



Social Responsibility as a driver of Local Sustainable Development

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SUMMARY

1. TERRITORIAL SOCIAL RESPONSIBILITY AS A DRIVER OF LOCAL SUSTAINABLE DEVELOPMENT
2. FROM “CORPORATE SOCIAL RESPONSIBILITY” TO “SOCIAL RESPONSIBILITY”
3. TERRITORIAL SOCIAL RESPONSIBILITY
4. TSR PROJECTS
5. CONCLUSIONS

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SOCIAL RESPONSIBILITY AS A DRIVER OF LOCAL SUSTAINABLE DEVELOPMENT

Social responsibility could represent a useful tool in order to facilitate local sustainable development processes.

Local sustainable development can be better achieved with a governance solution based on “**network coordination**” as well as the progressive **stakeholders’ involvement** in sustainable development strategies of organizations.

In a territorial perspective, it is necessary to **rethink the “corporate social responsibility” concept.**

According to a progressive idea of sustainable development, the acknowledgement of values of justice, fairness, equality, equity, cohesion, democracy, unity, solidarity and internationalism (Pike et al. 2007) as determinants of the behaviour of microeconomic actors, characterizes the holistic view of local sustainable development.

“The holistic approach sees development as necessarily broader than just the economy and encourages wider and more rounded conceptions of well being and quality of life” (Pike et al. 2007).



DEFINITION OF TERRITORY

The **definition of “territory”** can be different if a traditional or a progressive view is followed.

Traditional view: addition of natural resources and anthropic changes;

Progressive view: territory reflects its related uses, in time and space (Peraro & Vecchiato 2007).

Our vision: territory is conceived as the geographical place with its natural resources endowment, urban transformations and **public and private** organizations acting there. **Local community** assumes an increasing relevance.

TERRITORIAL SOCIAL RESPONSIBILITY

In this context, sharing vision, values and responsibilities among different actors within a territory could facilitate the local sustainable development process.

Territorial social responsibility could be seen as the result of a networking and common planning process among those actors.

How did we get here?

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“**Corporate Social Responsibility**” theories and approaches have significantly grown in the past decades and a **new trend emerges on the horizon**.

Even if the majority of CSR theories has been developed in the business field, nowadays the concept of “**Social Responsibility**” seems to better represent the variety of organizations, which contribute to local development.

Companies, public agencies and the **third sector** are engaged in sustainability issues with different purposes and approaches.

“**Territorial social responsibility**” broadens the perspective of the single company interacting with its own stakeholders in relation to specific social and environmental impacts, to a **network of organizations**, with different aims and natures, collaborating on relevant sustainability issues.

Urged by the stakeholders' pressures and concerned for the environmental and social impacts related to the business activities, the **companies** – MNC & SME – have been adopting *ad hoc* management and communication measures.

Most **definitions of corporate social responsibility** describe it as a concept whereby companies integrate **social and environmental concerns** in their business operations and in their interaction with their stakeholders on a **voluntary basis**. Being socially responsible means not only fulfilling legal expectations, but also **going beyond compliance** and investing 'more' into human capital, the environment and the relations with stakeholders. (European Commission, Green Paper, 2002)

CSR requires companies not only to consider the impacts of business activities but also to **work with communities** to ameliorate those impacts (Garvin et al. 2009).

Public agencies, pursuing the ‘common good’, started thinking about their role in the field of social responsibility, being asked to be **more accountable** for their action and for the use of public resources (Tanese, 2004). The adoption of reporting tools, such as social reports, allows to fill the information gaps between citizens and local governments.

Since the degree of consensus on stakeholders’ involvement in sustainable development processes is increasing (OECD and UNDP 2002), public agencies should **open their decision making processes** to related stakeholders (Marconi. P, 2006). Moreover, with the acknowledgment of the subsidiarity concept, public agencies operating at local level face new commitments.

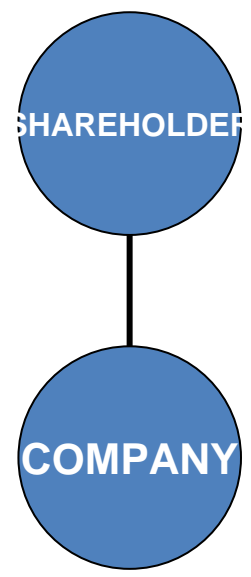
TOWARDS SOCIALLY RESPONSIBLE NETWORKS: *THIRD SECTOR ORGANIZATIONS*

Ethical and socio-environmental concerns represent the core business of the organizations operating within the third sector.

