

Global challenges to CSR and sustainable development: root causes and evidence from case studies.

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Global Challenges of Corporate Social Responsibility and Sustainable Development: An Introduction

Over recent years, the concepts, and associated practices, of corporate social responsibility and sustainable development have been subject to considerable challenges. These challenges range from basic questions concerning their purpose and organizational intent through to relevance to contemporary issues and suitability for both local and global applications. We can perhaps condense these challenges, into the questions—*are corporate social responsibility and sustainable development meeting expectations, if not why not and what needs to change in order for their conceptual promises to be realized?* These are questions that were formulated during the editing and as such were not set for the book contributors. Nevertheless, each author has in their own way explored these questions and in the process have provided us with some fascinating insights both into challenges and potential solutions.

A number of these challenges have been with us for many years and were instrumental in the concepts of CSR and sustainable development becoming prominent. For instance, the increasingly pervasive nature of globalization erasing nation-state autonomy, the diminishing capabilities of governments to regulate big business in environmental impact and fiscal matters such as taxation and the temporal loyalties of large corporation to shareholders rather than regions continue to resonate and cause alarm. Accompanying the international expansion of economic and technological processes has been the continuing rise in social inequalities between and within countries. These concerns stem in part from the frequent relocations of transnational corporations according to the best perceived short-term financial gain for their shareholders and competition between countries willing to waiver environmental, welfare and fiscal regulations in order to appeal to transnational companies. The loyalty of the companies both to the countries in which they operate and the staff who work on their behalf will often last only until a better opportunity appears. Consequences of these changing economic and political processes have included the growing numbers of vulnerable workers and reserve armies of labour who compete for diminishing wages and poorer conditions, while production and consumption of natural resources have increased alarmingly.

In the global North, the marginalization and national neglect of previously secure working class groups have fueled resentment and disillusionment with conventional politics. Their anger has also been misdirected towards perceived 'others' who are believed to have taken 'their' jobs. Yet companies responsible for the realignment of labour patterns are often distanced from the targeting of this protectionist nationalism. However, as the millennials mature and larger numbers start to experience the limited opportunities of the 'lost generation' who emerged following the 2007/ 8 financial crisis, we can expect different forms of protest. These protesters are less likely to follow populist explanations for their situations and, as recent protests have already indicated, are more likely to track the cause of their problems through political and economic processes. In other words, the critical attention being, and expected to be, directed at TNCs has similarities with the early 1980s. Hence 40 years after the neoliberal surge of deregulation and the shift of power from political institutions to economic organizations, many of

the concerns that were raised then continue to provide fertile grounds for scrutiny and challenges to the nature of late capitalism and the global North hub.

Within the global South, the issues facing countries often differ from the global North. Although the migration of manufacturing and service operations has provided some job opportunities and economic trickle effects, the nature of these jobs is often insecure and low paid. Indeed, the relocation of business to these countries would not happen if such conditions did not exist. Alongside the mobility of transnational corporations are deep-rooted structural inequalities within both global and national processes which evolving TNC employment patterns do little to change. Moreover weaker regulatory frameworks, combined with the eagerness for TNCs to operate within their countries, have meant that countries in the global South face more immediate environmental problems concerning waste and pollution. With countries facing population growth and youth bulges the demand for jobs, education, food and pressures on education, welfare, housing and transportation will continue to grow. Further compounding difficulties, in the longer term, these locations are also more vulnerable to the impacts of climate change, rising sea levels, heavy rains, water shortages, food insecurity and desertification. Consequently, national and international failures to provide basic requirements and systemic expectations of increasing numbers of people within nation-states are becoming more noticeable.

These factors are contributing to global North and South locations sharing spiralling levels of disillusionment and cynicism about the ways in which national governments and corporate business operate and fail to deliver promises. Within the rising discontent, the concepts of CSR and sustainable development are at a crossroad. Both concepts have been significant in improving the quality of life within swathes of regions, benefitting large numbers of peoples within particular social, environmental and economic programmes. Nevertheless, despite decades of different levels of CSR and sustainable development activities, the threats outlined above remain and in some areas are growing. And while many of these problems cannot be directly attributed to business, there is much more that can be done. Many of these current challenges preceded COVID-19 and have been magnified by the pandemic. The extraordinary and uncertain times facing all societies and most businesses highlight a pressing need for TNCs and regional companies to reconsider their CSR and sustainable approaches in these evolving environments. Such reflection needs to take into consideration both many years of wasted investments and failed initiatives allied to some approaches that have delivered meaningful improvements to peoples' lives.

