

## **CORPORATE SOCIAL RESPONSIBILITY LUNCHEON: ADVANCING CSR THROUGH CORPORATE-ACADEMIC PARTNERSHIPS**

Rome Building ~ Rome Auditorium, 1<sup>st</sup> Floor  
1619 Massachusetts Ave NW, Washington DC 20036

*September 10, 2013*  
*12:30PM – 3:00PM*

### **CONFERENCE SUMMARY**

**Prof. Ruth Wedgwood, Director of the International Law and Organizations Program, The Johns Hopkins University, School of Advanced International Studies**

The event began with the opening remarks delivered by Professor Ruth Wedgwood who congratulated Dr. Mohamed Mattar for his efforts with regard to advancing corporate social responsibility (CSR) in the Middle East and presented her views on the current challenges faced by the private sector in complying with international human rights standards around the world.

In particular, Professor Wedgwood expressed her concerns for corporate America and businesses around the world for gaining a false confidence in the actual working conditions within certain countries. Too often inspectors are corrupt and there is no independence of the government. In a lot of countries the institutional framework doesn't work effectively.

According to her the vocation of CSR is not only useful in Asia or Africa, but also in corporate America. The reason therefore is that there is a lack of available decently-paid physical labor in America. This is not only a problem in foreign countries. It's the problem of working people everywhere.

She addressed an issue that is according to her a default of the United Nations. Namely that the UN is very good in getting companies and States to make pledges. However, the UN isn't doing enough empirical investigation to make sure pledges are being upheld. Too often companies perceive CSR as a practice of signing a piece of paper or giving some money to a NGO. This may not become the common practice of CSR.

**Dr. Mohamed Y. Mattar, Executive Director, The Protection Project, The Johns Hopkins University, School of Advanced International Studies**

Dr. Mohamed Mattar thanked Professor Ruth Wedgwood for her opening remarks and for her support. He welcomed everyone to the luncheon and provided an overview of the work The Protection Project is currently conducting in the Middle East to advance CSR. He spoke about the first regional conference on CSR held on June 19-20 2013 in Istanbul, Turkey where representatives from Academia and the corporate world from different countries in the Middle East spoke about the status of CSR in the region. Dr. Mattar then announced that the second regional conference will take place on April 20-21 2014 in Jordan in collaboration with the University of Jerash and invited all the participants to attend.

The conference on CSR is intended to work towards an action plan whereby a link would be established between academia and the corporate world. Dr. Mattar discussed four points that should be included within this action plan.

First, he argued that indicators should be developed that could help people to understand what a good corporate social initiative is. The Protection Project is currently working on *100 Best Practices* on CSR. However, to know if an initiative is a 'best practice' there is the need to develop indicators.

Second, he stated that research should be conducted on the impact of CSR initiatives on the community and society.

Third, he said that the teaching of CSR courses in universities should be encouraged. Dr. Mattar and Elaine Panter introduced such a course for example at a business school in Lebanon. He announced on the conference the birth of what he called *The Association of scholars of Corporate Social Responsibility*. This is similar to the Association of Scholars of Human Trafficking established in 2007 by The Protection Project. The idea is to put the syllabus of every professor teaching a course on CSR on the website of The Protection Project. Then the professors will be invited to attend the annual conference and to be part of the Association.

Fourth, he addressed the possibility of opening the discussion on developing and conducting trainings for employees and other representatives of the private sector on CSR.

**Ms. Annabel Short, Program Director of Business & Human Rights Resource Center**

Ms. Short began her presentation by talking about how the organization applies CSR. The organization does this on the basis of university-recognized standard on human rights. They look at CSR from a bottom-up perspective. This means that they look at the different ways people are impacted by the operations of companies rather than looking at what is important for a certain company. They are very focused on the real impact of a company's operations.

On their website around 5,000 different companies are listed. These are multinationals but also smaller and less well-known firms. Their main approach is to provide news about these companies, highlight positive steps that these companies are taking and disseminate concerns raised by civil society. Regarding these concerns they build contacts with local civil society groups, invite the companies to respond to the existing concerns before disseminating them and provide guidance. Their response rate in the Middle East is good, about 70 percent.