Accounting for a **proper use of financial, social, environmental and cultural resources**, for the decision making process and its outputs, is a moral imperative for these organizations (Pucci-Vergani 2002).

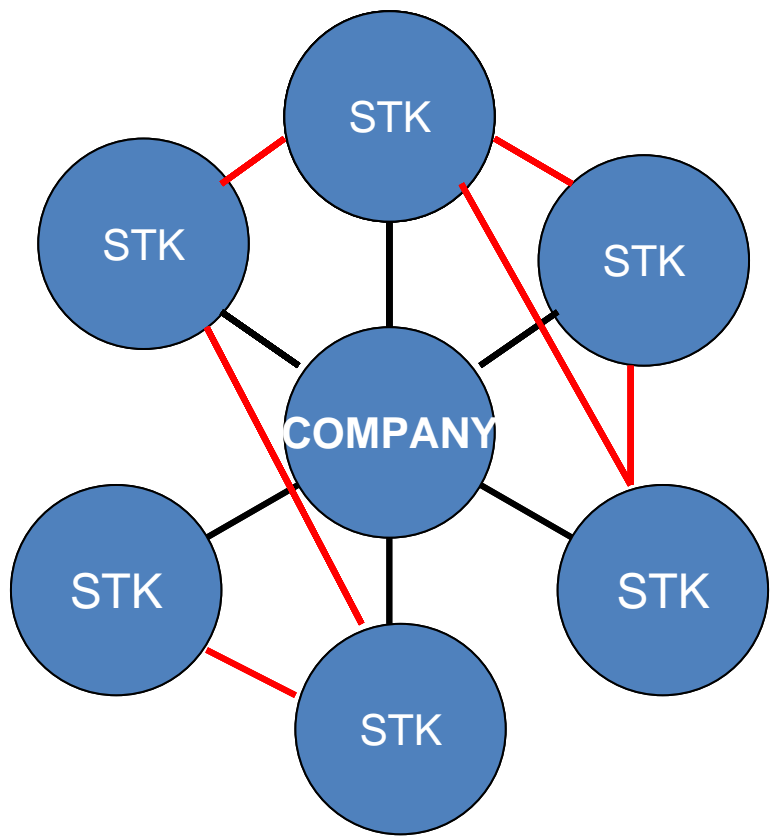


NO CSR



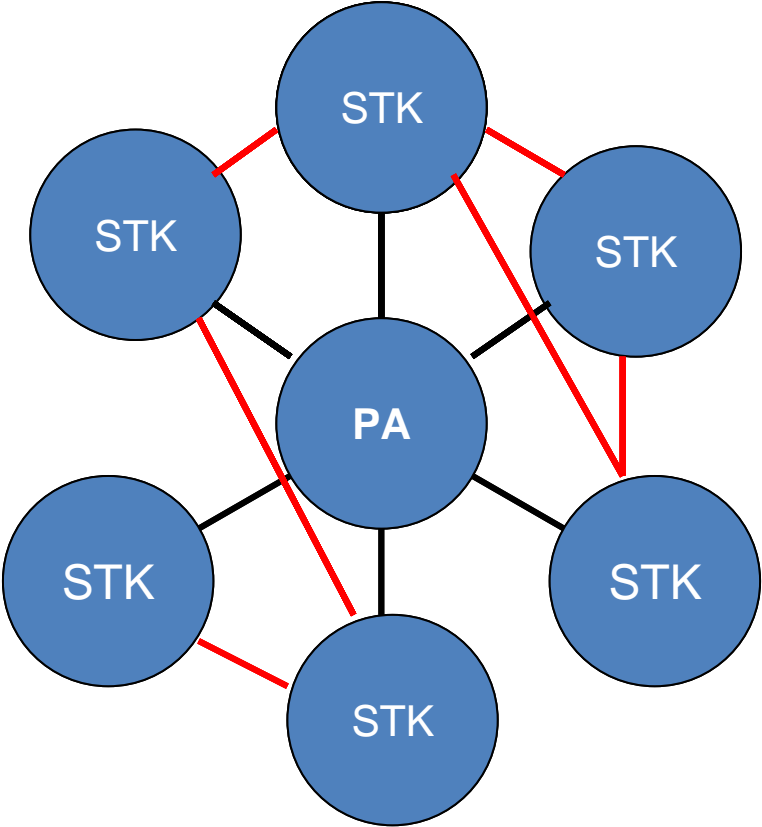


CORPORATE SOCIAL RESPONSIBILITY



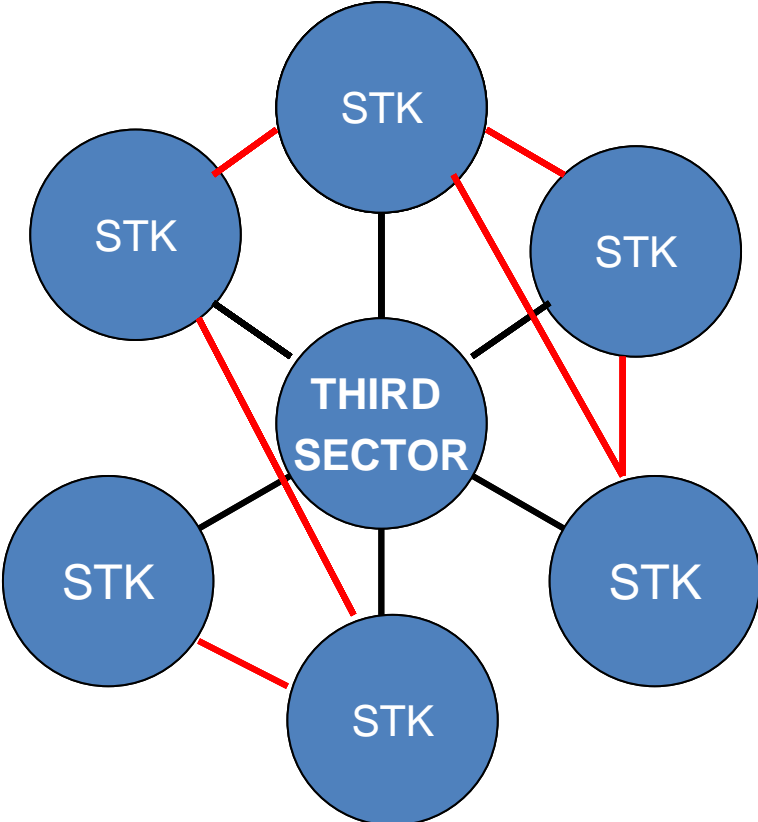
Social Responsibility as a Driver of
Local Sustainable Development

SOCIAL RESPONSIBILITY OF ORGANIZATIONS



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Local Sustainable Development

SOCIAL RESPONSIBILITY OF ORGANIZATIONS



Social Responsibility as a Driver of
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WHY DO NETWORKS WORK?

In order to carry out effective local sustainable development, strategic socio-economics actors are asked to work together, sharing common values of social welfare, thus fulfilling the Lisbon Agenda and the European principle of subsidiarity.

Traditional power hierarchies are being replaced by a more **complex, multi-relational balance of power**, where **citizens** and **companies** are playing an active role in shaping socio-economic change and addressing problems that were previously the sole responsibility of **government**.

It emerges, thus, the importance of multi-sector and multi-stakeholder based partnerships or '**new social partnerships**', defined by Nelson & Zadek (2003) as *"people and organizations from some combination of public, business and civil constituencies who engage in voluntary, mutually beneficial, innovative relationships to address common societal aims through combining their resources and competencies"*.

The joined action of these multiple actors is theoretically supposed to create an added value or '**alchemic effect**'.

Here, the expression '**multi-stakeholder approach**' goes over the classical idea of a single organization as the focal point of a stakeholder network (Rowley 1997).

Social responsible networks always encompass multiple focal points. In fact, in a social responsible network, the different organizations composing it represent various focal points of several stakeholder networks.