Hence while present COVID-19 crisis may be new, the requirement for CSR and sustainable development programmes to better concentrate resources towards meaningful solutions is not. Indeed, one of our previous publications (Idowu, Vertigans and Burlea 2017) explored how CSR had fared in the aftermath of the 2008 international financial meltdown. The banking led crisis shed light on various unethical principles and a need to tighten up regulations. Banks and related industries also became more conscious of their wider responsibilities or as a cynic would argue, they became aware of the need to be seen to be more responsible. Nevertheless, the wider ramifications of the crisis have been financial constraints that have restricted money being available for CSR across many organizations combined with further scepticism of corporate intentions. Our previous book picked up these arrangements across the world from small- and medium-sized enterprises through to national programmes. While this book also focuses on case studies within nation-states from around the world, the chapters take up a range of wider cross-cutting issues that underpin the challenges CSR and sustainable development face. One of the

most noticeable differences has been how Sustainable Development Goals (SDGs) are closely associated with CSR programmes.

The application of CSR to the SDGs is symptomatic of both the realization about how global development needs constructive business engagement and that there are expectations and pressures on companies to deliver in ways they did not under the preceding uncritical forms of misdirected voluntarism. The book commences with a number of chapters exploring the impacts of SDGs on recent and future approaches to CSR and sustainable development. In the first chapter, Ásványi and Zsóka's explore CSR and corporate sustainability attachments to SDGs. Focusing on international and Hungarian examples enables the authors to illustrate the relevance of related programmes to achieving wider goals while also acknowledging how prioritising SDGs can have drawbacks to companies. Learning from these examples can collectively contribute towards greater integration of corporate and sustainable development goals.

Sarpong's requests in the Chapter 'Is Covid-19 Setting the Stage for UN Agenda 2030? In Pursuit of the Trajectory' for the COVID-19 pandemic to be a rallying call to learn lessons that will help progress the UN's Sustainable Development Agenda 2030. Hitherto the pandemic has highlighted weaknesses in global processes that have emphasized national and international inequalities and the iniquitous manner in which the most vulnerable peoples are facing the brunt of health, economic and social consequences. Conversely, the speed with which the world has been so adversely affected by a disease emphasizes the interconnections between countries and regions. By drawing upon these similarities, Sarpong points out the innovations and closer relationships that are at the forefront of the response to the pandemic and which can provide the basis to transform progress in achieving the SDGs.

Maphiri, Matasane and Mudimu focus, in the Chapter 'Challenges to the Effective Implementation of SDG 8 in Creating Decent Work and Economic Growth in the Southern African Hemisphere: Perspectives from South Africa, Lesotho and Zimbabwe', on SDG8, the promotion of inclusive economic growth, full and productive employment and decent work for all. Particular attention is placed on interlinking economic growth and decent work with the complementary objectives of the Southern African Development Community (SADC), namely to achieve economic development, peace and improve the quality of life for Southern Africans. Through specific reference to Lesotho, South Africa and Zimbabwe, the authors highlight both the opportunities there are to achieve decent work and the obstacles that are hindering developments.

The section on SDGs leads into chapters about CSR and sustainable development in the Global South. In the early days of CSR and sustainable development, much of the academic concentration was upon the global North. That related programmes were increasingly being directed in the South has belatedly been acknowledged both in the surge of publications and as the above chapters indicate, in the closer connections between business and SDGs which have a heavy Southern slant. Despite this growing emphasis, in the Chapter 'CSR in the Global South: The Continuing Impact of Postcolonial Power and Knowledge' Vertigans argues that evidence remains that CSR programmes continue to be dominated by the uncritical application of northern hemisphere derived ethics, governance and standards. Incorporating insights from postcolonial studies leads him to propose that colonial approaches and northern hemisphere sponsored postindependence programmes are being reproduced under the CSR rubric. To overcome this postcolonial continuation, he raises a number of proposals which can help overcome these deep-rooted relationships and processes.

Buckler takes forward some of the issues identified in the preceding chapter when exploring how companies navigate through local content regulations and the difficult balance between compliance and mutual benefit. By tracing roots and contemporary contexts, she evidences surrounding tensions for CSR and explores how shifts in power that accompany the implementation in local content policies are creating a backlash from within the global North. These shifts in dynamics and language raise questions for the future direction of the global economy.

In the Chapter 'Corporate Social Responsibility Practices and Its Implementation After the Legal Mandate: A Study of Selected Companies in India with Special Emphasis on the Mining Sector', Sumona undertakes an empirical study of mining companies operating in India. Studying companies' CSR practices from 2014–2015 to 2018–2019 enabled her to identify preferred activities such as education and health and corporate expenditure. The analysis highlights concerns about where companies direct their resources and in particular the relative neglect of energy, climate change, marine and terrestrial ecosystem that are so essential to sustainable development.

