

## Kaelo/ Business Day CSR Conference 2008

I was nominated by BCF to participate in the invitation to the Kaelo International CSR Conference 2008 in South Africa early this June to present a paper on NGO- corporate relationships & success stories of CSR in India. The one main thought running in my mind was: What is common to South Africa and India? What do we share in terms of our CSR agendas?

I knew very little first hand of South Africa other than about their young freedom, apartheid movement, wide divide in society of haves and the have not, unemployment, rising AIDS and social unrest, poor education and health facilities. There seems to be two different worlds in the same country, the shining urban cities with their rich communities, at the same time with large presence of slums/shacks where living conditions by any standards is very questionable and the rural poverty.

On the other hand, I found great social bonding, rich community living heritage, homage to the ancestors, abundance of Natural wealth, care for nature and inclusive growth spirit amongst the struggling. In an introspective thought I realized our strengths and challenges are similar. Both happen to be developing countries representing the most expanding economies and most lucrative growth markets for business, tragically concentrated in the hands of the few.

These thoughts helped me make my presentation with its focus on Gandhiji's message of Trusteeship, Vivekananda message of responsibility of the empowered, and Mother Teresa's message of love, care and sharing. To showcase CSR in India, I took TATA as my main company standing tall for its CSR- in spirit and action, as an inspiration to the world. I was confident of the text of my material but shaky at the same time about my clear understanding of the audience knowledge and positioning of the subject.

God sent help in form of Ms Sharanjeet, an Indian settled in South Africa for the last 14 years and running a leading NGO, the Math's and science center. With her Indian back ground and in-depth understanding of South African challenges, she confirmed the above issues and also cleared a lot of my misunderstandings about that part of the world. She made me see how committed and advanced South Africa is in its attempt to implement CSR and CSI. What is the reality for the Black African people? The recent xenophobic attack was just a symptom of the larger deep rooted problem simmering in the society that governments refuse to recognize, accept and address critical issues correctly and urgently.

The conference was in Spiers Vineyard Resort, which attracted over 180 delegates from the private sector, CSI practitioners, Non Governmental Organizations (NGOs) and Government brought to light varied CSR issues. It was a gathering where, an endless stream of intelligent-people from business, government, non governmental organizations and communities demonstrate their remarkable grasp of the subject and their free-flow competency in the ever-evolving language of corporate social responsibility.

Not only the issues were flagged but debated, questioned for better solution for the future. The mix and quality of participation was of a very high level, learning through knowledge exchange and experience sharing was the agenda, the participants having special interest in India and I being the only one from India I received special attention and got opportunity to interact with nearly all in the next four days.

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Through this article I intend to flag off some critical thought areas and will expect you to think as I was sitting and thinking in Cape Town, South Africa, what can I learn, go back share and request implementation in India. What can “I” do, especially to right the wrong around me?

The speakers here were practitioners of what they talked, it brought a very high level of integrity, addressed ground level realities, experience of failures and solutions, and their passion was infectious. It was very loudly and clearly addressed in most of the talks that CSR is multi dimensional, is to cover all aspects of their ethics, values, processes etc and how they make their money and not only by how they give a miniscule part to the development projects. They cannot have different ethics for earning and spending. The board room has to be clear to engrain CSR in the strategic growth plan of the company, not only use it as an image building exercise. The partnerships have to be all along the way till the goal is achieved, supported by long term participation, Knowledge sharing & training to ensure true empowerment and sustainability.

Some companies in the world are bigger than many countries / states; therefore the argument that it is the state’s role holds no ground. Therefore the speaker urged that companies and governments both should pull our sleeves and embrace the challenges of society, innovative sustainable solutions to these challenges, Individually & collectively under Public private & community partnerships, synergy of strengths should be the spirit for handling these current big scale challenges, any thing short will only be a half measure, half or no results.

One of the corporate speakers talked about CSR as a management tool which will bring good governance practices and increase the top and bottom line of the company, stating defiantly it is not a cost center. To view it as that is myopic vision. Another speaker added “some of young today in South Africa are motivated beyond money and wish to support development projects, executives are volunteering more and more. The gaps in relationships with Ngo’s were flagged, to mention a few important ones, the spirit of partnership, Strategic & equal partnership, trust and faith, clear understanding of goals and roles. Long term sustainable relationships and constant involvement. They were very careful of words and scope covered by them; therefore they divide CSR & CSI, termed CSI as a sub part of CSR.

CSR defined : as the social responsibility of the business sector concerns the relationships of the company not just with its share holders , profits, products, customers, clients, suppliers, employees and environment but also with the needs, values and goals of the society in which it operates. Business and private sector need to ensure that the traditional focus on profits and shareholder value is accompanied by an equal concern for the needs of the society and the environment where we function. CSR is about the human rights of all stake holders including the community and planet.

CSI defined as Corporate Social Investment is the financial participation that the company makes to empower the community. Sustainability and measurement of impact are the key concerns; therefore the sporadic charity and Philanthropic approach is fading out. With the rising knowledge of CSI practitioners in the sector these decision should be more strategic, long terms and participatory, not always top down.

