

# Corporate Environmental Responsibility

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- Basic Concepts;
- CSR Drivers;
- Vehicles for Introducing CSR;
- CSR and Development.

## Basic concepts

There are different perceptions of the concept among the private sector, governments and civil society organizations. Depending on the perspective, CSR may cover:

- a company running its business responsibly in relation to internal stakeholders,
- the role of business in relationship to the state, locally and nationally, as well as to inter-state institutions or standards; and
- business performance as a responsible member of the society in which it operates and the global community

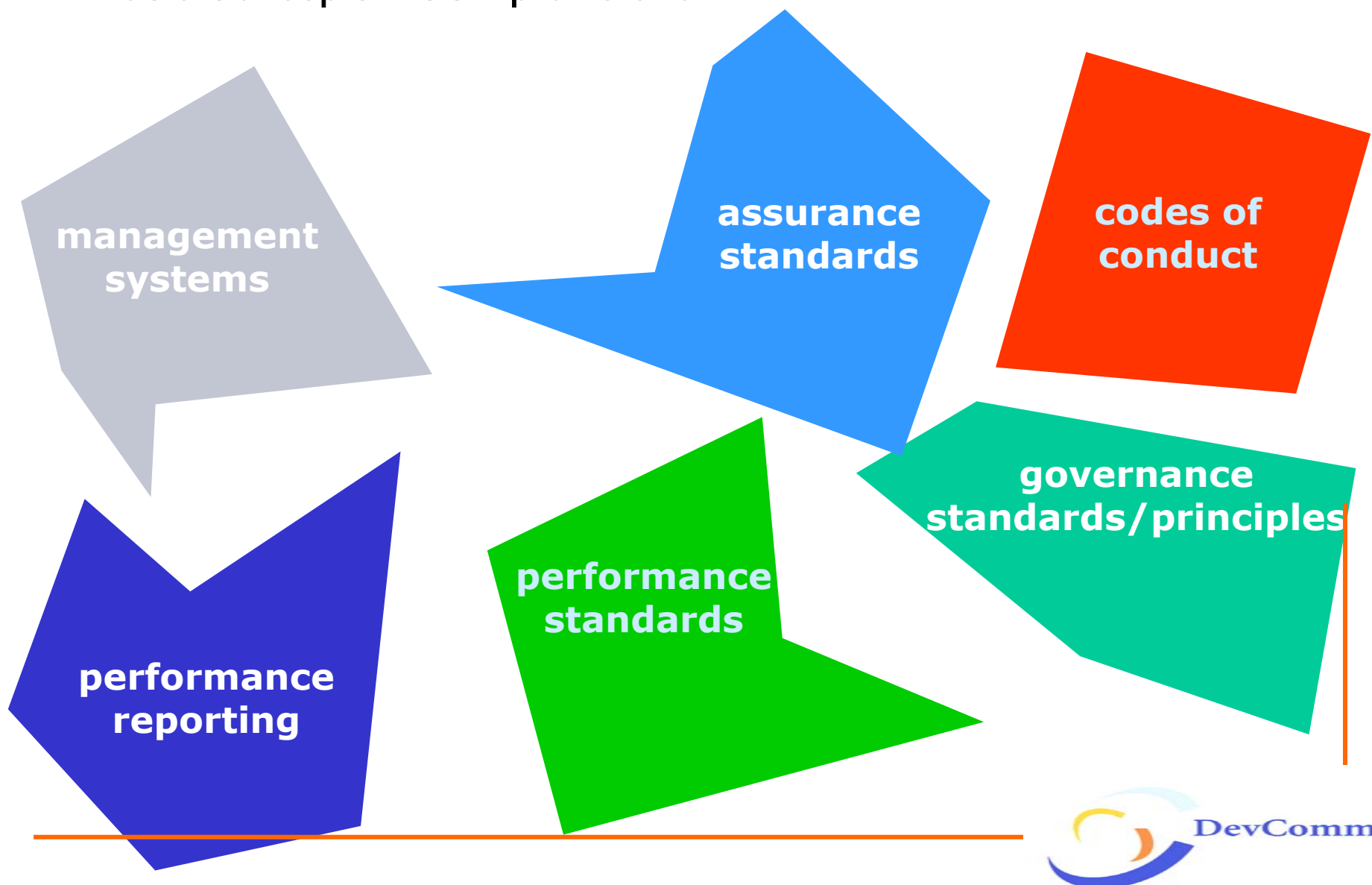
## Basic concepts – variety of definitions

**The World Bank** - *“Corporate social responsibility, or CSR, is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life, in ways that are both good for business and good for development”*