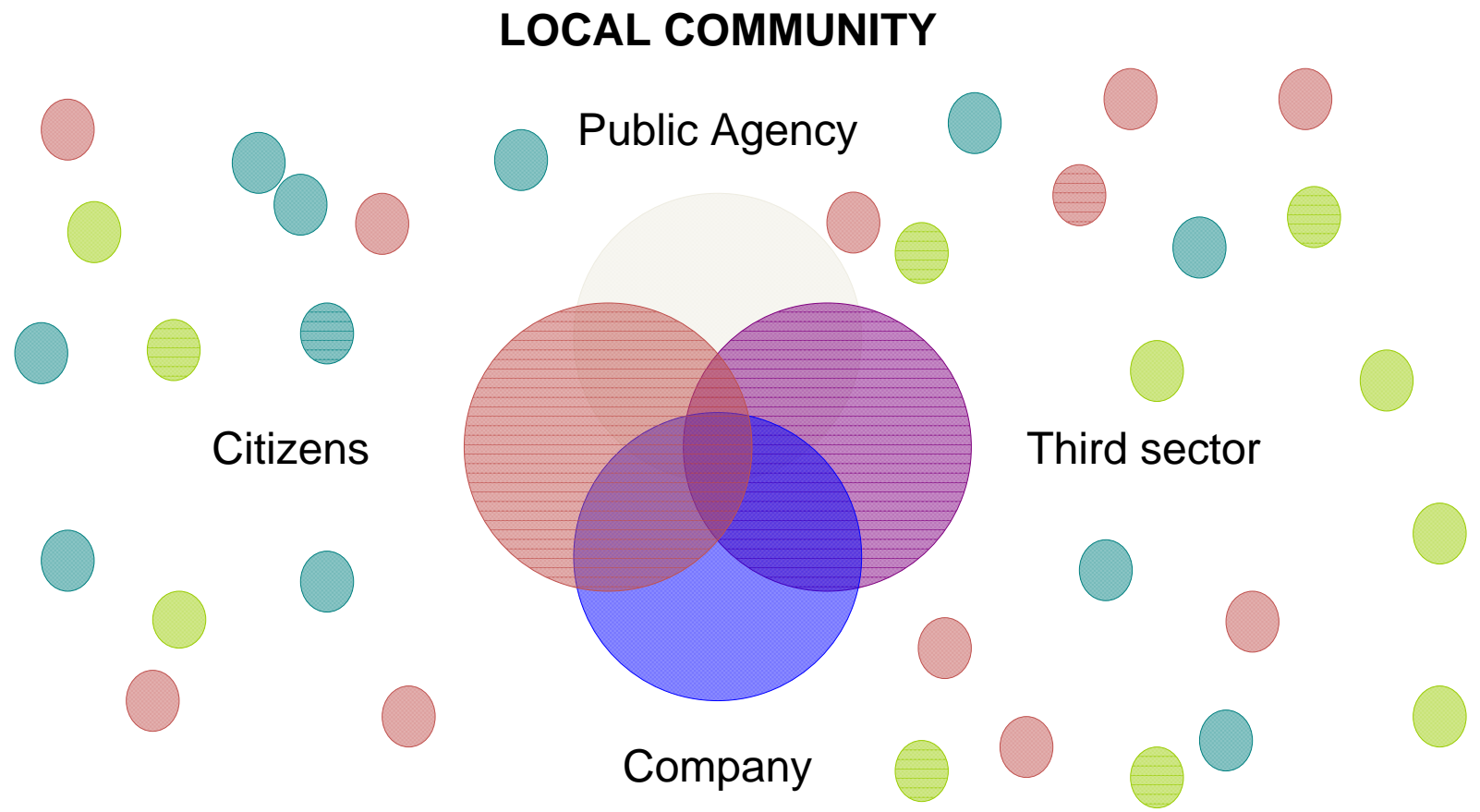
Stakeholders within a multi-stakeholder network are assumed to be the integration of every organization's stakeholder or, to use the definition given by Roloff (2008), "*any group or individual who can affect or is affected by the solution of the problem addressed by the network*".

In addition, **network actors** – such as companies, public agencies, third sector organizations – are **mutual stakeholder**.

The changing paradigm from Corporate Social Responsibility to Territorial Social Responsibility (TSR) reflects the acknowledgment of the multi-stakeholder approach.



SOCIALLY RESPONSIBLE NETWORKS



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TERRITORIAL SOCIAL RESPONSIBILITY

The network of socially responsible actors is directed to reach a **mutual engagement and common decisions with respect to a common issue**.

TSR could be implemented in a territory where a social responsible network operates in a framework of multi-level and multi-stakeholder governance influencing in a positive way the **path toward sustainable development**.

Three key elements:

- Within the **local community**, actors – as representatives of the business, the public authorities, the third sector and citizens – are knots of a network directly or indirectly related to a same territory.
- **Sustainability** and the related values of equity and justice are the lifeblood that feeds and strengthens the network; on a sustainability perspective, local community is composed by social responsible actors.
- **Deliberative democracy** highlights the decision making power, equally assigned to the social responsible local networks.

*How do we evaluate the **capability** of a territory to be socially responsible?*

The concrete implementation of the TSR concept changes according to the diversity of needs and features of each local context.

