Corporate Social Responsibility in ASEAN

Corporate Social Responsibility Seminar
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The Association of Southeast Asian Nations (ASEAN)


- Aims to accelerate economic growth, social progress and cultural development in the region; and promote regional peace and stability.

- In 2003, the Association resolved to establish the ASEAN Community by 2015.

- The ASEAN Charter was adopted during the Singapore Summit in 2007 to serve as the legal and institutional framework of ASEAN.
The Association of Southeast Asian Nations (ASEAN)

**ASEAN Flag**
- Adopted in November 1993

**ASEAN Anthem**
- The ASEAN Way: launched on 28 November 2008 and first officially played at the 14th ASEAN Summit in February 2009
Established by the ASEAN Leaders in December 1997 during ASEAN’s 30th Commemorative Summit in Kuala Lumpur, Malaysia.

The Foundation aims to help bring about shared prosperity and a sustainable future for the entire ASEAN region.
Our Mission

- To promote greater awareness of ASEAN, and greater interaction among the peoples of ASEAN, as well as their wider participation in ASEAN activities through human resources development.

- To contribute to the evolution of a development cooperation strategy that promotes mutual assistance, equitable economic development and the alleviation of poverty.
Mandate of the ASEAN Charter (Article 15)

The ASEAN Foundation shall support ASEAN community-building by promoting greater awareness of the ASEAN identity, people to people interaction, and close collaboration among the business sector, civil society, academia, and other stakeholders of ASEAN.
Roadmap for ASEAN Community (2009-2015)

- ASEAN Political-Security Community
- ASEAN Economic Community
- ASEAN Socio-Cultural Community
Blueprint for the Socio-Cultural Community

**Strategic objective:**

Ensure that Corporate Social Responsibility (CSR) is incorporated in the corporate agenda and to contribute towards sustainable socio-economic development in ASEAN Member States.
Blueprint for the Socio-Cultural Community

Actions:

- Develop a model public policy on CSR or legal instrument for reference of ASEAN Member States by 2010. Reference may be made to ISO 26000 titled “Guidance on Social Responsibility”

- Engage the private sector to support the activities of sectoral bodies and the ASEAN Foundation, in the field of corporate social responsibility
Blueprint for the Socio-Cultural Community

**Actions:**

- Encourage adoption and implementation of international standards on social responsibility
- Increase awareness of Corporate Social Responsibility in ASEAN towards sustainable relations between commercial activities and communities where they are located, in particular supporting community based development.
ASEAN Foundation catalyzed the formation of CSR ASEAN, a network of CSR practitioners in ASEAN to provide a platform for corporate foundations and corporations to integrate corporate social responsibility in their corporate agenda and thereby contributing towards sustainable socio-economic development in ASEAN Member States.
Promoting Mutual Assistance among Corporate Foundations in ASEAN

- Funded by the ASEAN Foundation; implemented by AIM; 20 CSR practitioners in the region signed MOU in support of establishing a CSR Network in ASEAN
- Recommendations of the project:
  - Develop guidelines on how the Network should be organized including governance, membership and collaborative activities.
  - Address challenges such as cultural diversity, low CSR awareness in some ASEAN countries and socio-economic gaps among the member countries.
  - Conduct research on the state of CSR in ASEAN
ASEAN-EUROPE CSR Exchange

- Funded by the ASEAN Foundation; implemented by LCF; to learn from the experience of CSR Europe towards formation of an ASEAN Network for CSR.

- A roundtable between CSR ASEAN practitioners and CSR Europe was held in July 2009 to share ideas and experiences.

- Include series of consultation meetings with national CSR networks, chambers of commerce and business groups in Manila, Jakarta, Bangkok, Singapore and Kuala Lumpur.
Outputs of the LCF Study

Framework on the agenda, membership, governance, sustainability and projects of the ASEAN Network for CSR.

- Agenda of the Network:
  - Platform for networking and exchange at the regional level
  - Repository of ASEAN knowledge on CSR
  - Capacity-builder
  - Advocate for CSR in the region

- A “network of networks” - the founding members are:
  - Indonesia Business Links
  - International Chamber of Commerce - Malaysia
  - League of Corporate Foundations (Philippines)
  - Singapore Compact for CSR
  - Thai Chamber of Commerce and Industry
Outputs of the LCF Study

- Structure and Governance
- Funding and sustainability
- Program thrusts/ Suggested Activities and Projects
  - Participation in regional and national CSR conferences
  - Dialogue and linkage with other CSR networks
  - Workshops and Trainings
  - Research and Documentation
- Key Challenges
  - Diverse country profiles and economic disparities among member states affect CSR practices.
  - Low level of awareness and common understanding of CSR
CSR ASEAN:
A Network of CSR Practitioners in ASEAN Countries

- MOU among the 5 founding members agreed in principle.
- Formal launching in July in Manila.
- Proposed projects are:
  - Dialogue with CSR China during the Annual Asian CSR Forum in October 2010
  - Capacity-building for CLMV countries (Cambodia, Laos, Myanmar and Viet Nam)
  - Harmonization of CSR understanding in ASEAN
  - Develop model public policy on CSR in the region with reference to other international standards on social responsibility
Global Compact Leaders Summit
5-6 July 2007, Geneva, Switzerland

- Geneva Declaration
- The Principles for Responsible Investment
- The Principles for Responsible Management Education
- Caring for Climate
- The CEO Water Mandate
Global Compact Leaders Summit

Geneva Declaration

- The Role of Business in Society
- Actions for UN Global Compact Participants
- Actions for Governments
Global Compact Leaders Summit

The Principles for Responsible Investment

- seek to disseminate the tenents of corporate citizenship among capital markets

- Six commitments related to environmental, social, and corporate governance (ESG) issues
Global Compact Leaders Summit

The Principles for Responsible Management Education

- Seek to take the case for universal values and business into business schools around the world.

