

The actors and their roles: what part does each sector play in a policy of CSR promotion?

The development of Corporate Social Responsibility (CSR) in recent years coincides with the transformation of the state in regard to the management of public affairs, and with the building of a civil society closely linked to the process of design, implementation, monitoring and evaluation of public policies. Ever since the arrival of new models of modern governance, the state (without relinquishing its central position) has been seeking co-operation with the civil society, as well as with representatives of the market and the citizenry.

There are actors that say that the challenges and problems of today require solutions driven by multi-sectoral alliances. Therefore, developing such alliances and policies to promote CSR are issues of high importance. To make CSR an important issue for countries, blocs, regional integration and the inter-bloc process, it is important to discuss the roles of different sectors in order to build a consensus to develop common strategic policies and joint actions. The development of a policy for promoting CSR will depend on the merging and redefinition of roles among the actors.

Companies must be agents of social inclusion and sustainable economic development, integrating the principles of CSR into their corporate policies. During the process of developing their CSR practices, they can identify opportunities to improve their outcomes and effects when they co-ordinate and enter into strategic alliances with other sectors. Transferring and receiving know-how is essential to the development of alliances that serve to encourage a joint policy for promoting CSR.

Organisations of civil society (NGOs, trade unions, etc.) can function as a privileged connection between citizens and the state, as well as between citizens and businesses. Knowledge of the demands as well as the ability to raise them as issues and place them in the public space makes them major actors both in promoting and controlling the development of a CSR policy. Civil society can play a role in controlling and monitoring the development of a policy on behalf of citizens, while, at the same time, being able to sensitise the citizenry to such policy. But the forms of control, monitoring and reporting by civil society are issues of high sensitivity for the actors, and therefore a matter of debate. It is the state that has the legal authorisation to generate economic, political, social and cultural rights, which constitute the regulatory framework that defines the obligations of each actor. Institutions and laws (fiduciary, fiscal, etc.) create stimuli (positive or negative) for the development of a CSR policy. The state's role in regulating CSR is the subject of much discussion. There are positions that deny the state any active role, asking instead only for the establishment of clear rules. The state's role in CSR, competitiveness and how this relates to the promotion, or rejection, of the application of standards is a matter that is hotly debated. While there are no agreements on the state's role in CSR, it is clear that it must regulate the business practices that go against the rights of individuals, affect the environment, hinder development, etc.

Some actors suggest that the state should, in fact, act proactively in the promotion of CSR to create a favourable environment for its development. There are even those who stress the importance of governments joining the international debate and efforts to reach effective commitments on the subject. The state as a guarantor of clear rules generating incentives and tools to promote CSR, while setting an example through CSR practices at public companies and CSR criteria being applied to

public procurement, are just some of the actions that some actors hope for. Others require the state to promote codes of conduct, social reports and certifications. In addition, there are those who demand that the state promote CSR by supporting inter-sectoral CSR alliances. In these cases, there are those who propose to focus on supporting SMEs and to develop guidance as well as training and information systems.

Questions for this debate session:

- 1) What role should be given to businesses, civil society and the State in any policy geared towards promoting CSR?
- 2) How should the various players co-ordinate their efforts to jointly develop a policy for promoting CSR?
- 3) How might a multi-sectoral platform for co-ordinating political efforts to promote CSR function within the EU-LAC process? What characteristics should it have?