We don't focus here on the steps characterizing a TSR process, but we suggest a specific **indicator set**, in order to provide a useful tool for a general **analysis of sensitiveness of a territory toward social responsibility** and for assessing the improvements achieved by local multi-stakeholders networks engaged in a sustainable development process.

At this stage, the study is more focused on the **theoretical conceptualization** than on the effective measurement; that's why the relative set of indicators **does not provide an articulated standardized formula**, but focuses on the aspects considered as relevant for a comprehensive representation of each theme.

TERRITORIAL SOCIAL RESPONSIBILITY: SET OF INDICATORS

The **main issues** assumed to be characterizing the Territorial Social Responsibility concept are:

- **Governance**
- **Social capital**
- **Economy**
- **Human capital**
- **Natural environment**
- **Artificial environment**
- **Cultural environment**

‘Governance’, ‘social capital’ and ‘economy’ are analyzed here in order to assess the multi-stakeholder and cooperative dynamics of Territorial Social Responsibility.

THE SET OF INDICATORS: GOVERNANCE

Within a local sustainable process driven by a multi-stakeholder approach, **governance** can be defined as the **shared modalities to realize a common Goal**.

In such a perspective, governance allows to solve problems of **coordination among actors, through the implementation of rules and processes based on the concept of “network”**.

The network coordination category (Fadda 2003) surpasses the ‘top down’/‘laissez-faire’ dichotomy, proposing a **dynamic interaction involving, vertically or horizontally, the companies or all the actors within the economic system**.

Indicators related to territorial governance are, in literature, predominantly formulated on a government perspective. Despite the increasing acknowledgement of concepts as decentralization, multi-level governance, cooperation and participation, national and local governments seem to be considered as the main actors of a good territorial governance.



THE SET OF INDICATORS: GOVERNANCE

Themes (<i>second level</i>)	Indicators (<i>third level</i>)
Social Responsibility	<ul style="list-style-type: none">-Degree of accountability-Actors adopting social responsibility initiatives
Voice	<ul style="list-style-type: none">-Civil liberties-Independent media-Organizations have a voice to express their concerns over changes in laws or policies
Rule of law	<ul style="list-style-type: none">-Political rights-Political process-Lobbing-Political instability-Military in politics
Government effectiveness	<ul style="list-style-type: none">-Perception of the quality of public services provisions-Efficiency of bureaucracy-Competence of civil servants-Independence of the civil services from political pressures-Citizen complaint mechanism-Documented performance standards and internal information systems-Auditing processes-Efficiency of the economic management system

THE SET OF INDICATORS: GOVERNANCE

Regulatory burden	<ul style="list-style-type: none"> -Market unfriendly policies -Perception of the burden of excessive regulation
Corruption	<ul style="list-style-type: none"> -Perception of corruption -Degree of transparency -Measures for tackling corruption
Multi-level governance	<ul style="list-style-type: none"> -Degree of decentralization -Local governance tradition -Modes of governance (for sustainable development) -Modes of coordination
Policies & Tools	<ul style="list-style-type: none"> -Shared sustainability management system -Policies' approach on sustainable development -Policies' approach in local and regional development -Policies promoting participation -Policies promoting social cohesion
Participation	<ul style="list-style-type: none"> -Inclusive decision making processes/Stakeholder consultation (or engagement) processes -Innovative approaches and technologies to participation -Stakeholder consultation approaches -Depth and width of stakeholder participation -Effectiveness of participatory initiatives -Mutual perception of participation effectiveness
Partnerships	<ul style="list-style-type: none"> -Public-private partnerships -Cross-sector partnerships

The origins of social capital rest upon an idea of development as a "qualitatively qualified" growth: *it is the glue that holds societies together and without which there can be no economic growth or human well-being* (The World Bank 1999).

Social capital - together with the economic and financial capital - plays an important role in providing the best conditions for development.

It is possible to identify a **link between territorial social responsibility and social capital in the ways the different actors interact within a given territory.**

Moreover, the concept of social capital is multidimensional and **allows to grasp the dynamics of change of an area**: it embraces institutions, relationships and customs which found the quality and quantity of social interactions.

In order to highlight the contribution of social capital to sustainable development, it has been broken down into three themes: **networks, trust, civic sense.**

THE SET OF INDICATORS: SOCIAL CAPITAL

The related set of indicators is built upon structural/tangible and cognitive/intangible aspects (Coleman 1988).