A big part of their work consists of providing tools and guidance. The organization has for example a portal on the UN guiding principles on business and human rights. They found that the simple step of making information as available as possible in Arabic is very useful within the region.

One of the ways the organization measures their impact is by the rate a company responds to one of their initiatives within the region. A response doesn't necessarily indicate an improvement in conduct by the company, but it shows a certain level of openness.

They face different challenges in the MENA region. First, there is the perception that human rights don't apply in the business sector. Second, some companies consider the work of the organization as an outsiders' intervention. Third, one of the major challenges in the region is the political volatility. They have different approaches in dealing with these difficulties. For example by flagging that a lot of what companies do is human rights (for example any diversity policy). The organization also noticed a shift to increased internationalization in terms of Middle Eastern companies operating overseas. This opens the debate in business and human rights more broadly.

The organization encourages the current shift away from the practice that a donation here and there is enough towards CSR in terms of ensuring a social license to operate. One of the organization's efforts is to raise awareness on CSR. They launched for example an Arabic Twitter account. They consider academia a key to raising awareness on CSR and are looking forward to a greater partnership between academia and the corporate world.

#### **Ms. Diana Beckmann, Senior Director of Development, Corporate Engagement at CARE USA.**

Ms. Beckmann introduced her presentation by speaking about the work CARE does around the world. CARE is an international NGO dedicated to the eradication of poverty through the empowerment of women and girls. It is CARE's belief that through better healthcare for women and children, as well as improvement in education and economic opportunities that we will see a change. Since the mid-1940's CARE has impacted 122 million people in the 84 countries they work in. CARE was the original "CARE package" and has been around since World War II. CARE has moved away from this model and has focused more on "teaching a woman how to fish instead of giving them a fish." CARE believes that in order to be successful there needs to be a strong on-the-ground presence, and most importantly to be aware of the cultural challenges. It is also about looking for strategic partnerships, whether that is government agencies like USAID or DFID, or foundations and corporations becoming more global. CARE continues to focus on the poorest of poor; the people who live on \$2 a day. Their goal is to look for long-term sustainable solutions. CARE looks for different ways for the community to handle their problems, and help the community to grow. CARE uses 90 percent of their resources that they bring in for programs.

Within CARE's corporate partnership group, they use a multi-asset process. This multi-asset process includes learning how to engage their consumers, inclusive value change, and individuals having access to capital. Social enterprise and enterprise sharing is also a big part of what CARE does. An example of this initiative is to have women in Bangladesh walk around and sell products in villages, leading them to break into new markets. Most importantly is employee engagement. CARE believes that if employees are excited about what they do, projects can and will be more successful. Finally policy and advocacy, to try and influence not only what is happening in the United States, but around the world as well.

Ms. Beckmann concluded her presentation by explaining the various ways that CARE is promoting responsible business practices in the MENA region. There are not many NGO's working in the region; the CSR in that region is solely based on if the individual likes you or not and will give you money. Some big corporations that CARE works in the MENA region include the Chalhoub Group, Danone, and Olayan. Diana told the story of Olayan who wanted to make an in-kind donation of 16 tons of dates to help Syrian refugees during Ramadan. They were thankfully able to talk them into instead giving cash instead. This is a perfect example of CARE overseeing what will truly be best for the situation, while knowing what it will take to achieve better results. Lastly, CARE is doing a lot of work with humanitarian crisis in Syria. CARE is taking a different approach and is working with the urban folks, the people who first came to the displacement camps and then leave to live in abandoned buildings, making it hard for them to be found. This instability is leading to tension; CARE is taking the initiative to reach that country and try to make it better for not only the host country but also for the refugees.