- Six principles covering purpose, values, method, research, partnership, and dialogue.
Global Compact Leaders Summit

Caring for Climate

- CEOs of 150 companies from around the world pledged to speed up action on climate change and called on governments to agree as soon as possible on Kyoto follow-up measures to secure workable and inclusive climate market mechanisms.
Global Compact Leaders Summit

CEO Water Mandate

CEOs of 6 global corporations urged their business peers everywhere to take immediate action to address the global water crisis and launched the project "The CEO Water Mandate" designed to help companies better manage water use in their operations and throughout the supply chains.
OECD Guidelines for Multinational Enterprises

They are recommendations addressed by governments to multinational enterprises that provide voluntary principles and standards for responsible business conduct consistent with applicable laws.
OECD Guidelines for Multinational Enterprises

- Concepts and Principles
- General Policies
- Disclosure
- Employment and Industrial Relations
- Environment
OECD Guidelines for Multinational Enterprises

- Combating Bribery
- Consumer Interests
- Science and Technology
- Competition
- Taxation
World Business Council for Sustainable Development

Brings together some 200 international companies in a shared commitment to sustainable development through economic growth, ecological balance and social progress.

Four focus areas: energy and climate, development, business role and ecosystems.
WBCSD Regional Network

- An alliance of 60 CEO-led business organizations united by a shared commitment to providing leadership for sustainable development in their respective countries or regions.

- WBCSD : Global
- Regional Network : Local/Regional
Similarities across Asia-Pacific countries

- Origins and conceptualization of CSR are rooted in historical and cultural traditions of each country and deeply influenced by ethical concepts and religious practice.

- CSR is gradually moving from its historical focus on business philanthropy to a broader set of activities that integrate the practice of CSR into the core strategy of the organization.
Similarities across Asia-Pacific countries

- Efforts at measurement and reporting are growing rapidly in the belief that formal monitoring and evaluation of outcomes will enhance credibility of CSR and make it easier to substantiate.

- CSR has evolved in response to profound external forces such as meeting regulatory obligations and responding to public opinions that demand higher standards of accountability.

- Larger companies are increasingly turning to partnerships with other stakeholders in implementing CSR activities.
Patterns of CSR activities in developed economies

- Great emphasis on the importance of environmental stewardship and strengthening of environmental management practices.
- Strong and active civil society involvement.
- An important driver is the management of supply chain often in response to well-articulated consumer concerns.
- Strong traditions of community outreach including corporate community investment that extends beyond charity.
- Companies are increasingly engaged in strategic partnerships with stakeholders within communities in which they operate.
Major Challenges

- Appropriate responses to globalization.
- Identification and addressing gaps in CSR practices.
- Development of common standards of good practice throughout the supply chain.
- Assurance of exemplary corporate behavior worldwide.
Patterns of CSR practices in developing economies

- Emphasis on the role of multinational enterprises in importing good CSR practices, which are emulated by local corporate community.

- Key drivers are the requirements of the global marketplace and their supply chains.

- Tendency for global protocols to influence CSR practices.
Major challenges

- Raising further awareness of CSR
- Building capacities within existing institutions to drive adoption of CSR.
- Making the case to the local business community to adopt CSR.
- Transferring competencies to individual companies.
Indonesia

- State of CSR is still in early stages but development indicates encouraging signs.
- Concept of social responsibility imbedded in Indonesian culture ("gotong royong").
- Promotion of CSR has been marked with initiatives in both government and private sectors.
Most companies in “compliance stage” where they adopt policy-based compliance as a cost of doing business.

Some have reached the “managerial stage” where they embed societal issues in their core management process.

A few in “strategic stage” where companies integrate societal issues in their core business strategies.
Birth of CSR concept and its initial practice can be traced back to 1950s.

Market forces have been the major drivers of CSR behavior.

Persistent social problems are the main challenges to sustaining commitment to and making resources available for CSR.
Most CSR efforts are philanthropic in nature with education and health being the main recipients.

Growing internal expressions of CSR linked to operations of the organization with companies promoting employee involvement.

Leaders who play significant role in CSR are the principal agents for the CSR promotion strategy.
Singapore

- Development of CSR is influenced by country’s unique characteristics as a city state that has achieved economic success where government remains a key architect of the economy and has considerable influence over corporate behavior.

- Government-centric approach influences CSR strategies with much emphasis on compliance with legislative requirements as a means of achieving and regulating socially responsible behavior.
Thailand

- Practice of CSR is at its early stages of development substantially influenced by religious beliefs and traditional norms of ethical practice.
- Full integration of CSR into business management at the strategic level is not yet widely evident reflecting insufficient commitment by top management and the general perception that CSR is primarily business philanthropy.
Engagement with NGOs deals with sound environmental practices and social development while engagement with government emphasizes compliance with environmental, health, labor and safety standards.

The CSR challenges include narrow perception of CSR by many leaders, threat of economic downturn, and negative perceptions that of CSR standards as a form of trade barrier.
Vietnam

- CSR activities are regulated and supervised by the government and corporate social policies observe state regulations as outlined in the companies’ annual plans.

- CSR thrust includes meeting requirements of import partners, avoiding conflicts with local labor and to some extent philanthropy.
Vietnam

- Enterprises and government are the main players for promoting CSR where enterprises determine the success of CSR and government promulgates policies and supervises implementation.

- The main challenge is to raise the level of awareness of CSR since consumers have limited appreciation of CSR and do not relate it with social concerns.