

CSR: UN Global Compact and Japanese Business Efforts

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1. Introduction

A growing interest in CSR

2. Definitions of CSR

There seems to be no consensus in CSR definition.

'Legal compliance' and 'Efforts going beyond legal compliance' are the pillars.

Avoiding or alleviating negative impacts and facilitating positive impacts

Legal compliance includes protection and promotion of stakeholders' interest.

The values of integrity, transparency and accountability should be reaffirmed.

3. Current status of the UN Global Compact

A 10th principle was formally adopted at the Leaders Summit held in June 24.

More than 1,500 businesses declared to support the initiative.

17 Japanese companies joined the supporter group.

Global Compact signifies the United Nations warranting corporate efforts for CSR.

It provides bases for partnership between businesses, UN agencies and CSOs.

4. GC emphasizes a "Think Globally, Act Globally" tendency, which may mislead us.

The slogan "Think Globally, Act Locally" should be reappreciated.

Incentives to be formed

---Do rating companies pay proper attentions to labor elements in rating?

Good labor practices of Japanese companies should be more highlighted

---good labor-management relation, a small gap between directors and employees.

What matter is for a company to cultivate a good corporate culture and ethos.

5. End comments

[Material to be referred]

Various definitions of CSR

1) World Bank: "The commitment of business to contribute to sustainable economic development, working with employees, their families, the local community, and society at large to improve their quality of life, in ways that are both good for business and good for development."

2) CSR Newswire: "[T]he integration of business operations and values whereby the interests of all stakeholders including customers, employees, investors, and the environment are reflected in the company's policies and actions."

3) Canadian Centre for Philanthropy: CSR ". . . or Corporate Citizenship can most simply be defined as a set of management practices that ensure the company minimized the negative impacts of its operations on society while maximizing its positive impacts."

4) Australian Standard-AS8003-2003: “A mechanism for entities to voluntarily integrate social and environmental concerns into their operations and their interaction with their stakeholders, which are over and above the entity’s legal responsibilities.”

5) European Commission’s Green Paper: “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

Global Compact 10 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.