**Ms. Amy Lehr, Associate and member of the Corporate Social Responsibility, International Business, and Privacy and Data Security practice groups, Foley Hoag LLP**

Foley Hoag LLP has a corporate responsibility practice group, which means that Ms. Lehr advises companies on human rights issues. Companies tend to come to Foley Hoag for a number of reasons, sometimes just because they want to do the right thing. Usually, there are other factors, like a reputational risk. For example, an NGO posts something online saying that a country did something wrong. The company then gets called up in front of Congress for having done the alleged misdemeanor or there are media articles. This is a huge motivator behind the corporate decision-making around CSR. Another reason companies come to Foley Hoag is for operational risk. This is common when the company is operating in the middle of a community where there has been abuse by local community members and security services. This does not look good for the company because it hinders their ability to operate on a daily basis and costs money. Lastly, there is the legal risk. Sometimes companies come to Foley Hoag because there is actual legal risk that could come up in U.S or European court. Because of all these factors companies take these issues very seriously.

MS. Lehr spoke about CSR from a human rights perspective and how that might be different from other definitions of CSR. By referring to her experience working with John Ruggie, the UN Special Representative on Business and Human Rights, Ms. Lehr noted that the states have a duty to protect human rights. This essentially means that states should pass laws and enforce them to make sure third parties like businesses don't negatively affect human rights. This could be achieved by having a labor law forbidding discrimination in the workforce. States also have other duties, which include the duty to respect and promote human rights. John Ruggie believes that companies should respect human rights first and foremost, and to concentrate on other elements like increasing the enjoyment of education or health care later.

Ms. Lehr spoke of preventing companies from inadvertently infringing on human rights. There are four scenarios where companies come into situations where there may be some imbalances with national and international law. The first is when the national law is perfectly adequate and meets international human rights standards, yet there are disastrous situations in countries because enforcement is still weak. The second scenario is when there isn't a law, so there is no reason that a company can't meet a higher international standard but it is not required. An example of this is in the Middle Eastern region where human trafficking is rampant and the government would not admit they had a problem, so they

weren't willing to pass laws and implement them. In other places the same situation presents with HIV/AIDS. The third situation is when the law meets international standards but in practice the state is undermining the law. It is not just that they are not able to enforce it; they are actively undermining it. This issue presents itself in multinational companies who bring in labor from other countries and have their passports taken away, and in countries reliant on public security. The last area actively conflicts with international standards, which is rare. The classic example for this would be China where labor laws don't allow independent labor unions. Gender can also fall under this category in some places in the Middle East, particularly in Saudi Arabia where women are prohibited from being in certain industries, and yet are supposed to be segregated in the workplace.

It is important to note that even if the state is failing at its duty to protect, companies should still do their best to respect human rights. In regards to this and gender, companies can look at their recruitment policies, how they recruit, and how they can bring women in. This also includes how they communicate and promote people within the company.

Lastly, corporate social responsibility is a significant of human rights, but companies are not the only player. The role of the state is also incredibly important, and we need to make sure that not only are companies doing the right thing, but that the government is doing a better job as well. There is also an immense need for empirical research. Improvement on performance indicators is also important, as well as measuring direct impact. There has been a lot of work done by the U.S. State Department and the private sector to try to increase capacity to enforce laws in countries that may not have good capacity for that.

### **Ms. Chloe Holderness, Managing Director, Lex Mundi Pro Bono Foundation**

Ms. Holderness and the Lex Mundi Pro Bono Foundation work to engage a network of private sector law firms in countries around the world to support social entrepreneurship. This is defined as organizations that are looking for innovative and sustainable solutions to the world's greatest social problems such as trafficking, climate change, and poverty. Lex Mundi has social entrepreneurs around the world trying to solve these problems. Lex Mundi's role and mission is to engage an ally and partner in the private sector to support social entrepreneurs, and they do this with their global matchmaking program. Essentially Lex Mundi tries to find private sector lawyers on the ground willing to use their time and expertise to support entrepreneurs with pro bono work. The other piece they use is called LawForChange which is an online legal resource that was launched in the United States two years ago. Their goal is to launch it in a number of jurisdictions outside the U.S.

