

White Paper on the Corporate-Community Interface (CCI)

Draft version 1

**The Corporate Sector Role in Disaster and
Environmental Management:
beyond Corporate Social Responsibility**

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Introduction

The concept and movement of “CSR” (Corporate Social Responsibility) for disaster and environmental management has been growing rapidly in the world, particularly among those corporations located in disaster-prone and bio-diverse regions.

Advocates for CSR claim that such activities pay off economically for corporation at the end, and the impacts of such activities are well-recognized. Now more and more corporations are being engaged in various CSR activities in disaster and environmental management, e.g. charity, donation, or relief action to affected communities.

But if we look at the activities that are practiced as CSR, they are primarily of a short-time and response, rather than proactive, activities. This means that corporation’s interaction in the field primarily focuses on relief type, and it only has to do with physical reconstruction and recovery. Therefore, it may not have a lasting effect on the community or capacity building to its residents, resulting in short-lived impacts of the activities.

Without appropriate approaches at pre-disaster and precautionary level, a truly lasting impact from CSR activities will not be seen. And it certainly is not a wise option to only invest corporate capital and human resources to post- and responsive-relief activities. With proper precautionary involvement and activities, communities will be more resilient and better prepared for the future disaster and environmental hazards.

What we believe is that the corporate sector has much more to offer for better disaster and environmental management, beyond the level of CSR activities.

Characteristics of CSR Activities

Among currently practiced CSR activities in disaster and environmental management, broadly five types of CSR activities are recognized.¹ They are: (1) philanthropic or charity; (2) contractual; (3) collaborative; (4) adversarial; and (5) unilateral. We do not normally encounter the type (3), collaborative form of CSR activities in partnership with community based organizations or NGOs.

Philanthropic activities are concerned with donations and grants to those organizations and people dedicated to social and environmental cause, and under contractual type, corporation contract out other organizations or groups. Adversarial type of activities concerns more on public relations than actual benefit to affected people, and unilateral type does not, by definition, work together with other stakeholders.

It is very rare that such CSR activities are involved in proactive activities, and almost all cases are focused on responsive and post-disaster level. The characteristics of CSR activities are consisted of three general traits. They are: (1) one-off intervention; (2) ‘responsive’ action; and (3) non-involvement of community.

¹ Twigg, J. 2001. “Corporate Social Responsibility and Disaster Reduction: A Global Overview,” Benfield Greig Hazard Research Center, University College London

Most of the so-called CSR activities in the field of disaster and environmental management are of short-term, one-off type of intervention. Even if CSR activities are meant for a 'long-term', it rarely exceeds one year of duration. One-off intervention also implies that current CSR activities are likely to be unilateral—done solely by a corporation—or even if inter-sectoral, such initiatives are over-reliant on public sector such as a government body.

Second, the 'responsive' type of action means that CSR activities on disaster and environmental management mainly focuses on post-event relief, rather than proactive measures. We can see that corporations prefer short-term 'action', rather than long-term 'approach' for disaster and environmental management. It is so, particularly in face with natural disaster where business in general does not feel itself responsible for such events, seeing this as an issue for government. Recently, however, we have witnessed, a number of unprecedented natural disaster events in recent years. Among them, the well-known case is the Indian Ocean Tsunami in December of 2004. For companies' CSR activities after the event, they focused almost entirely on relief action and found difficulties in acting with community or with civil society organizations in the affected communities.

Third, it is often the case where corporations develop CSR activities without involving community, albeit the fact that the community is to be direct beneficiaries of the activity. When acting for the community and its people, it is natural to assume that the activity for them is based on the community level, involving people, local business, and local government sector. But it is not the case in most of the current CSR activities.

What Lacks from CSR

What elements are lacking from such CSR activities? They are indeed crucial elements for affected community to enjoy lasting benefit.

Employee education

When it comes to the field of disaster and environmental management, typical responsive CSR activities do not normally include education for employees of corporation nor the locals. There is a separation between company employees and local residents in a community. The otherwise lasting 'bondage' with community is lost from responsive nature of CSR activities.

