



UNIVERSITY of
SAN FRANCISCO

An annual
publication of the
**University of
San Francisco
Center for the
Pacific Rim**
Copyright 2005

Editors

Joaquin Gonzalez
John Nelson

**Graduate Student
Editor**

Pamela Nagashima

**Editorial
Consultants**

Barbara K. Bundy
Hartmut Fischer
Patrick L. Hatcher
Richard J. Kozicki
Stephen Uhalley, Jr.
Xiaoxin Wu

Editorial Board

Yoko Arisaka
Bih-hsya Hsieh
Uldis Kruze
Man-lui Lau
Mark Mir
Noriko Nagata
Stephen Roddy
Kyoko Suda
Bruce Wydick

Asia Pacific: Perspectives
Center for the Pacific Rim
2130 Fulton St, LM202
San Francisco, CA
94117-1080

Tel: (415) 422-6357
Fax: (415) 422-5933
perspectives@usfca.edu

Asia Pacific:

PERSPECTIVES

an electronic journal

Volume V · Number 2

August · 2005

**Special Issue: REDEMOCRATIZING SOUTH EAST ASIA THROUGH CITIZEN,
CORPORATION, AND GOVERNMENT ALLIANCES**

***Is There Room for More Social Responsibility in Asia's Business and Economic
Turn Around?***

>>.....Joaquin L. Gonzalez III 1

***Government and Citizen Engagement at the Local Level in Thailand: Nan
Municipality's "Roundtables" and "Expert Panels"***

>>.....Alex M. Mutebi 16

***The Penang, Malaysia Experiment in People, Private, and Public Partnerships:
Process, Progress, and Procedures***

>>.....Tan Pek Leng 29

***Citizens, Government, Business and the Transformation of a Ravaged Philippine
City: The Case of San Fernando, Pampanga***

>>.....Edel C. Guiza 44

***Initiating Participatory Democracy in Indonesia: The Case of Surakarta
Municipality***

>>.....Pratikno 59

Asia Pacific: Perspectives is a peer-reviewed journal published at least once a year, usually in April/May. It welcomes submissions from all fields of the social sciences and the humanities with relevance to the Asia Pacific region.* In keeping with the Jesuit traditions of the University of San Francisco, *Asia Pacific: Perspectives* commits itself to the highest standards of learning and scholarship.

Our task is to inform public opinion by a broad hospitality to divergent views and ideas that promote cross-cultural understanding, tolerance, and the dissemination of knowledge unreservedly. Papers adopting a comparative, interdisciplinary approach will be especially welcome. **Graduate students are strongly encouraged to submit their work for consideration.**

* 'Asia Pacific region' as used here includes East Asia, Southeast Asia, South Asia, Oceania, and the Russian Far East.

Is There Room for More Social Responsibility in Asia's Business and Economic Turn Around?

by Joaquin L. Gonzalez III, Ph.D.

Abstract

This article provides an overview of Corporate Social Responsibility (CSR) and its impact on social development with a special emphasis on Asia. One underlying argument that it makes is that, although many of the CSR interventions being applied globally are relatively "new" to Asia, CSR, when operationally defined as "corporation-community collaboration (CCC) towards social development," becomes a vintage concept familiar to generations of Asian entrepreneurs and the communities they serve. However, in spite of its long history, Asian corporation-community collaboration in social reform is an under-studied area of policy research and attention even in recent CSR conferences and publications in Asia. From Bangladesh in South Asia to China in East Asia, currently, heavier emphases by scholars and practitioners is being accorded to global and regional-level CSR issues such as human rights, environmental and health concerns, worker welfare, corruption, and social safety nets as well as firm-level CSR issues such as board governance, ethical fund management, shareholder accountability, corporate restructuring, and corporate citizenship. The article attempts to move beyond the over-exposed CSR motivations into an examination of new trends within relatively old frontiers. It also tries to create a social dimension to the already overflowing financial and economic stories about CSR. The article also discusses the role of governments in CCCs.

I. Introduction: CSR and Asia

In East Asia, Confucius said, "If one's actions are motivated only by profit, one will have many enemies."

In North America, Chase National Bank CEO George Champion pointed out that: "Business must learn to look upon its social responsibilities as inseparable from its economic function."

Thousands of years apart, these parallel thoughts emerged from two continents, across from each other in the Pacific region.

Interestingly, Corporate Social Responsibility (CSR) is one of the panaceas prescribed by an emerging "school" of academic institutions and international consultants who seek to propel firms and economies out of the current world business slump. Broadly, CSR is seen as the antidote to market lethargy and corporate decay. Moreover, this school sees CSR as the shock therapy needed to resuscitate the private sector and revive it as an engine of growth and progress, especially in transitional economies. In East Asia, the miracle-turned-crisis situation provided the perfect operating setting for these "doctors of management," most of whom came from the West, to perform surgical CSR procedures and prescribe corrective CSR dosages for both domestic and multinational firms (see Reder, 1994; Economist Intelligence Unit, 1997; Dunong, 1998; Emerson, 1998; Wu and Chu,

1998; Richter, 2001; Li and Batten, 2001; Asia Africa Intelligence Wire, 2003, among others). Four major Asian CSR conferences in 2003 also attest to this.

The infusion of CSR interventions into the business and economic bloodstreams of Asia has shown a certain degree of pervasiveness especially in the current era of intense globalization, from the boardroom to the supply chain, from corporate headquarters to regional subsidiaries, from business models to operations applications, from assembly line workers to frontline clients, from the rights of humans to the rights of the environment. As a result, CSR is becoming a popular reinventing and reengineering tool of the 21st century particularly in business circles. Not surprisingly, as CSR potions took effect and Asian economic recovery came into sight, a plethora of research and conferences have emerged sharing "best practices" culled from successful experiences. In contemporary Asia, CSR is not only being touted as a cure-all but also a potent concoction that could help sustain reforms and prevent future outbreaks of organizational infections and managerial dysfunction. A paradigm shift in terms of revitalized business practices is being felt in the Asian neighborhood.