**CSR vis-à-vis philanthropy:** Corporations do not make a distinction between CSR and community engagement. The general perception still at large about CSR is that it is charity to the needy. *CSR however is not about how you spend your profits but about how you make your profits also.* CSR is about avoiding top down philanthropy and aligning business practice with good governance strategies through out your business processes. CSR strategy should include activities such as corporate governance, transformation, skill development, health and safety,

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environmental management, preferential procurement, human rights and corporate social investments.

**Strategic partnerships:** The shift from welfare to a social development approach offers many opportunities for partnerships between the government, business sector and civil society to address social needs and implement national priorities. Strategic partnerships can bring together the complimentary skills and inputs of the public sector, the private sector and civil society in tackling complex social and environmental problems. *With diverse skills coming together, partnerships are the key element- NGOs with their know-how, business with their money, government with their policy and direction.*

The government must create an enabling environment. There should be investment in entrepreneurship and creation of an environment for jobs to be created and for the disadvantaged economy to grow. Government can set reference frameworks, encourage action and promote dialogue but crucially can enforce action through legislation. Governments can use taxation or tax benefits to encourage participation, CSR & CSI.

NGOs need to start talking the language of business as this will only enhance their chances of receiving funding and support. The sector needs to play an active role in educating the corporates on how their CSI can improve their reputations and how it links to their bottom line.

### **Corporate Social Investments (Standardization, Measurement and Mapping):**

How company behavior impacts the environment and society at large is an increasingly important global business issue. There is additional pressure or need on companies to develop disadvantaged communities and contribute to the transformation agenda making CSI a focus point of the overall CSR landscape.

Corporations understand that their fortune should go beyond sporadic charity but are not engaged in a way that allows them to be able to understand what they are doing in a manner they can relate to tangibly. Corporate should jointly prepare formats for accountability for NGO's, and a common language and protocol to be developed in consent.

A key challenge is that businesses should see social investment different from financial investments. Corporate executives are not always trained and oriented to evaluate and measure social outcomes, especially in financial languages.

There is a credibility gap and civil society organizations and CSI Practitioners should help bridge the gap by developing frameworks and measures for evaluating the input –output relationships. Unless this gap is bridged there will always be an adversarial relationship with people requesting assistance saying you're not helping us enough and people with capital saying you're not doing anything useful.

The social investments from corporate sector are growing but there is no definitive information on where the money is spent, what the outcomes are and where the potential gaps exist. CSI mapping is a necessity as it will bring transparency, give a clearer picture of where we stand and will inform future practices correctly. Speaker mentioned corporate have to put 1% of Profit in CSI and have tax benefits. This has lead to \$3.5 billion dollar CSI investment last year; questions were raised on its impact and a mapping plan to be made. An Industry association agenda of CSI practitioners association was also requested. Which will bring sharing of knowledge and

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networking for greater impact. One of the speakers said companies and especially CSI practitioners should be a combination of Richard Branson and Mother Teresa.

**Communicating CSR:** People want to make educated decisions about what they buy, what they invest in and who they are working for and their choices are increasingly influenced by perceptions of companies as caring, responsible and engaged with development calling for an arising need for effective CSR communication. While marketers are interested in brand value and CSI practitioners in effective implementation focused strategies can ensure that both meet their objectives.

In my experience, while it is promising to read and hear about what needs to be done and why, growing awareness and rhetoric about corporate social responsibility does not prove that anything significant has changed in the way people think about business every day. *The relationship between the world's apparent view of corporate social responsibility and the actual buy-into it remains ambiguous.*

Drawing from what was said and discussed there, my mind constantly felt we lag behind too far in this field and was also drawing similarities and what learning I could share and what could be corrected / implemented here in India.

- How do we get the top corporate leader to understand the true meaning and honest participation in CSR & CSI, increase volunteering, sharing? Will the industry leaders, association, influential business bodies, Business education Institutes and governments create an environment to accelerate this change?
- When will the government make laws in societies act / trust act to bring transparency and measurement through legislation, as they have done in case of companies' affairs; all balance sheets posted on the net, a simple solution – So effective and easy. This will bring credibility to the sector and facilitate growth of giving for development projects in social sector.
- Creating rural academic & vocational education & entrepreneurship for restricting the urbanization shift. The youth of India will decide the future of this nation, especially rural youth which is a large number: Constructive or destructive youth. How do we take PPP models to focus there?
- The wide divide leading to Xenophobia there and Maoist movement spreading here, as Kenya closed its eyes to it for a long time, so are we in our country, are we too timid to face this inconvenient truth, we are facing the unrest on a daily basis now.

There is a collective responsibility on each of us to translate outcomes into actions. The issue is not only to carry forward the debate but also to implement practical steps to ensure that NGO's & CSR practitioners' voice is heard. Please do what ever you can, advocacy, implementation, volunteerism, giving & partnering in your individual and corporate lives.

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