



HM GOVERNMENT OF GIBRALTAR
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Corporate Social Responsibility (CSR)

In the midst of the growing awareness that the planet's resources are finite, first-world economies have begun to realise the impact and far-reaching consequences of their relentless thirst for resources and continued economic growth. Today's largely brown economies are driven by major corporations which wield significant political, economic and environmental influence and control.

The current economic model does not allow for the sustainable use of resources, regardless if they are of a physical or human nature. These political and economic views have permitted corporations to morph from an originally relatively insignificant entity within society into one with far-reaching dominance over our lives — from buying patterns and cultural influences, to working conditions, environmental effects and political influence.

However, with the rising prominence of the environmental sciences during the 1960's and a growing awareness among citizens across developed nations, pressure has grown for greater equality, competition and transparency within corporations. This has led to the creation and development of Corporate Social Responsibility programs, Socially Responsible Investments, Health & Safety Policies, Fair-trade relations and included ethical performance data alongside financial performance in corporate annual reports.

Within the specific context of the western free-market economic activity and business practices, the past five decades have witnessed sizable gains in how consumers are able to determine how businesses actually conduct their activities. This is reflected by the emergence of 'business ethics' which can be traced back to a changing ethical climate and culture, as evidenced by the civil rights protests across South America, anti-war sentiment, and human rights issues in the 1960s, 1970s and 1980s which resulted in corporations establishing codes of conduct and value statements.

The escalating focus on the social responsibility of the corporation stems from the increased freedom granted to Corporations to develop their business activities and the need for this freedom to be used wisely and responsibly. Alongside the increased focus on corporations, there has been an evolution of

the consumerist movement. This revolution has introduced the study of ecology into the purchasing decisions which consumers make, forcing them to consider the fundamental cause and effect relationship between their behaviour and its environmental impact on the Earth and other individuals. It can therefore be said that, today, both corporations and consumers face decisions which transcend legislation and include ethical expectations.

As a result of growing academic interest and extensive research, governmental pressure to increase corporate involvement in environmental, social responsibility and accountability, and the promotion of a European framework for Corporate Social Responsibility (CSR), CSR is now of strategic importance on the corporate agenda. However, the way in which corporations have viewed and approached CSR has led to criticism from stakeholders and academics, as corporations have realised the value of CSR as a marketing tool instead of a tool to challenge and improve social causes or society's welfare overall.

Ultimately, the corporation might not be able to possess or generate a moral or ethical standpoint because it is an inanimate object, created through a legal framework to provide certain services, i.e. products, employment, technological advancements, profits, taxes and so on. Therefore in this sense, as the sum of its parts, it can only be expected to serve these given tasks, which it was created to serve in the first place. However, it is the individuals which comprise the inanimate object i.e. management, shareholders, employees, customers etc who have the ability to possess or generate a moral or ethical standpoint. It is only when these individuals forgo to maintain or implement a moral and ethical judgment that the business decisions they make will lead to unethical or immoral practices.

At the "Thinking Green" conference on the 21st October, former US Vice President Al Gore will present "Thinking Green: An Economic Strategy for the 21st Century" in which he will argue that the physical changes we are experiencing affect our economy and he will urge those present to consider broader issues – environmental, social and political – when setting business strategies.

Further information about the conference and ticket sales can be found on the event website www.thinkinggreen.gov.gi