This article provides an overview of CSR and its impact on social development with a special emphasis on Asia. One underlying argument that it makes is that, although many of the CSR interventions being applied globally are relatively "new" to Asia, CSR, when operationally defined as "corporation-community collaboration (CCC) towards social development," becomes a vintage concept familiar to generations of Asian entrepreneurs and the communities they serve (see Carroll 1977; Aquino, 1981; Dhiravegin, 1985; Cox et al., 1987; Harivash, 1990). However, in spite of its long history, Asian corporation-community collaboration in social reform is an under-studied area of policy research and attention even in recent CSR conferences and publications in Asia (see emphasis in Kawamoto, 1977; Takeuchi, 1978; Singh et al., 1980; Krishnaswamy, 1986; Mahmud, 1988). From Bangladesh in South Asia to China in East Asia, currently, heavier emphases by scholars and practitioners is being accorded to global and regional-level CSR issues such as human rights, environmental and health concerns, worker welfare, corruption, and social safety nets as well as firm-level CSR issues such as board governance, ethical fund management, shareholder accountability, corporate restructuring, and corporate citizenship (see Chowdhury and Kabir, 2000; Gescher, 2002; Holland, 2002).

Moreover, CSR is not the only development concept that is evolving in theory and practice. The content and context of social development itself, including its policies and processes, are also experiencing marked changes. Asia is a mix of countries experiencing varying degrees of westernization, democratization, modernization, and globalization. These processes have made Asia a region of contrasts and, at times, extremes. On the one hand, there are Asian sub-regions where some of the *nouveau rich* countries of the world reside, particularly in the northeast. On the other hand, there are Asian sub-regions where some of the poorest countries in the world are located, for instance in the south. Another underlying

ing argument of this paper is that in both rich and poor neighborhoods, one could find local Asian firms from SMEs to family-owned conglomerates, which have grown and expanded over the years of their operation with simultaneous heavy involvement in community projects like creating access to health care, safe drinking water and sanitation. In the latter case, local firms have had to "breathe and eat social development" every day for decades since poverty seems to be omnipresent (see Collins, 2000).

The research presented in this article attempts to move beyond the over-exposed CSR motivations into an examination of new trends within relatively old frontiers. It also tries to create a social dimension to the already overflowing financial and economic stories about CSR. To achieve this, the paper has been divided into four sections and responds to a series of guide questions:

The first section examines the context of Asian business-civil society interaction from the "miracle period," through the "crisis years," and into its "recovery trajectory." The discussion, in general, will focus on the varying areas of CSR concerns from boardroom to ground level social development issues using company-community collaboration (CCC). In particular, it focuses on these research queries: How are corporations addressing not only their own basic and strategic needs, but also the overall needs of the society, in particular those of the local communities? Which forms of CSR interventions have been applied for promoting community development in Asia? How has social development been enhanced by CSR?

The second section elaborates on company-community collaboration in particular, including: What are the benefits for companies and communities who collaborate? Who are the CCC stakeholders? What mix of assets do they bring to the CCC? What commitments can they make? What kinds of partnerships can be developed between corporations, government and communities in the context of CSR? Is government still needed in CCCs? What role will it play?

The third section expounds on the internal and external barriers or "disincentives" to Asian CCC formation, especially the issue of trust and the appropriate role of government in business-civil society partnerships. It builds on the findings from the 2002 INDES/Japan Program Workshop on "Citizen Participation in the Context of Fiscal Decentralization: Experiences from Latin America and Asia," held in Tokyo and Kobe, Japan. Particularly, it asks what the obstacles and opportunities are inherent to Asian communities' participation in CSR activities and to, in effect, contributing more fully to social development.

The final section concludes with policy, research, and practical lessons on overcoming these Asian CCC challenges. What types of policies could be implemented to effectively promote and facilitate such collaborations and participation from the community to the international levels?

II. Contextual Trends: Asian Business, Social Development, and Modes of CSR

It is difficult to examine current CSR practices in Asia without situating country experiences in the dynamic context of Asian business-civil society interactions from the miracle period, the crisis years, and into the current recovery trajectory. In this section of the paper, the general discussion will focus on the varying areas of CSR concern from boardroom to ground level social development issues using company-community collaboration (CCC).

In particular, the research presented here describes how Asian corporations address their strategic business needs, but also the overall needs of the society, especially those of the local communities. How have Asian community organizations participated in economic development, community development, social service delivery, public policy dialogues and the decision-making processes through CSR interventions? Have local and foreign firms been able to contribute directly to community development in Asia beyond the "traditional" philanthropies, like supporting the arts, promoting football tournaments, donations to churches, funding educational scholarships, etc.? Have Asian business firms been able to provide communities with development assistance beyond financial capital? Have Asian business executives gone beyond Lions Club, Elks Club, Rotary Club memberships and their annual tree-planting, weed clearing and beach clean-up activities to be actively involved in sustainable village development? Is Asian CSR bringing wealth and social safety nets from the Asian boardroom to the Asian backyard?

Historically, the inter-relationships between and among business, government and society in Asia are more than 4000 years old. Merchants from the Arab peninsula, Central Asia, South Asia, Northeast Asia, and Southeast Asia have been exchanging goods for centuries, traveling across vast land routes and treacherous sea lanes. During these thousands of years, trade and commerce have been regulated and controlled by Asian empires, kingdoms, sultanates, and dynasties located in their respective seats of power in China, Japan, India, Korea and Southeast Asia's Srivijaya, Siam, Malacca, the Majapahit empire, the Khmer empire, and the Sukhotai kingdom. Asian civilizations flourished. Business and government practices were intertwined with the teachings of Hinduism, Buddhism, Confucianism, Taoism, and other Asian spiritual and philosophical sages and elders. Later on, Islamic and Christian proverbs and insights also found their way into Asian business practices.

The fusion of business-government-society values became the basis for ethical relationships and community giving not only between individual and society, citizen and government, but also between buyers and sellers. For instance, Confucius, in one of his famous one-liners, said, "If one's actions are motivated only by profit, one will have many enemies." While in India, Buddha philosophized on the social compact between business and society in the following quotation: "Look back at your business and life, at their end, and honestly say that the years of doing business have had some meaning. We should be able to look back and see that

we have conducted ourselves and our business in a way that had some lasting meaning and which left some good mark on the world." We begin and end this paper with these two Asian quotations.