The next section focuses on Europe, highlighting growing recognition about the importance of the circular economy to sustainable development. The European Union (EU) has introduced numerous directives for waste that became part of the 2015 Circular Economy Package. The cornerstone of the approach is the encouragement of sustainable production and consumption behaviours. In the Chapter 'A Circular Economy Strategy for Sustainable Value Chains: A European Perspective', Camilleri provides a cost–benefit analysis of the EU's circular economy strategy and critically examines the most recent regulatory guidelines, instruments and principles. The findings indicate the circular economy approach is reducing industrial waste, emissions and energy leakages, leading to a number of suggested recommendations to policymakers and practitioners.

Alongside the shifting improvements within the EU strategy, Puiu outlines in the following chapter, a different picture of what is happening within Romania. She produces some comparative analysis of reuse/recycling of municipal waste within the European Union which raises concerns about Romania's levels of low recycling and high landfill. In order to find out about what is hindering progress, Puiu carried out fieldwork which enabled a better understanding of the obstacles and current levels of knowledge. This analysis has informed a number of proposed solutions to the identified difficulties facing reducing municipal waste in the country.

Underpinning a number of the above contributions are recent strategic approaches or often the lack of direction when such strategies are required. The following chapters directly address the importance of CSR and sustainable development strategies. Broomes positions four phases of CSR-related activities stemming from philanthropy through to strategic approaches whereby sustainability is embedded into core business. Integrating the triple sustainable development pillars of social, environmental and economic provides the basis for solving particular societal issues while becoming a catalyst towards SDGs. Applying a range of case studies allows Broomes to identify both strategic potential solutions and ongoing areas of concern such as health inequalities, energy inefficiencies, lack of sustainable livelihoods and human rights abuses in global supply chains. Through more targeted policies, these long-standing concerns can start to be more effectively addressed.

In the Chapter 'Anchoring Big Shifts and Aspirations in the Day-to-Day: A Case for Deeper Decision Making and Lasting Implementation Through Connecting Change-Makers with Their

Values', Locher argues radical changes are required if there is to be greater social responsibility and sustainability. These changes need to integrate both big goals with personal drive and individual and organizational values. Placing values within decision-making processes will, Locher argues, provide a more holistic, systemic way of achieving sustainable better outcomes.

Amoako also considers in the Chapter 'The Role of Corporate Social Responsibility in Business Sustainability,' how CSR agendas can be taken forward in ways that benefit customers and companies. After identifying the benefits of strategic CSR, he argues that CSR needs to be embedded into the core business. He emphasizes the significance, and need for wider recognition, of human resource management and the interconnection with other corporate strategies that are central to the effective implementation of CSR activities.

The closer international interweaving of CSR with SDGs outlined above has led to the heightened requirement for accuracy and transparency which is noted within the drive behind this section arguing for improved reporting standards. Nwagbara and Kalagbor explore, in the Chapter 'Institutional Pressures and CSR Reporting Pattern: Focus on Nigeria's Oil Industry', reporting/disclosure in Nigeria and the role of institutions in these processes. The chapter focuses specifically on Nigeria's oil industry, which has a history of lacking accountability, legitimacy, responsibility and transparency. Locating the industry within politico-cultural, regulatory, governance and institutional contexts allows the authors to shed light on the level of CSR reporting. This reporting seeks to legitimize activities through social performance and philanthropy rather than accountability, business responsibility and wider stakeholders' interests.

Frederiksen, Pedersen, Nielsen and Idowu take forward reporting in their examination of the Global Reporting Initiative (GRI) Standards in the Chapter 'Corporate Social Indices: Refining the Global Reporting Initiative'. The authors' critical analysis shows how the lack of comparative social performance data for different organizations hinders informed decision-making. Drawing inspiration from the UN's Human Development Index and Sen's capability approach, they suggest GRI Standards can be improved by incorporating a set of cross-organization social indices that will aid comparison and decision-making.

In the final chapter, Neri provides a timely positioning of environmental, social and governance (ESG) factors within twenty-first century challenges. Drawing upon contemporary examples, she explains how separate financial reporting is ill-suited for the requirements of this period. Against the backdrop of the lack of global standards, Neri argues that the standardized of ESG will enable integrated reporting to better inform business managerial and investment decision-making across the broad spectrum of their risks and opportunities.

These chapters outline a range of challenges in different contexts that are facing CSR and sustainable development programmes. Building upon the authors' analysis, they also make a plethora of well-informed recommendations on how these obstacles can be overcome. Hence, while the challenges have grown during the COVID-19 pandemic, the contributors in this book are typical of the innovative solutions that can be found within experts in CSR and sustainable development. The next challenge is to find ways for those recommendations to be implemented ...

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