Center for Ethics and Social Responsibility (CESR)

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Executive Director

Business & Finance:
Reconciling purpose-driven business models with public good and private profit

Future Capital: Financing Global Development
• Academia
• Volunteer Sector
• Private Sector
• Municipal Government
• Higher Education
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  ➢ United Nations PRME, Chapter North America Chairperson
Objectives

● Key milestones in the history and evolution of Corporate Social Responsibility (CSR)

● Current CSR Theories and Approaches

● The UN Global Compact and the UN Sustainable Development Goals

● The Circular Economy
Key milestones in the history and evolution of CSR

1. The Philanthropic Era
   • Corporate philanthropy
   • Improved employee relations
   • Company assistance to social agencies
   • Paternalism
     • Pullman experiment
     • YMCA
   • Great Depression
     • Trusteeship or stewardship
Key milestones in the history and evolution of CSR

2. The Awareness Era
   • recognition of the overall responsibility of business and its involvement in community affairs

3. The Issue Era
   • focus on specific issues such as urban decay, racial discrimination, and pollution problems

4. Responsiveness Era
   • companies begin to take serious management and organizational actions to address CSR issues
## Corporate social responsibilities theories and related approaches

<table>
<thead>
<tr>
<th>Instrumental theories (focusing on achieving economic objectives through social activities)</th>
<th>Short description</th>
<th>Some key references</th>
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</thead>
</table>
| Strategies for competitive advantages | • Social investments in a competitive context  
• Strategies based on the natural resource view of the firm and the dynamic capabilities of the firm  
• Strategies for the bottom of the economic pyramid | Porter and Kramer (2002)  
| Cause-related marketing | Altruistic activities socially recognized used as an instrument of marketing | Varadarajan and Menon (1988), Murray and Montanari (1986) |
### Corporate social responsibilities theories and related approaches

<table>
<thead>
<tr>
<th>Political theories (focusing on a responsible use of business power in the political arena)</th>
<th>Short description</th>
<th>Some key references</th>
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<tbody>
<tr>
<td>Corporate constitutionalism</td>
<td>Social responsibilities of businesses arise from the amount of social power that they have</td>
<td>Davis (1960, 1967)</td>
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<tr>
<td>Corporate (or business) citizenship</td>
<td>The firm is understood as being like a citizen with certain involvement in the community</td>
<td>Wood and Lodgson (2002), Andriof and McIntosh (2001) Matten and Crane (in press)</td>
</tr>
</tbody>
</table>
## Corporate social responsibilities theories and related approaches

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<tr>
<th>Integrative theories (focusing on the integration of social demands)</th>
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<tbody>
<tr>
<td>Issues management</td>
<td>Corporate processes of response to those social and political issues which may impact significantly upon it</td>
<td>Sethi (1975), Ackerman (1973), Jones (1980), Vogel, (1986), Wartick and Mahon (1994)</td>
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<tr>
<td>Public responsibility</td>
<td>Law and the existing public policy process are taken as a reference for social performance</td>
<td>Preston and Post (1975, 1981)</td>
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<td>Stakeholder management</td>
<td>Balances the interests of the stakeholders of the firm</td>
<td>Mitchell et al. (1997), Agle and Mitchell (1999), Rowley (1997)</td>
</tr>
<tr>
<td>Ethical theories (focusing on the right thing to achieve a good society)</td>
<td>Short description</td>
<td>References</td>
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<tr>
<td>Sustainable development</td>
<td>Aimed at achieving human development considering present and future generations</td>
<td>World Commission on Environment and Development (Brutland Report) (1987), Global Reporting Initiative (GRI) and B Impact Assessment (BIA), ISO 26000, Sustainable Development Goals (SDGs).</td>
</tr>
</tbody>
</table>
UN GLOBAL COMPACT & PRINCIPLES FOR RESPONSIBLE MANAGEMENT EDUCATION

Making Global Goals Local Business
THE UN & BUSINESS
DEEPENING INTERDEPENDENCIES

BUSINESS
Profit & Growth
Through Products & Services

UNITED NATIONS
Building Markets
Good Governance
Global Health
Environment
Security
Peace, Development & Human Rights

Deepening Interdependencies
UN GLOBAL COMPACT

Launched in 2000, the UN Global Compact believes it’s possible to create a sustainable and inclusive global economy that delivers lasting benefits to people, communities and markets. That’s our vision.

To make this happen, the UN Global Compact supports companies to:

1. Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labor, environment and anti-corruption; and

2. Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.
## UN GLOBAL COMPACT TEN PRINCIPLES

### Human Rights
- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

### Labour Standards
- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

### Environment
- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies

### Anti-Corruption
- **Principle 10:** Businesses should work against all forms of corruption, including extortion and bribery.
UN GLOBAL COMPACT TODAY

We are mobilizing a global movement of sustainable companies and stakeholders to create the world we want.

13,000+ Signatories

160+ Countries

85+ Local Networks
DUAL GOALS OF SUSTAINABLE DEVELOPMENT: HIGH HUMAN DEVELOPMENT AND LOW ECOLOGICAL IMPACT
DEFINING THE SUSTAINABLE DEVELOPMENT CHALLENGES
Re-thinking Progress: The Circular Economy

https://youtu.be/zCRKvDyyHmI
https://www.youtube.com/watch?v=Cd_isKtGaf8
The SDGs

# 8 ... Decent Work
# 9 ... Sustainable Industrialization
# 13 ... Climate Action
#14 . . . Life Below Water
# 15 ... Protecting Eco-systems
# 16 ... Promoting Peace

# 12 ... Responsible Consumption and Production
What Is The Circular Economy?

- **Cradle to cradle ethos:**
  - everything is designed to be reused, upcycled, or biodegrade

- **“Natural capitalism”:**
  - aims to account for overlooked costs and values like those of *waste and finite resources*
What Is The Circular Economy?

Radical Rethink:
The Birth of Circular Manufacturing

- Manufacturers are really at the heart of this new revolution.
- Circular economics is fast becoming more mainstream than ever.
- The business case for the circular model is going global.
The ReSOLVE Framework

- **Regenerate**
  - Reclaim, retain, and restore health of ecosystems

- **Share**
  - Reuse or prolong life through design

- **Optimize**
  - Increase performance/efficiency of product

- **Loop**
  - Recycle materials

- **Virtualize**
  - Dematerialize

- **Exchange**
  - Choose new product/service