Corporate social responsibility concept and scope

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The CSR concept came into common use in the late 1960s and early 1970s, it encourages organizations to consider the interests of society by taking responsibility for the impact of the organization's activities on consumers, employees, shareholders, communities and the environment in all aspects of its operations.
What is CSR about

• An **obligation beyond that required by law and economics**, for a company to pursue long term goals that are good for society

• The **continuing commitment by business to behave ethically** and contribute to economic development while improving the quality of the workforce and their families as well as that of local communities and society at large

• About how a company manages its business process to produce an **overall impact on society**

**CSR applied to responsible agro investments?**

*Agriculture investments that respect:*

- **RIGHTS**
- **LIVELIHOODS**
- **RESOURCES**
Overall companies/businesses’ responsibilities

- **Discretionary Responsibility** *(CSR)*
- **Legal Responsibility** *(Attain to country laws and regulations)*
- **Economic Responsibility** *(Be profitable)*
CSR responsibilities

Selected internal and external recipients

**Internal**
- Responsibility towards owners
- Responsibility towards suppliers
- Responsibility towards employees
- Responsibility towards investors

**External**
- Responsibility towards society
- Responsibility towards competitors
- Responsibility towards customers
- Responsibility towards government
Potential elements/activities that can be included in the CSR guidelines for RAI

- Food and nutrition security
- Human rights (including labour rights)
- Sustainable agricultural development
- Conditions of work and occupational and health safety standards
- Community involvement and development investing in human capital
- Involvement of and respect for diverse culture and disadvantaged populations
- Environmental preservation
- Accountability and transparency
- Etc.
CSR efforts diversifications

*(snapshot analysis of past global interventions)*

**CSR as corporate philanthropy**

- **PURPOSE** - Providing funding and skills
- **IMPACT** - *Little* strategic and operational impact
- **BENEFITS** - Short-term benefits, impact is thinned because diluted to many charities, minimal results in national social programmes

**CSR as risk management**

- **PURPOSE** - Compliance
- **IMPACT** - *Medium* to high strategic and operational impact
- **BENEFITS** - Mitigate operational business impacts, support external relationship etc

**CSR as value creation**

- **PURPOSE** - To promote sustainable business models
- **IMPACT** - *Fundamental* strategic and operational impact
- **BENEFITS** - Promotes sustainable models, integrates business into the communities, develop human capital, etc
Conclusions

CSR can play a vital role in detecting how business impacts labour conditions, local communities and economies, environmental issues etc.

Effective CSR policies and strategies, based on socio-economic sustainable development principles, must foster ownership and local involvement, clearly demonstrating commitment of the investor to partner with the communities in which business is conducted.

Investments today cannot afford alienation/isolation, business needs a stable social environment that provides a predictable climate for investment and trade and therefore involving and protecting local communities (hence investing in human & social capital and local economic development) is vital to a company’s continued commercial success.
Asante sana
Thank you

For more information please visit the FAO, WB, UNCTAD and IFAD Knowledge exchange platform for Responsible Agro-Investments (RAI)
http://www.responsibleagroinvestment.org/rai/