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Corporate Social Responsibility, Public Private Partnerships and Human Development

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Transnational corporations (TNCs) appear to be chartering a new course as ‘partners’ in development. Two approaches have been central to this makeover: ‘corporate social responsibility’ (CSR), with its emphasis on voluntary initiatives aimed at improving a company’s social, environmental and human rights performance, and ‘public-private partnerships’ (PPP), where firms and public-interest organizations pool competencies and resources to work towards a mutually-agreed goal, and share responsibilities, risks, costs and benefits.

How have these approaches fared in practice? The concept of Human Development with its focus on the expansion of human capabilities and widening people’s choices, and its core elements of well-being, rights and participation, provides a useful frame for assessing their contribution.

Does CSR contribute to well-being?

Much of CSR and PPP discourse and practice is directly concerned with aspects of well-being. Particular attention has focused on improvements in working conditions of workers in TNC affiliates and large suppliers, provision of health services and drinking water, assistance to communities in areas where companies operate, and support for relief and development projects and programmes. The considerable attention to eco-efficiency and reducing waste and pollution suggests that the focus on well-being also extends to future generations.

Firms engaging proactively with CSR are, however, a very small fraction of the broader universe of companies, and implementation is often undermined by ‘free-riding’ and ‘window-dressing’. While the CSR agenda has expanded to include more issues related to well-being, CSR practices tend to focus on quite specific aspects: for example, occupational health and safety rather than long hours and decent wages; or the conditions of permanent rather than casual or part-time labour. The concerns of women workers often receive short shrift, particularly dimensions of gender equality related to women’s domestic responsibilities and care. Moreover, certain company practices often seem contradictory from the perspective of CSR and well-being, for example, lobbying or legal actions to prevent the manufacture of low-cost generic drugs or the so-called ‘race to the bottom’.

Does CSR address the rights component of Human Development?

Considerable attention to the issue of child labour has seen progress on this front, and CSR instruments such as codes of conduct have served to raise awareness of certain labour rights embodied in international law. Little has been achieved, however, in relation to the realization of core labour rights such as collective bargaining and freedom of association, or gender, ethnic and other forms of

discrimination. Attention has focused more recently on the broader category of 'human rights' and various tools, codes and principles are currently being developed in an attempt to facilitate company engagement with the human rights agenda. Nevertheless, only about 150 companies have adopted a human rights policy statement and very few conduct human rights impact assessments.

How do CSR and PPPs fare in relation to participation?

At one level, CSR is fundamentally about participation in that it aims to gauge societal concerns through such means as stakeholder dialogues and interaction with NGOs. And a variety of multi-stakeholder initiatives have emerged to foster 'collaborative governance'.

The notion of participation contained in the concept of Human Development, however, is more political than technical. It extends beyond consultation and giving the disadvantaged, or the NGOs who claim to speak on their behalf, a seat at the table. It is also about empowerment, in the sense of enhancing the capacity of the disadvantaged to exert claims on the powerful and to control resources and institutions that affect their lives. While CSR has been a useful mobilizing tool for civil society organizations and a terrain for contestation, there is little evidence that much has been achieved in terms of reconfiguring power relations. Indeed, there are concerns that CSR has enabled corporate interests to legitimize their dominant position and worldview, gain even greater influence in public affairs, and marginalize the regulatory roles of both trade unions and governments. Moreover, power relations within multi-stakeholder processes and PPPs often favour corporate interests, with southern voices, in particular, under-represented.

CSR and PPP for Human Development?

The relationship between CSR and Human Development, then, appears to be skewed towards quite specific aspects of well-being, rights and participation. There is the risk that CSR and PPPs not only ignore fairly fundamental dimensions of Human Development but also divert attention from public policy, regulatory approaches and forms of collective action that are essential to its promotion.

Some general sources:

1. Frynas, Jędrzej George, and Peter Newell (eds.). 2007. "Beyond Corporate Social Responsibility? Business, Poverty and Social Justice", *Third World Quarterly*, Volume 28, No. 4, Special Issue: <http://www.informaworld.com/smpp/title~content=g778892666~db=all>
2. Peter Utting, 2005. *Rethinking Business Regulation: From Self-Regulation to Social Control*, UNRISD, Geneva: [http://www.unrisd.org/unrisd/website/document.nsf/\(httpPublications\)/F02AC3DB0ED406E0C12570A10029BEC8?OpenDocument](http://www.unrisd.org/unrisd/website/document.nsf/(httpPublications)/F02AC3DB0ED406E0C12570A10029BEC8?OpenDocument)
3. Peter Utting, 2007. "CSR and Equality", *Third World Quarterly*, Volume 28, No. 4: <http://www.informaworld.com/smpp/content~content=a778892518~db=all~order=page>
4. Peter Utting and Ann Zammit, 2006. *Beyond Pragmatism, Appraising UN-Business Partnerships*, UNRISD: [http://www.unrisd.org/80256B3C005BCCF9/\(httpPublications\)/225508544695E8F3C12572300038ED22?OpenDocument](http://www.unrisd.org/80256B3C005BCCF9/(httpPublications)/225508544695E8F3C12572300038ED22?OpenDocument)
5. Business & Human Rights Resource Centre: <http://www.business-humanrights.org/Home>

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