

Corporate Social Responsibility and International Development: Is Business the Solution?

Written by Administrator

Tuesday, 10 June 2008 13:49 - Last Updated Thursday, 18 September 2008 16:22

Hopkins, M. (2006). *Corporate Social Responsibility and International Development: Is Business the Solution?* . London: Earthscan Publications Ltd.

The business of business is business. So then why should corporations be involved in development? This groundbreaking new book makes the case that that governments and their international agencies grouped under the umbrella of the UN, have failed in their attempts to rid the planet of under-development and poverty. If development is the objective then it seems that the solution and the responsibility lies with the private sector, particularly through the Corporate Social Responsibility (CSR) programs of large corporations, with their tremendous power and economic strength.

This book, written by noted CSR practitioner Michael Hopkins, is the first to explicitly link CSR with development. It spells out what corporations are doing on development, what more they could do and how CSR can be a useful tool to promote economic development via corporations. This is important and challenging reading for all of those in government, business and NGOs who think that there must be a better, more effective and dynamic way to kick-start development and eradicate poverty.

Michael Hopkins is CEO of MHC International (London and Geneva) and Chair of the International Centre for Business Performance and Corporate Responsibility, Middlesex University Business School, UK. He is also the author of *The Planetary Bargain* (2003).

Here is an excerpt from the Preface of the book:

“Governments and their international arms, the agencies grouped under the umbrella of the United Nations (UN), have failed in their attempts to rid the planet of under-development and poverty. Whether they like it or not, corporations are involved in development. Large corporations, with their power and economic strength, have taken a dominant position in society. They will, as this book argues, need to take much more responsibility for development than ever before.

After more than 60 years since the foundation of the UN in 1945 and US\$1 trillion (1000 billion

Corporate Social Responsibility and International Development: Is Business the Solution?

Written by Administrator

Tuesday, 10 June 2008 13:49 - Last Updated Thursday, 18 September 2008 16:22

US dollars) in development aid, 2.65 billion people — or nearly half the people on the planet — still live on less than \$2 a day and the figures have grown over the past decade. Indeed, some of the poorest economies are going backwards. In Africa — from the War on Poverty to Live Aid — much publicity and private sector support has been gathered through harnessing the photogenic power of actors and pop singers. This is because it was in sub-Saharan Africa, over the period 1981—2001, when gross domestic product (GDP) per capita shrank 14 per cent, poverty rose from 41 per cent to 46 per cent by 2001, and an additional 150 million people fell into extreme poverty!

So has the UN failed? As Kofi Annan remarked in his speech on the restructuring of the UN in March 2006: 'I am expected to be the world's chief diplomat, and to run a large and complex organisation in my spare time.' The UN, in fact, punches above its weight. The UN is actually a small organization. The total operating expenses for the entire UN system — including the World Bank, International Monetary Fund (IMF) and all the UN funds, programmes and specialized agencies — came to around \$18 billion a year at the turn of the 21st century. This is less than the size of many multinational enterprises. [...]

CSR is one of, if not the most important issue of our time. The power and strength of corporations can be harnessed for positive developments. This is not always so, as can be seen in the case of the major tragedy of the modern era — Iraq.

Could CSR have prevented the Iraq war? Yes! The relations between Halliburton, Bechtel, Carlyle and many other corporations in a CSR world would have been intensively examined. Stakeholders would have been held publicly accountable, and socially irresponsible actions such as supporting war efforts for personal gain would have been stamped out. Naïve? Perhaps. But right now, large corporations are more powerful than the UN, and more powerful than many nation states. Therefore, CSR is a more urgent issue than it has ever been before.” (pp. ix, xiii)