Capitalism replaced feudalism in the global economy of the 20th century. European colonizers gave their Asian colonies independence and the United States of America emerged as the new power in the Asia Pacific region. America promoted the tenets of capitalism in Asia with its capitalist headquarters in the Philippines, its prized Asian commonwealth possession. In line with capitalist ideals, Northeast Asian countries implemented import-substitution industrialization (ISI) policies which allowed them to move from agriculture-based businesses to heavy industries that gave them a comparative advantage with the west. Korean *chaebols* like Daewoo and Hyundai and Japanese conglomerates such as Honda, NEC, Toyota, Suzuki, and Mitsubishi were the results of these economic policies. Later on, export-oriented industrialization (EOI) policies supported by both domestic firms and multinational companies further reinforced the capitalist structures that were introduced in Asia.

Investments combined with research and development to create high value added manufacturing, and the consumer rich electronics sector, especially, became key. The results were Asian televisions, computers, VCRs, cameras and radios produced by Sony, Toshiba, Acer, Panasonic and Samsung that out-performed even their western competitors such as IBM, Compact, Zenith and Magnavox. A diversified source of financial capital also grew as the demand for funds to fuel investment and trade increased. Japanese, Korean, Taiwanese, Hong Kong, Singaporean and Indian banks worked in tandem with western financial institutions to support businesses in the region (see Selwyn, 1992; Sekimoto, 1994; Wokutch and Shepard, 1999).

A. The Asian Business Miracle Period (1965-1996)

In the *Art of War*, Asian philosopher-strategist, Sun Tzu said: "A leader who takes on the role of the commander, without understanding the strategy of warfare, invites defeat."

In *Capitalism and Freedom*, distinguished U.S. economist Milton Friedman called CSR a "fundamentally subversive doctrine in a free society. In such a society, there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engage in open and free competition without deception or fraud."

Are Chinese sage Sun Tzu and U.S. economist Milton Friedman in intellectual harmony? Apparently yes, since in Asia especially during its "renaissance" years, Sun Tzu's appeal extended beyond the military realm into the world of business. Because business by definition deals with competition, Asia's business leaders claimed that Sun Tzu's principles are ideally suited to competitive business situations. Because business, like warfare, is a contest of wills, dynamic and fast-paced, based on both morale and machines, dealing with the effective and efficient use of scarce resources. And as with Milton Friedman's ideals, many business people across the globe found value in Sun Tzu's teachings. *Sun-tzu ping-fa* (Sun

Tzu's *The Art of War*) although written more than 2,000 years ago, is still one of the most important works on the subject of Asian military and business strategy today. Penned by Sun Wu, Chinese general to the state of Wu, *The Art of War* was intended only for the military elite of his time period. However, Sun Tzu's teachings would later be absorbed by others of influence—from the fearless samurai in feudal Japan to the shrewd business leaders of the 21st century.

Hence, a long period of robust economic and business growth preceded the implementation of ISI and EOI policies in East Asia. Disciples of Friedman's school of thought argued further that companies are only liable for social development through the many taxes they pay to government. Firms should not allow themselves to be distracted from profit maximization. If business wishes to contribute beyond what it gives to government for social spending, companies could also opt to channel philanthropy to not-for-profit organizations and foundations that will allow them to write off their contributions against their tax liabilities.

The Asian corporatist model of growth created Japan, Inc., Korea, Inc., Taiwan, Inc., Singapore, Inc., and Hong Kong, Inc. Businesses were able to influence policies through deliberation councils like Japan's Ministry of International Trade and Industry, the Singapore National Wages Council, the Vietnam Chamber of Commerce and Industry and the Malaysia Business Council. Government's role was to create the physical infrastructure for the smooth operation of business, like roads and bridges, transportation, communications, airports, ports, terminals, special economic zones, and techno parks (see Campos and Gonzalez, 1997; Campos and Taschereau, 1997). However, sub-contracting the work to businesses created opportunities for public-private sector collaboration. Public-private partnerships through build-operate transfer (BOT) schemes became the key and this approach eventually helped breed Asia's business tigers and dragons.

During this Asian economic miracle period, CSR strategies concentrated on tackling social development issues such as human rights, political rights, labor and employee rights, occupational health and safety, and women's rights issues at the firm level but mostly at the national levels of operations or governance (see Roberts, 1994; Shrivastava, 1995; Sethi and Steidlmeier, 1995; Naya and Tan, 1996). Business provided tax-deductible philanthropic support directly to community beneficiaries on their own by sponsoring charities, raffles, beauty pageants, sports events, training, art exhibits or through civil society groups like religious organizations, hospitals, churches, temples, mosques, orphanages, elderly homes, homeless shelters, food banks, unions, schools, and clan and ethnic associations (see Rufino, 2000).

In the late 1960s, a group of 50 Philippine CEOs took on the challenge and formed Philippine Business for Social Progress (PBSP) to finance community and social development projects. In Thailand, at the height of the miracle, a network of local and international hotels and restaurants led by the Pan Pacific formed a consortium that launched the Youth Career Development Program in 1995. PT Astra International (Indonesia) tied up with Toyota (Japan) to

provide student scholarships, help small entrepreneurs run car maintenance classes, and provide teaching aids for schools. This intra-Asian business philanthropy partnership also financed the restoration of Borobudur, Indonesia's most famous temple.

However, these were not large-scale efforts since many companies continued to adhere to Friedman and Sun Tzu's principles of business—social development was not the responsibility of corporations. Genuine socio-economic initiatives were curtailed by repressive regimes in the Philippines, Indonesia, Malaysia, Singapore, Korea, Taiwan, Thailand, Sri Lanka, Pakistan, Bangladesh and China. Governments were afraid that citizens would think that they were not doing their work—providing public services, welfare, and social development. The trickle down of wealth from business through the taxes the business sector paid to government went toward rural development and poverty reduction.