Environmental consideration

In most of corporate disaster relief action, because of its short-term nature, is not accompanied with considerations to, for example, environmental degradation, ecological degradation, and coastal ecosystem degradation. By merely focusing on responsive CSR activities, the nature may lose the critical resilience on which affected community's life is largely dependant.

Capacity building

CSR activities do not normally consider the aspect of capacity building. With one-off interventions, this aspect is completely lost or forgotten. In this case, predominant CSR activities are the same with often-seen external aid from international community to community; that is, once the external fund is taken away, community can no longer

continue project, even that is a successful one. The ability for local residents to be resilient for future disaster and environmental hazards, the most important element is the capacity that they possess at the point of hazardous event. It can have a form of education, experience, or know-how to survive in such challenged situations.

Development

Without properly taking actions that is proactive for basic developmental infrastructure, such as roads, plant facilities, water supply, and other necessary infrastructures, the level of impact of disaster and environmental hazards will be much worse. In fact, the degree of risk from natural disaster and environmental hazards is directly related to the level of development in community. If proper development measures and investment activities are taken, the potential damage from hazards would be much smaller.

Trust building

Only through one-off and short-term interventions, it is impossible for the corporate sector to build trust with community and its residents. Business operations are undeniably linked with such trust building with community people where the operation is based.

All of these facts abovementioned directly relate to degree of development of community and the quality of life, both of which can contribute to realizing sustainability in community. And we see that the corporate sector has much potential to fill such gap from these missing elements.

Potential of the Corporate Sector

In its places of operation, the corporate sector is strongly bonded with community and its people through its employees and their family members. A healthy community will lead to healthy and uninterrupted business operations for the corporate sector. And for this very reason, corporate social responsibility is a must in the foundation of the corporate sector in regards to nurturing the bondage with community. A 'community' is consisted not only of its people, but also its education sectors, and local business sectors.

Reflecting such relationship between corporate and community, it is obvious that they are the strongly inter-related stakeholders. While community needs corporate sectors for their livelihood support, the corporate sector equally needs the community for their operations. Daily activities from both sides are thus strongly inter-linked. Even compared to other stakeholders, be it local or national, the relationship between corporate and community is especially strong.

This is precisely why we think that the corporate sector possesses much potential to help in taking actions in precautionary actions for disaster and environmental management.

Among many corporations whose operations are found in hazard-prone country, of our particular interest is those corporations whose operations are much scattered in the hazard-prone countries with having sites in different parts of the country. Particularly for such corporations, we believe that the concept of "corporate-community interface" will prove its added value.

However, knowing such the need and actually practicing is a completely different task. And it is often the case that, even when the corporations would like to be engaged in such activities, they do not know how and what to proceed with.

First Step Is To Learn

What is needed here is some kind of handbook or guidelines on how the corporate sector can involve themselves in taking such actions, namely pre-disaster, precautionary and mitigation process that is beyond CSR.

With such handbook to start with, corporations can learn what is needed to tackle these issues and how to do it. Handbook should be comprised of a number of actual documented cases of corporate-community relationship from both disaster and environmental management fields.

Also, in order to realize cost-effectiveness and a wide range of participation in learning about the handbook, a learning series should be disseminated using the medium of distance learning, resulting in having an ideal distance learning program for this theme.

In face of unprecedented natural disasters and pressure to the corporate sector to manage environmental impacts, we are sure that there is demand for having this kind of handbook and distance learning program.

Corporate-Community Interface Handbook and Learning Program

We are developing such handbook and distance learning program that are just described above. We call it, “Corporate-Community Interface” (CCI) handbook.

Before getting into characteristics and development process of the handbook, its goal and objectives are as follows.

Goal:

- To achieve safety and sustainability of community in the hazard-prone countries

Objectives:

- To enhance productivity of community as well as of long-term corporate activity
- To pave minimum safety measures in community
- To realize effective learning through concise and step-by-step process
- To further understand necessary environmental actions and disaster mitigation issues, and
- To create guiding document that is designed for each of different levels of users

Contents of the Handbook:

- Basic how-to
- Practical experiences and case studies from 6 relevant countries
- Evaluation and testing at the field level from 3 relevant countries

- Participatory development of government, civil society, and educational sectors with duration of 3 years.