Themes (<i>second level</i>)	Indicators (<i>third level</i>)
Networks	<ul style="list-style-type: none"> -Family bonds -Informal relations among friends and acquaintances -Cooperation degree among different type of organizations -Strength of the relationship among networks
Trust	<ul style="list-style-type: none"> -Trust in other people -Confidence in institutions and public service -Perception of safety -Fear of crime
Civic Sense	<ul style="list-style-type: none"> -Shared norms and values -Civic participation -Active political participation -Diffusion of voluntary associations

Typically, the economy represents **the whole range of activities** put in place by people, organizations and institutions within a territory **in order to satisfy individual and collective needs with limited resources.**

With the attempt to represent the economy on a sustainable development perspective, a set of well-being indicators are presented, together with the 'mainstreaming' economic indicators.

THE SET OF INDICATORS: ECONOMY

Themes <i>(second level)</i>	Indicators <i>(third level)</i>
<p>Economic development and competitiveness</p>	<ul style="list-style-type: none"> -Growth -Added value by economic sector -Investments -Households saving -Poverty -Distribution of population and area across predominantly urban, intermediate and predominantly rural regions -Elderly dependency rate -Education -Information Technology Capacity
<p>Employment</p>	<ul style="list-style-type: none"> -Employment -Unemployment -Long-term unemployment
<p>Innovation</p>	<ul style="list-style-type: none"> -R&D activities -R&D expenditure -Jobs in R&D -Patent application -Skilled labour force -Higher education attainment

THE SET OF INDICATORS: ECONOMY

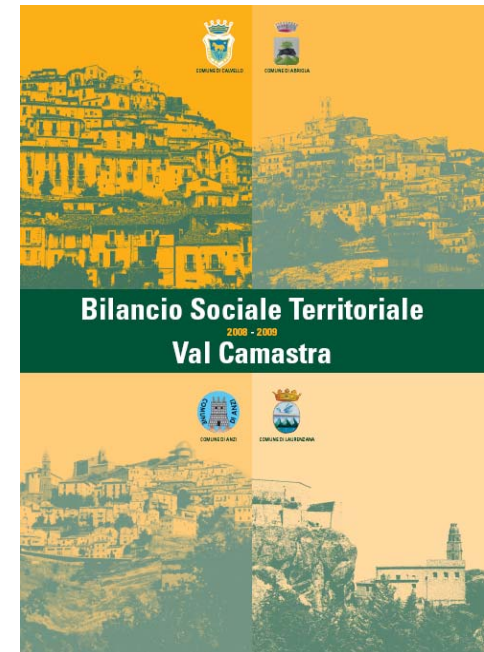
<p style="text-align: center;">Well-being</p>	<ul style="list-style-type: none"> -Access to health services -Public expenditure on health -Access to education services -Public expenditure on education -Access to safety services -Facilities in the area -Leisure -Consumption expenditure by private households -Income/Wealth distribution -Consumer durable services -Services of households' labour -Services of streets and highways -Change in net international position -Quality of the environment -Cost of urbanization -Cost of water pollution -Cost of noise pollution -Loss of wetlands -Loss of agricultural land -Long-term environmental damage -Exhaustible resources depreciation -Perception of well-being
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Sustainability / Social Reporting:

- Involves all the actors and gives them a voice
- Guarantees transparency, making explicit the involved actors' commitment and testifying achieved goals
- Facilitates a common planning process
- Helps creating a common territorial identity

TERRITORIAL REPORTING



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NETWORKS CREATION AND CAPACITY BUILDING

M.A.I.S. project aims at **spreading responsible behaviours to foster sustainable development within food systems.**

The main goals of the Project are:

- to define the concept of Territorial Social Responsibility in the food sector
- to create a sustainable food network at local level involving supply chain actors, consumers, public bodies, and third sector's organizations
- to provide tools underpinning responsible food practices.

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CONCLUSIONS

1. Social Responsibility can be considered a driver for local sustainable development only if implemented by a **multi-stakeholder network**, such as the '*social responsible network*', through a multi-stakeholder approach.
2. Nowadays '*Territorial Social Responsibility*' is still a theoretical concept; whereas really implemented (e.g. case-studies in Italy – FEEM's projects), no assessment has been realized in order to measure its effectiveness.
3. Can TSR stimulate or strengthen social responsible practices in the organizations within the multi-stakeholder network?

Thanks!

Comments are welcome!

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