B. The Asian Economic Crisis situation (1997-2000)

During the height of the East Asian crisis, concerns about the relative size and magnitude of graft, corruption, and the lack of transparency, predictability and rule of law were revealed in Indonesia, Thailand, Japan, and Korea. Moreover, the crisis threw cold water on the "growth with equity" arguments. Was there really income redistribution? Many people in East Asia felt some form of "trickle down" of economic rewards. But it seemed that the main beneficiaries were still selected segment of society—the traditional political elites, the greedy economic warlords, well-connected wealthy ethnic Chinese immigrants, and established families and their conglomerates. One thing is for certain—all over East Asia, those who suffered the most devastating effects of the politico-economic crisis were those on the lower rungs of society. In essence, the crisis forced a reconfiguration of the relationship between and among business, government, and civil society stakeholders of social development. Civil society emerged as an integral partner of development and not just a beneficiary or social welfare recipient. Corporations realigned their business models and operations to increase competitiveness and perform more risk analysis and forecasting.

Consequently, local and foreign firms adjusted their CSR strategies, moving up the company hierarchy from a more employee-relations emphasis to deal with ethical practices in their boardrooms (see Jomo, 1998; Asiaweek, 2001; Charumilind, 2002; Hanazaki et al., 2003). Shareholders were calling for improvements in public transactions and corporate board governance. The Confucian saying, "If one's actions are motivated only by profit, one will have many enemies," seemed to challenge the assumptions of Sun Tzu and Milton Friedman in the boardroom. Moreover, corporations began to re-examine their view of business' contribution to social development as simply being philanthropies to civil society and tax payments to government. In addition, they had to undertake "codes of responsibility" towards the environment and social safety nets, and for the visually, physically, mentally and socially challenged members of the community. They also began to give less to building physical infrastructures and more to building capacity and institutional devel-

opment programs, like CSR-oriented training, incentives, conferences, certifications and workshops.

In Bangkok, the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) adopted 15 core principles of corporate governance that it would monitor, from protecting shareholder rights to revised board responsibilities. The SET and SEC pledged to reduce fees for listed companies and expedite regulatory procedures for firms with good governance. Asia's business sector also supported moves to make host governments more efficient, responsive and accountable, especially vis-à-vis relations with firms. For instance, the Makati Business Club (MBC), an organization of 400 of the Philippines' top corporations, allied with advocacy groups (Social Weather Station and Philippine Center for Policy Studies), the media (Philippine Center for Investigative Journalism), and the US-based Asia Foundation, to establish the "Transparent Accountable Governance" Project.

In the late 1990s, South Korean *chaebol*, Samsung, established the Institute for Environmental Technology through which the company or one of its affiliates selects a river, lake or mountain and then undertakes the responsibility to keep it pollution-free. In Japan, corporate community investment is exemplified by Cable & Wireless' partnership with the Tokyo-based Center for Active Community (CAC) and international consultancy and think-tank, SustainAbility, which developed a strategic community investment program that has a close link with both core business objectives and also the needs and requirements of Japan's local communities. Some Asian companies and Asia-based MNCs have also turned to ISO 14001 and Social Accountability 8000 certifications, which evaluate compliance to ethical environmental and employment standards. Others have even raised the bar to subscribe to the UN Global Compact, ILO conventions, OECD Guidelines for Multinational Enterprises, the ISO 14000 Series, Accountability 1000, the Global Reporting Initiative, the Global Sullivan Principles, and even the latest AA1000S Assurance Standard, the first international standard developed to help ensure quality in corporate social and environmental reporting (Nair, 2001; Mosher, 2003).

C. Asian Business in Recovery (2001-present)

Economically, Asian economies account for more than half of the annual growth in world trade, drawing in a significant portion of global business. Asia's growth is led by China, which is now the seventh largest economy in the world and is set to overtake Germany and Japan within the next two decades according to economic forecasters. Some of Asia's companies (e.g., Mitsui, Itochu, Mitsubishi, Toyota, Marubeni) have gross sales exceeding the GNP of some developing countries (e.g., Singapore, New Zealand, Pakistan, Portugal, Venezuela, and Egypt). In terms of finance, Japan's Sumitomo Bank had higher gross sales than U.S.-based Citicorp in 2001. The Asian market is comprised of more than three billion persons, representing more than 55 percent of the total population of the 185 members of the UN, or three-fifths of the world's population. China and India head counts combined alone account for two-fifths of the global population. Asia is also a major global source of cheap labor and raw

materials. *Global Competitiveness Report* data shows Asian companies as the most reliable sources of competent managers (i.e., Philippines, India, Hong Kong, Singapore) and as having quality skilled laborers (i.e., India, China, Philippines). Global business is so tied to Asia that the last global recession was precipitated by the Asian financial crisis with the collapse of the high-performing East Asian economies.

Paradoxically, Asia is the home of some of the poorest economies and populations in the world. In a 2001 *International Survey Research* report on employee satisfaction, some of Asia's companies have received the lowest ratings. In the last 2003 overall rankings for global competitiveness, business competitiveness and microeconomic competitiveness rankings, only four Asian countries (Singapore, Japan, Taiwan, Hong Kong SAR) landed in the top 20 based on survey ratings of the global business community. Many Asian countries, such as Thailand and Indonesia, are placed at the bottom of the CSR scale when evaluated on criteria such as shareholder rights, social responsibility and insider trading. An examination of Asia's gini coefficients, poverty indexes, and other income inequality measures shows very weak performances by countries from South Asia, especially. Social improvement in Asia, therefore, is still urgent business.

Democratization in Asia created a higher degree of confidence for civil society organizations in terms of engaging the business and government, hence, creating greater avenues for a multi-stakeholder partnership between and among government, business, and civil society stakeholders of social development. The recovery and continued growth of Asia can no longer just be hinged on the business sector or public-private partnerships as learned from the past. Civil society groups need to be involved. Local and international businesses in Asia have also learned that dealing directly with civil society organizations could give them both social and financial returns. After all, new business models call for greater reliance on their suppliers and outsourcing agents. But most of all, corporations have discovered there is a large untapped market at the base of the societal pyramid. With the right products, one could make significant profits from Asia's poor.