The characteristics of our program are:

Working closely with corporate sector

In order to develop the best user interface in regards to corporate community interface, the handbook must be produced through working closely with the corporate sector, so that the corporate sector can learn most out of it. It is to start establishing collaborative arrangement with the corporate sector and accumulating practical know-how from the corporate community relationship.

Co-learning

Instead of an individual corporation's trying to develop corporate-community interface, it is wiser to do and learn together as sector wide efforts among like-minded corporations. Corporations can learn together with other experiences in disaster and environmental management. Also, because there are many similarities and commonalities among vulnerable communities, by co-learning what should be done in community, they can eventually save money and effectively learn the know-how for sustainable corporate-community relationship. For this purpose, we will be offering a series of distance learning program on the corporate community interface theme.

Wider stakeholder involvement

Community is not merely consisted of its residents, but also of local government, education sector, local businesses, and community-based organizations. In shaping activities that benefit all of these community sectors, it is best to learn from them. The program of corporate community interface will bring a learning environment where wide range of stakeholders will share and discuss their opinions and types of corporate strategies on disaster and environmental management.

Time-tested

In addition to previous cases of corporate experiences in disaster and environmental management, what we offer is a time-tested, concurrent set of actual experiences between corporation and community. For this particular dimension, we will be having a number of case studies from Indian Tsunami affected communities and other hazard-prone regions. By learning what is going on currently, we can know what more can be done to help communities.

Field-tested

All of these case studies are to be done at the field level, and through which we will be able to hear actual voices from corporations on the ground level.

Layer-specific

Corporate community relationship is built not only through CEOs, but also through mid-career workers and a number of its employees. By focusing on each of these layers, we can offer tailored program and depict a clear picture on how each of these layers should behave and act.

Wide range of audience

The corporate community interface program that we are proposing has much potential in shaping the developing countries in terms of economic, societal, and environmental dimensions. International actors from donor community and development agencies are proposed to participate in the program. By bringing a wide range of audience, the CCI program will gain strong momentum in shaping the next stage of corporate community relationship in disaster and environmental management.

Program Facilitator

The Corporate Community Interface (CCI) program will be facilitated by Graduate School of Global Environmental Studies (GSGES) at Kyoto University, Japan, in cooperation with the World Bank's Tokyo Development Learning Center, Global Forum on Disaster Reduction, and others.

The following are traits of why we are better suited in developing and facilitating the program per excellence.

Expertise on disaster and environmental management

As one of the leading academic institutions in Japan, GSGES hosts a series of first class scholars in the field, complemented by accumulated disaster and environmental management practices and know-how throughout the world.

Network of influential actors

Since we are collaborating with various international actors such as the World Bank, a wide network of leading institutions in both development and donor community is at hand. Such network is best suited to promote corporate role in the field and coordinate it at a global level.

Distance learning and its global reach

In collaboration with the World Bank's Global Development Learning Network, and its Japanese hub-station, Tokyo Development Learning Center, we can provide the state-of-the-art distance learning facility and the global reach, available in over 60 countries in all over the world. It enables us to connect with and share knowledge with the right people in the right time throughout the world.

Schedule for the Future Work

Month	Activity
September 2005	<ul style="list-style-type: none">• Establishing the context• Literature review and learn from experiences of other fields
October 2005	<ul style="list-style-type: none">• Basic questionnaire survey and semi-structured interviews
November 2005	<ul style="list-style-type: none">• Development of draft version• Testing of draft version: Comments and suggestion
December 2005	<ul style="list-style-type: none">• Development of final version of the handbook
January 2006 onward	<ul style="list-style-type: none">• Development of distance learning program on CCI

Basic Structure and Outline of Handbook

- Length: 50-60 pages
- Structure:
 1. General Principles (background, purpose, common ground etc.)
 2. Decision makers (CEOs, Directors)
 3. Mid-level managers
 4. Employees
 5. Appendix (definitions, resource materials etc.)