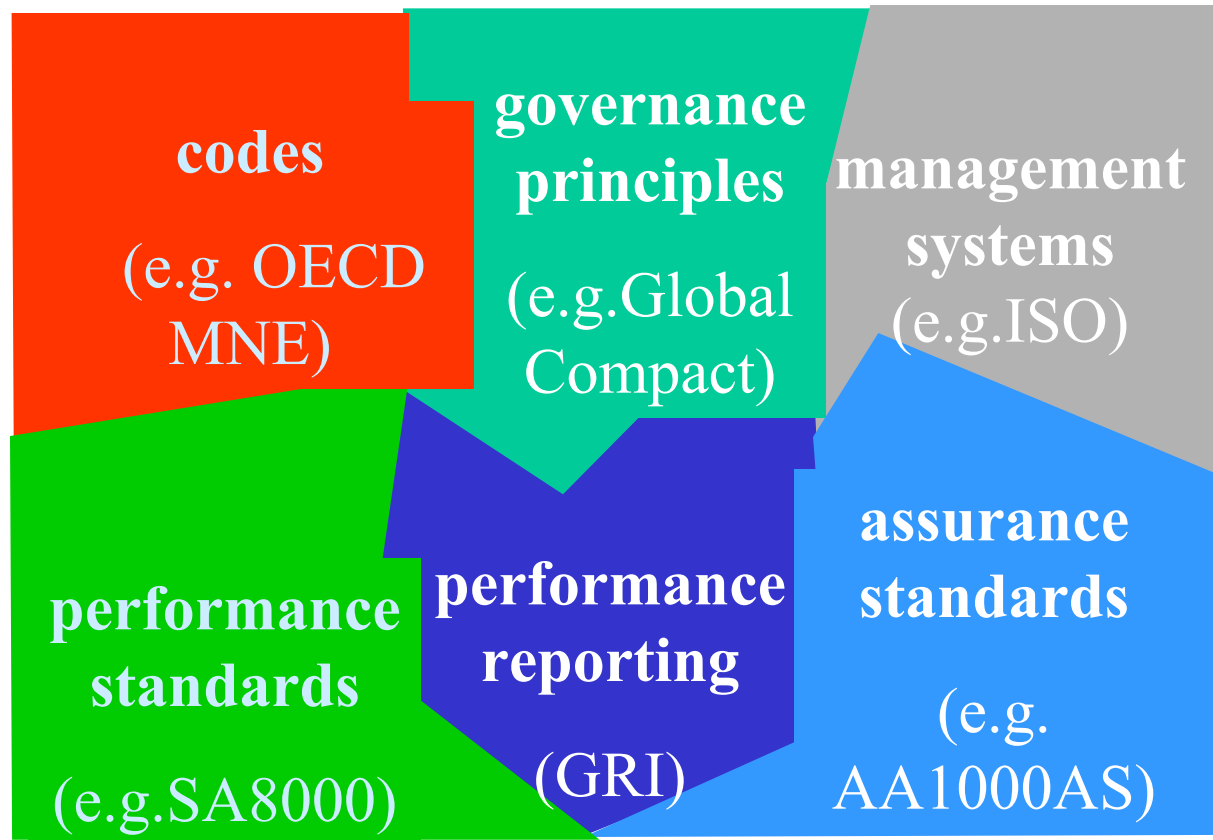
**The World Business Council for Sustainable Development** - *“CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large...”*.<sup>[</sup>

**The European Commission** - *“... the concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large...”*.

## Basic Concepts – CSR proliferation



## Basic Concepts - ... a commonly accepted CSR framework



## CSR Drivers

<i>Economic drivers</i>	<i>Social drivers</i>	<i>Political drivers</i>
<ul style="list-style-type: none"><li>- company image/reputation</li><li>- improved risk management</li><li>- competitive advantage</li><li>- pressure from business partners</li><li>- pressure from costumers</li><li>- pressure from investors</li><li>- competitiveness</li></ul>	<ul style="list-style-type: none"><li>- pressure from NGO/CSOs</li><li>- licence to operate</li><li>-pressure from local communities</li><li>- research</li></ul>	<ul style="list-style-type: none"><li>- improved standing with government</li><li>- legal, regulatory drivers</li><li>- political pressure</li><li>- licence to operate</li></ul>

## Vehicles for Introducing CSR

- Governments
- Corporate Level



## Vehicles for Introducing CSR - Governments

Public Sector Roles			
<b>Mandating</b>	‘Command and control’ legislation	Regulation and inspection	Legal and fiscal penalties and rewards
<b>Facilitating</b>	‘Enabling’ legislation	Creating incentives	Capacity building
	Funding support	Raising awareness	Stimulating markets
<b>Partnering</b>	Combining public and private resources	Stakeholder engagement	Dialogue
<b>Endorsing</b>	Political support		Publicity and praise

## Vehicles for Introducing CSR – Corporate level

- Corporate Environmental Policy;
- Environmental Audit;
- Employee Involvement;
- Green Procurement;
- Green Products.

## CSR and Development Constrains

The CSR agenda tends to be “northern driven” and focuses on a fairly narrow set of issues, sectors and companies;

- Small and medium-sized firms in developing countries that form part of multinational company supply chains are often expected to pay the costs of CSR.

CSR may reinforce trends involving the concentration of corporate power by squeezing small firms from supply chains and concentrating production in larger firms with greater capacity to implement CSR initiatives.

- CSR may have protectionist implications by restricting access of southern firms to northern markets, although such implications are sometimes overstated.

Many developing country governments, constrained by international pressures associated with debt servicing, structural adjustment and “down-sizing”, are unable to develop the type of regulatory and incentive structures that would encourage CSR

**Thank You!**

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