It is not surprising that during this Asian business and economy recovery period the focus of CSR strategies has been on sustaining the relatively successful short term milestones in the first years of the new millennium. Reinforcing these gains requires further re-examination of past CSR approaches and the introduction of new ones relating to corporate citizenship, business transparency and openness, socially responsible investments, and a deeper commitment to community-level social development. The crisis situation further motivated political and business leaders to have the will to implement the many laws and policies that encouraged CSR. These legal "motivators" included the following:

In the Philippines, the inspiring 1986 People Power revolution and the rise of non-governmental organizations (NGOs), the overwhelming approval of the 1987 Constitution, the unprecedented enactment of the 1991 Local Government Code and Build-Operate-Transfer Law of 1993, and the implementation of the pro-people Philippine National

Development Plan: Directions for the 21st Century (1998) were crucial events that made a significant impact on the interaction of groups representing Philippine government, business and civil society. These came after decades of suppression under martial law and heavy centralized control by the national government.

Similarly in Thailand the landmark passage of the Tambol Authority Organization (TAO) Act of 1994, the enthusiastic approval of the 1997 New Thai Constitution, the swift launching of the Eighth National Economic and Social Development Plan (1997), and the recent passage of the National Decentralization Act (1999) were critical turning points that enhanced power sharing among the public, private, and civil society sectors. A major result of these legislations is increased citizen-business partnership, most notably at the sub-district level (*tambon*). A progressive, charismatic Senator, Mechai Viravaidya, moved to create the country's largest civil society-business poverty alleviation partnership through the Population and Community Development Association (PDA)'s Thai Business Initiative in Rural Development (TBIRD).

In Indonesia, post-Soeharto leaders calling for "reformasi" have moved for greater citizen participation in the political process and deregulated the business sector. Local assemblies, which have not had much power in the past, are gaining greater importance especially in terms of addressing concerns at the regional level. The central government used to corner a large majority of revenues earmarked for subsidies to failing public enterprises, to the dismay of businesses who were major taxpayers. The Ministry of Finance has initiated moves to devolve more than 50 percent of financial resources from a virtual national government monopoly position to the coffers of provinces and districts as well as to provide more incentives for small and medium enterprises. National legislation helping to ensure further fiscal and administrative devolution include: Law No. 22 (1999) on regional government, Law No. 25 (1999) on fiscal balance, and Law No. 34 (2000) on regional taxes and levies.

Findings from content analysis of four major CSR conferences in Asia for 2003 revealed that local and foreign companies have continuously been applying varying modes of CSR, from employee relations to product and process responsibility to community involvement (see Koh, 2002; Limpaphayom, 2002; Roman, 2002; Shinawatra, 2002; Tong, 2002; Wong and Jomo, 2002; Young, 2002; Mosher, 2003; Wiriyapong, 2003). This further illustrates the resolve of the Asian business community to implement CSR policies not just at the national level but also at the level of local communities and firms. Hence, the first "CSR in Asia Conference" for 2003 was held March 26–27 in Kuala Lumpur, Malaysia. It was sponsored by the International Centre for Corporate Social Responsibility at Nottingham University in the United Kingdom. Presenters ranged from Glaxo Smithkline, Affin Bank (Malaysia), Rolls Royce, and the Malaysian Securities and Exchange Commission. The panel topics ranged from the elimination of child labor practices in the soccer industry in Sialkot, Pakistan to online CSR reporting and monitoring practices in Japan, Malaysia, and India.

The second major conference was the Third Asia Corporate Governance Conference held May 15–16, 2003, in Seoul, South Korea, as a collaborative effort between the Asian Institute of Corporate Governance at Korea University and Yale University's International Institute for Corporate Governance. This conference built on the themes from the previous two conferences on global corporate governance. The discussions covered areas from disclosure and corporate governance issues in Hong Kong and Korea to decentralization on Chinese, Japanese, and Malaysia corporate boards.

The third major CSR gathering in Asia, the "Asia Forum on Corporate Social Responsibility," was held in Bangkok, Thailand September 18–20, 2003. This largest gathering of CSR practitioners and researchers in Asia was co-hosted by the Manila-based Asian Institute of Management's Ramon V. del Rosario, Sr., Center for Corporate Responsibility and the Population and Community Development Association of Thailand. More than 400 participants from business, government and civil society made presentations of best practices on how collaboration led to bottom line benefits using innovative techniques. CSR awards were given to innovative projects dealing with environmental excellence, best CSR policies, support and improvement of education, and extent of poverty alleviation. Nestle Philippines and Union Cement won awards in the proactive CSR solutions category.

This meeting was followed a week later by yet another Asia regional CSR conference, themed "The Ethical Corporation Asia 2003 Conference," in Singapore. At this fourth CSR gathering, companies like Sony, the Gap, Hewlett Packard, the Tata Group (India), BASF, Premier Oil, British American Tobacco (Malaysia), Standard Chartered Bank, NEC Corporation, DHL Worldwide Express, Ballarpur Industries (India), The Rainforest Alliance, and Citibank shared experiences on how incorporating a CSR strategy in Asian markets could positively impact shareholder value by making a real difference in company environmental, social, and regulatory compliance policies.

The challenge is to balance three philosophical tenets: firstly, the tenacity and aggressiveness of Sun Tzu at the factory and on the frontlines; secondly, the wisdom and ethics of Confucius in the boardroom; and thirdly, the harmony and compassion of Buddha and the Dalai Lama with regards to the community-consumer. The examination of these three critical operating contexts of CSR and social development in Asia have emphasized that company-community collaboration has always been present in CSR strategies from the Asian miracle period to the Asian crisis years. However, the recent 2003 meetings of professors and practitioners of business and CSR have revealed that the toughest course is at another level of engagement between business and civil society—it is how to operate responsibly without looking at persons at the bottom of the pyramid as simply "profit centers." Institutionalizing "giving back to society" beyond the traditional philanthropic modes is the business of business. Moreover, the direct impact of CSR on social development is difficult to measure.

III. Community-Corporation Collaboration and Social Development

At the height of Asia's regional economic boom groups representing civil society became critical partners in socio-economic development governance. Their expansion was bolstered by many factors including the generous shift of financial and other resources from governmental to non-governmental organizations. Support was being channeled from all levels—national, regional, and international. Organized groups, representing segments of Asia's non-government sector like non-governmental organizations (NGOs), community-based organizations (CBOs), and private voluntary organizations (PVOs) often became useful alternative service delivery agents, especially in the provision of health care and agricultural extension services. Many also became strong political advocates of women's rights, environmental and social action, human rights, and consumer issues. Tired of the dominance of "big business" and multinational interests, some NGOs even focused on entrepreneurship and financing targeted at assisting the growth of small and medium enterprises (SMEs) and community-based credit cooperatives. Compared to their government and commercial sector counterparts, groups in the Asian civil society sector concentrated their operations in areas beyond trade, investment, infrastructure, finance, and other economic issues. South, Northeast, Southeast Asian NGOs, CBOs, and PVOs delved into poverty, human settlements, equity, education, health, population, and the environment, including many other social concerns.