There is a growing interest in CSR on law school campuses around the country, and Lex Mundi is currently trying to figure out how to create the equivalent of the business student "Net Impact" for new lawyers. Lex Mundi hopes that by educating them of the power of CSR, it could trickle over into building a greater culture of CSR and getting lawyers and firms to advance pro bono.

In the MENA region, Lex Mundi has been having difficulties in developing the network. This is due to the pro bono culture being very different. There are a lot of political considerations for projects, and there's also a lot of personal connection involved in being successful. It is also difficult because social entrepreneurs by default are innovative and often pushing the boundaries, which makes people uncomfortable. Many MENA region people want to get involved, but they want to do it quietly, which is the opposite of most people's motivators when it comes to working with other businesses.

Ms. Holderness concluded her presentation by expressing her desire to see growth in the network in the next coming years. Lex Mundi is putting some real effort into the region, but would love to see more work there. Over the last year they have seen more interest and questions from law firms. Some firms have had success and Lex Mundi has been asking them to share with other firms and other lawyers to encourage this process to keep growing.

**Mr. Jeffrey Avina, Director of the Middle East and Africa Division, Citizenship and Community Affairs Department, Microsoft**

Mr. Jeffrey Avina opened his presentation by talking about the Four D's of CSR: '*Dialogue, Demand, Design, and Dissemination*' and applied it to the question of how the academic can be involved in CSR. *Dialogue* is the discussion of what might be possible to do. *Demand* responds to the idea that a company should choose projects that correspond to its specific core competencies. *Design* would be the drafting of new projects. On this point the academic can really be involved. For instance, Mr. Avina mentioned the idea introduced by professors at MIT Digital Forensics: taking a picture, breaking it down with digital hashtags and following it tracking through anyone's computer. This idea was actually used as a method to track child pornographers. It has been designed by an academic, supported by Microsoft and implemented by crime fighters. Finally, *Dissemination* would be the diffusion and campaigns around the project. Mr. Avina mentioned that the recognition of these projects by the academic world is highly valuable for companies.

Mr. Avina then spoke about the fact that IT could be a game changer in terms of solutions for development work. For instance, he mentioned Microsoft YouthSpark project launched last year whose main goal was to resolve the youth employment problem. It focused on helping people to realize the possibilities of IT. If private companies understand that CSR actions can also have a strategic value for the company, it might drive more significant change in the long run. An investment like *white space* would be a good example. It is a television running on UHF and VHF band frequencies to give an access point to those who don't have broadband. Developing *white space* is helping people while it also is a good investment for the company.

Mr. Avina then insisted that The Middle East and Africa Division need to look at problems locally. For instance, he mentioned that, based on the Arab Spring experienced in Egypt, a 4G, 3G, and 2G portal site has been developed to give access to 400 certifies courses. Microsoft paid for this system. The portal provides training and mentoring by companies and individuals. In Jordan, 440 companies are already volunteering their staff to be mentors to youth onsite. Microsoft also participates in design of programs funded by USAID and World Bank and which are spreading abroad. Considering that the region is the most unemployed region in the world, the real key would be social entrepreneurship. In this sense, Microsoft worked with CARE on the development of an entrepreneurship development course written and drafted by Africans for Africans. It is now being implemented in the Middle East. As a consequence of the Arab Spring. Mr. Avila mentioned that doing business changed and it became difficult to make business for large companies. This is where it would be of interest for local companies to work with Microsoft or the IT industry. Microsoft started a program to train new NGOs in Tunisia and gave them free software. They also recently launched Office 365, which is free for NGOs that are nonreligious and nonpolitical. Another consequence of the Arab Spring is the change in the nature of the CSR; there is a very strong philanthropic notion. Companies and individuals want to participate in this change. The challenge is about getting people involved in this social entrepreneurship. Microsoft

created numerous programs in this sense. Doing numerous partnerships with different organizations, it is also important to underline the necessity to look for strategic and passionate partners.