Driven in theory and practice by local, regional and international development agencies, research and academic institutions, governmental organizations and community groups, "civil society" and "sustainable human development" became buzzwords of the 1990s in Asia. Despite this trend, some Asian governments took cautious stands and closely monitored the development activities of civil society groups. This was especially relevant for those Asian countries with NGOs suspected by state internal security agencies of being radical fronts for extra-legal and destabilizing political and social changes, as in Singapore and Sri Lanka. This was also true in countries where the challenge of ensuring racial harmony was particularly dominant. In order to emulate the NGOs' ad hoc nature which seemed to give them greater flexibility, responsiveness and trust at the community level, a number of Asian governmental institutions set-up Government-Run or Initiated NGOs, also popularly known as GRINGOs. Just like the government, many Asian businesses were suspicious of NGOs. Nevertheless, there were companies in the business sector who learned to build alliances with them as part of their corporate governance and community outreach strategies.

2003 Asia CSR Bangkok Conference award winner, Philippine-based Figaro Coffee Company Chief Executive Officer Chit Juan said:

"The commitment of a company to social responsibilities is a major driving force. Establishing a corporate culture that espouses values and programs that go beyond the norms of business inculcates trust and pride for one's organization,

which in turn propels it to greater heights. Companies which are driven by absolute commitment to their targeted publics—including the communities they serve—are truly those worth emulating” (Business World, 2003).

CEO Chit Juan’s thoughts reveal the many avenues for community-level partnerships between business and civil society entities towards social development. Hence, this section of the research is devoted to a fresh examination of company-community collaboration. It attempts to respond to the following questions: Why partner with civil society for social development? Who are the CCC stakeholders? What mix of assets do they bring to the CCC? What commitments can they make? What organizational, process, structural and policy dynamics, and what culture, exists? What kind of partnerships can be developed between corporations, government and communities in the context of CSR? What kind of partnerships can be developed between corporations, government, NGOs and civil society?

Although not a large scale trend yet, as emphasized in the conference analyses done in the previous sections of the paper, new configurations of community-corporation partnerships towards social development seem to be emerging in Asia. This section of the paper discusses these new and innovative mechanisms and arrangements that members of the Asian business community are experimenting with vis-à-vis Asian civil society.

A. What Benefits Exist for Company-community Collaboration?

Historical evidence shows that in Asia actors in any one sector, operating independently, do not have all of the needed resources, all of the public faith and confidence, or all of the knowledge to address social development issues effectively. Hence, when stakeholders from Asia’s business and civil society sectors align together, the social development concern is more likely to be addressed in a way that is effective, responsive, economical, and sustainable. Power over social development issues is held by a great variety of individuals and organizations. The media, religious organizations, community groups, employees, entrepreneurs, and corporate bureaucrats all hold some level of influence and shape public concerns. There are many factors pushing these community and business actors to operate in opposition to one another, taking competing views and positions and playing adversarial roles, as will be elaborated on later. However, past experience from India and Bangladesh in South Asia to the Philippines and Thailand in Southeast Asia has demonstrated that more can be achieved by harnessing the strengths of various players and aligning multiple centers of power around an issue than by fragmenting the available resources and competing for power.

From the citizens’ side, the regional economic crisis and recovery periods exposed the fact that Asians live in a rapidly changing, interconnected and unpredictably globalizing and regionalizing environment. Increased access to education and the internet has empowered more Asians with the skills and knowledge to choose their own futures, and to ensure that Asian businesses, governments, and civil societies fulfill their

promises. All of these factors combine to dramatically alter the context in which social development is defined and delivered.

Not only have social concerns in Asia taken on a new complexity and interconnectedness, the methods to address these concerns are of necessity changing too. Sources of power and legitimacy to address public issues are increasingly fractured. Asians no longer live in a region where the nation-state is regarded as the sole legitimate decision-making actor in social development. In fact, the number of domains in which governments can credibly claim to hold overwhelming pre-eminence in terms of power, authority and influence are experiencing a relative decline especially with the rise of the private and civil society sectors.

The benefits for both Asian companies and communities are plentiful. As alluded to earlier, for domestic and international companies, there are tax-write offs, market penetration, social advertising and risk mitigation incentives, among others. These have a direct impact on business’ bottom line—revenues. Civil society organizations benefit from the sustained flow of supplemental financial resources, material donations, more “warm bodies” as supporters, lobbying credibility, social marketing visibility, and strategic thinking. These have a direct impact on civil society’s bottom line—societal change.

B. Who are the Actors Representing Business and Civil Society in Social Development?

Community, or the civil society sector, is represented by: individual consumers or citizens, nongovernmental organizations (NGOs), community-based organizations (CBOs), private voluntary organizations (PVOs), advocacy groups, public or special interest groups, academic and research institutions, media, religious organizations, women’s groups, labor unions, human rights, environmental, student associations, family and clan associations, ethnic and indigenous groups, youth clubs, sports teams, foundations, citizen’s committees, urban poor organizations, farmers and fishermen associations, training and education organizations, and more. Examples of CSR-oriented civil society organizations in Asia that are doing work with corporations are found in Annex A. These organizations have had relatively long histories of partnership with business.

Corporations, or the Business Sector, are represented by: individual firms proprietorships, entrepreneurs, multinational corporations and their subsidiaries, chambers of commerce, small and medium enterprises (SMEs), local business, trade, credit unions, savings and loan associations, investment companies, banks and other financial institutions, marketing and advertising firms, investment associations and cooperatives, utilities (energy, water, power) cooperatives, internet business, business councils, and similar organizations. Examples of CSR-oriented business organizations in Asia that are doing work with local communities are found in Annex A. These business associations have had relatively long histories of partnership with civil society groups. Annex B lists multi-national corporations operating in Asia that have made a commitment to CSR. These organizations have had

histories of partnership with civil society.

There are a number of ongoing partnerships between business and civil society organizations for social development at the community level from which lessons were culled for this research:

Indonesia: Beginning two decades ago, a primary school-based intestinal worm control program that covers some 700 schools with 180,000 students has been in place in Jakarta and at a number of schools on Seribu Island in the bay of North Jakarta. Behind the success of this program is Yayasan Kusuma Buana (YKB), an NGO working on maternal and child health and reproductive health aimed at the middle-lower income community in Jakarta, Indonesia. YKB partnered with Pfizer, Inc., a U.S.-based pharmaceutical company, which produces anthelmintics (deworming drugs). The civil society-MNC partnership conducted the following: (1) health education for students, teachers and parents on the intestinal worm problem and how to prevent it, (2) twice a year stool examinations, and (3) treatment for those infected by the worms.

Thailand: One of the most well developed and successful CSR programs in the Southeast Asian region, involving hundreds of private firms, has been the Thai Business Initiative in Rural Development (TBIRD) by the Population and Community Development Association (PDA). PDA began operations in 1974 by promoting family planning in urban and rural areas of Thailand. Using a participatory community-based approach, PDA's family planning efforts helped to reduce Thailand's population growth rate from 3.2 percent in 1970 to less than 1 percent today, a success recognized worldwide. PDA has since expanded operations to include primary health care, AIDS prevention, education, gender equality and democracy, promotion of income-generating activities, small and medium enterprises and rural industries, forestry and environmental conservation, water resources development and sanitation, etc. For many years, PDA has worked together with private companies on development of the poorer regions and social strata of Thailand. PDA is one of the pioneers in "privatization of poverty reduction," a concept based on the premise that only private sector companies can lift up people's natural environment and socio-economic living conditions in countries such as Thailand. Private companies have more of the necessary human, technological, marketing and financial resources than most governments or NGOs, a small part of which they could make available to the development of the countries they operate in.

Singapore: Singapore Telecom (one of Singapore's major government-linked companies) has contributed to the betterment of the lives of less privileged Singaporeans and to overall human resource development in Singapore. Singapore Telecom (SingTel) believes in playing an active role in supporting the community and social development of Singapore. It set up the Touching the Lives Fund in 2002. This Fund, the largest philanthropy project in the company's history, supports children's charities. SingTel has partnered with members of the National Council of Social Services such as the

Rainbow Center, Singapore School for the Deaf, Singapore School for Visually Handicapped, Spastic Children's Association School and Singapore Children's Society. Contributions from the fund go towards helping the beneficiaries run programs which include education, training and therapy for children with disabilities.

Bangladesh: The Bangladesh Freedom Foundation was launched in 1999 along community foundation lines with the support of the Ford Foundation. Its mission is to promote three fundamental freedoms in Bangladesh: freedom from poverty, freedom from ignorance, and freedom from oppression. It works through partnerships with civil society groups and organizations, and by supporting programs that strengthen civic initiatives and citizens' participation.

India: India has two community foundations, one in Mumbai (Bombay) and the other in Ahmedabad. The Bombay Community Public Trust was established in 1991 by the directors of the Centre for the Advancement of Philanthropy. The second community foundation, the Ahmedabad Community Foundation, was formed with the support of The Ford Foundation in 2001. Sampradaan Indian Centre for Philanthropy is actively researching and promoting the community foundation concept. Other efforts to develop new community foundations are underway, and more community foundations may result.

Japan: There are two community foundations in Japan. The first, the Osaka Community Foundation, was established in 1991 with the support of the local chamber of commerce. The second was formed by a group of volunteers in Kobe in the wake of the Great Hanshin/Awaji Earthquake. The Citizens Fund of Kobe is part of the growing nonprofit movement in Japan to increase local support for the emerging voluntary sector.

Philippines: The Kabalaka (Concern) Development Foundation of Negros Occidental has determined to transform itself into a community foundation. A research survey is being conducted to identify other foundations with community foundation-like characteristics, in preparation for a community foundation development program in the Philippines.

C. What Assets or Commitments does Each Collaborator Gain?

When a CCC in Asia is formed, each actor from business and civil society brings to the new relationship a set of assets and commitments. These assets and commitments become the foundation for negotiation, communication, agreement, and engagement. Sans a formal contract, in most cases, their exchanges and discussions become the terms of reference for the collaboration. They could be clustered into the following categories:

- **Physical** - financial, technical, and material resources
- **Organizational** - personnel, structure, leadership, capacity to manage, plan, implement, monitor, evaluate and train
- **Political** - power, authority, influence, legitimacy, lobbying, access

- **Intellectual** - knowledge or know-how in certain fields of expertise
- **Socio-cultural** - feelings/spirit of trust, networks, social bonds, friendship and willingness to collaborate, community traditions, ideals or values

CCCs recognize that businesses and communities in Asia are endowed with a mix of all five types of assets, although it seems that in actual practice each is only able to make commitments and contributions of certain kinds of assets to any given CCC. The mix of contributions and commitments varies depending on the nature of the social development problem, the particular context and timing, the capacities of the various representatives, the amount of money and the degree of commitment needed.

Companies or businesses could make asset contributions or take on responsibilities in all five areas towards social development in Asia. In terms of political commitments, corporations could leverage for business-related policies and legislation by campaign contributions to legislators. They play money politics to gain favors from politicians. They are also good at doing political risk analysis as advice to investors, clients, and citizens. Intellectual information and intellectual property rights are power. Entrepreneurs are also very product- and service-oriented, and they have the skills and acumen to make money. Their business models always incorporate competitive strategies.

The two strongest areas for corporate sector partners are in physical assets and organizational commitments. In terms of physical assets, business brings to the partnerships vital financial resources, investments, donations, employees, materials and supplies. In addition, the institutionalization of funding support through diverse sources has always been a challenge for civil society organizations. Business persons are also steeped in organizational capital like transformational leadership, strategic thinking, entrepreneurial skills, formal networking, results and profit-driven management, performance-based product marketing, market survey and analysis, budgeting and accounting skills, shareholder accountability, and niche advertising. These entrepreneurial skills and the technical know-how required to mobilize local financial resources, which are critical to sustaining community development, are something that civil society groups could learn from the business sector.