Mr. Avila also mentioned that CSR should be good ideas scaled by a company before being sustained by another entity. For instance, Microsoft collaborated with the Commission on Human Rights Abuses of Tunisia. They could not receive all the demands concerning abuses committed during the revolution. They designed an e-case management system computerizing their entire grievance process including forensics to help them to compare and thus go back to the people who did the grievances by linking different cases together. For Microsoft, it's also an example of what that platform can do; maybe the company would be able to then offer or sell to the government later on. Another example is the PEPFAR program for HIV/AIDS of which Microsoft developed a quality control management system in Nigeria. This system is now being used by the Nigerian Ministry of Health and the solution is being spread to other African countries. Microsoft fully believes that CSR should work on this basis: a good idea with which a company can scale before being sustained by another entity. During the conference, Mr. Avina also answered the question of extending CSR models to European countries or to Latin America. In Europe, due to the different types of programs, they have country specific initiatives that keep with the overall theme. Latin America on the other hand does partnership with the Inter-American Development Bank and World Bank and the US; there is a possibility here to learn for each other. In order to achieve it, they need to give more visibility to their actions. The NGOs, who work all over the world, could take the CSR ideas and disseminate them elsewhere.

Mr. Avina concluded his remarks by saying that the key of good CSR is to do something that links the business and makes it effective for that company while also helping their visibility. Microsoft gave away around \$25 million in free software in the Middle East and Africa region in 2012 because in the long run it helps establish the footprint. It also helps people; there is a symbiosis and that's the good part of the CSR idea.

#### **Dr. Trevor Gunn, International Relations Managing Director, Medtronic**

Dr. Gunn is the International Relations Managing Director of Medtronic, a world leader in medical device technology and therapies, which treat cardiac and vascular diseases, diabetes and neurological conditions. Medtronic's mission is to contribute to human welfare through an ethical framework when applying biomedical engineering in the production of appliances that restore health. The company's global reach extends to more than 140 countries and its supply chain is made up by 72.000 companies.

Dr. Trevor spoke about the five pillars of corporate social responsibility engagement in Medtronic. The first and most developed pillar is focused on non-communicable diseases, something very important considering the growth of chronic disease around the world. The second is the fostering of collaborative culture, which means including as many actors as possible in the innovation process of the company. This can be a challenge since medical technology is not a globalized industry and locations such as the Middle East and Africa have no developing enterprises in this field of work. The third and fourth pillars include employee engagement and environmental stewardship. The fifth and last pillar is philanthropic programs. He exemplified by mentioning Project 6, a Medtronic program where employees engage in volunteer activities that have a local impact, such as assisting at homeless shelters or cleaning parks. Medtronic also developed a program on scoliosis operations on teenage girls on the West Bank.

Despite Medtronic's success and world leadership, Gunn believes that the business model his company and others follow need to radically change. Medtronic has already started discussing economic values and taking into consideration the enormous economic difficulties the world has gone through the past five years. Therefore, according to Mr. Gunn it is important to come up with a different manner of business-making.

**Ms. Maryann Hrichak, Cultural Mentor, TechWomen**

Ms. Hrichak is from San Francisco, California and works as a cultural mentor with a program called TechWomen. TechWomen is an initiative that emerged from President Obama's speech in Cairo in 2009 where he addressed the need to establish better relationships with the Muslim world. Subsequently, in 2011 Secretary of State Hilary Clinton harnessed TechWomen in order to bring women from the Middle East and North Africa for a period of four weeks to work with companies in the Silicon Valley. TechWomen partnered with these women for a professional and cultural mentorship where they worked with companies such as Adobe, Cisco, Facebook, Google, Microsoft and Mozilla. The women range in age from 21 to about 48 and are from the STEM fields - science and technology, engineering and math.

According to Ms. Hrichak, these women are the perfect vehicle to bring corporate social responsibility back to their home countries. She believes environmental concerns in that region are a good place to concentrate CSR programs on and this can further lead to more ideas on how to address other CSR issues.