In the same way, the civil society or communities could make credible commitments and resource contributions in all five areas towards social development in Asia. But their strongest asset is their ability to harness grassroots socio-cultural commitments, from individuals to families, from relatives to friends, urban poor to rural farmers, marginalized to indigenous groups, youth to women organizations, and from NGOs to PVOs. Civil society groups are adept at social relations, informal networks, kinship ties, emotional commitment, local traditions, beliefs, customs and practices that promote and produce community self-help as well as a self-reliant attitude and behavior. They bring with them a knowledge from history, traditions, customs and beliefs, including wisdom, ethics, and values from the spiritual teachings

ranging from Confucius to those of their ancestors.

Their next strongest trait is political capital—which is essentially transforming the emotions of a self-help attitude into lobbying, advocacy, and representation for social issues which affect the poor, common folk, marginalized groups, and indigenous and ethnic communities. Civil society organizations also bring to the collaboration intellectual assets, including the wisdom of village elders, and indigenous methods and ways of doing things. Certain communities are also naturally endowed with physical resources like raw materials and skilled labor.

Organizationally, civil society brings strong community-based networking techniques, an ad-hoc structure but still a task oriented approach, community-based education and training, and social marketing and communications. Its members are very comfortable interacting with grassroots representatives but, just like businesses, civil societies tend to be weak when it comes to ensuring political stability and institutionalization, and often lack authority and administrative capacity. Additionally, civil society does not have the legal, judicial or regulatory authority to require the business community to be more accountable and responsible, which is best accomplished by government agencies or quasi-judicial authorities; thus, we are led to the role of government in company-community alliances.

Based on this rich inventory of assets, Asian corporations and communities have the potential for mutually beneficial exchanges. The incentives for businesses in joining CCCs are, in addition to tax write-offs, non-monetary dividends like increased market penetration, expanded word of mouth advertising, accumulated emotional appeal, gain in community allies and networks, and access to local preferences and information. Communities get access to supplemental funds, materials, expensive technology and advertising, risk analysis and financial management skills, boardroom audience, and possibly, respect. There is also the potential for getting their social message out, gaining corporate allies from firms to clients, and acquiring strategic planning and implementation skills.

D. Is There a Role for Government in CCCs?

There is a critical role for Asian governments, from the municipal to the national levels, in CCCs since the business and civil society sectors can not provide political legitimacy or institutional security, which are best done by government bureaucracies or public enterprises. Many private corporations cannot guarantee social equity and economic rationality. In fact, many of the Asian CSR experiences during the crisis period showed that the market, left solely on its own, tended to generate economic and income inequalities. Hence, there becomes a compelling need for the civil society and government sectors to jointly check and balance the operations of the free market with regulatory activities and programs that reduce these socio-economic inequities. Hence, there is still a significant role for government or the public sector in CCCs.

In terms of physical assets, government's role is clear—to be the primary provider of social service and development especially among the developing countries of Asia. This is

what is expected of them by citizens and corporations who see themselves as supplementing government but not replacing it in this respect. It has the power to reallocate taxes and other sources of public revenues towards social infrastructure, welfare, the environment, health, and other community concerns at all levels of governance. Organizationally, public agencies have the capacity to do formal linking and coordination across the various levels of government and into the realms of the private and civil society sectors. They provide the bureaucratic structure, creation of rules, procedures, and directives to carry out efficient and effective political, economic, and social development programs.

Intellectually, civil servants, legislators, politicians, and judges have the mastery of relevant laws, policies, and legal and institutional technical expertise in specific areas of development. They are also the repository of socio-cultural capital, like government ideals, values, ideology, patriotic fervor, respect for flag, country and rule of law—which build community cohesion, loyalty, cooperation, collaboration, civic mindedness, and democratic practices. But most all, CCCs may lack an understanding and expertise in the law, regulations, procedures, and requisite bureaucracy. At this point, government is expected to provide political leadership, will, and support, as well as formal authority, access to the political system, internal political and administrative influence and control, and law-making. Hence, certain, if not all, CSR-oriented social development strategies might well benefit from a multi-stakeholder partnership, involving not only business and civil society, but government as well.

IV. Challenges and Barriers to Community-Corporation Collaboration

In the previous section, what was stressed was that there seems to be an inherent logic that, generally, community-corporation partnerships are going to be more participatory, more democratic, more effective, more responsive towards addressing social development concerns in health, environment, labor, sanitation, safe drinking water, child and maternal health, etc. It was also stressed that government will have to play a significant role in CCCs. However, the same research findings shared at the 2002 INDES/Japan Program Workshop in Tokyo and Kobe also revealed some serious barriers to alignments between and among business (private sector), civil society (people sector), and government (public sector). In particular, the discussions at the 2002 Inter-American Development Bank-sponsored conference highlighted that the weakest link among the multi-stakeholder partners was business, especially corporations' connections to civil society and their contributions to social development. Hence, this section of the paper is devoted to the internal and external barriers or "disincentives" to Asian CCC formation, especially the issue of trust and the appropriate role of government in business-civil society partnerships. What are the main obstacles that hinder participation by business in social development? After all, Asian boardrooms and entrepreneurs have been known to possess "conservative" business values. There are many Asians of the "old guard" who still think like Sun Tzu and Milton Friedman. Convincing them "respect-

fully" means appealing to their wisdom and seniority. Despite gains, media coverage, and philosophical impetus, a certain degree of skepticism still exists about the real effectiveness of CCC-CSR in Asian business.

A most compelling issue that cuts across private, public, and people sectors is the inherent lack of trust among partners. Deeply ingrained attitudes of blaming government for its inefficiency, criticizing civil society for its narrow and biased interests, and viewing business as only after its own profit-oriented bottom line do not auger well for strong, supportive relationships among these groups. Additional barriers to effective CCCs and multi-stakeholder partnerships are a strong desire for power and control and the accompanying reluctance to share power. In many cases government actors, after many years of taking the lead, still believe that the people expect them to do so. Besides, it must also be noted that leading also means influencing agenda-setting and implementation. Finally, the comfort and security of maintaining the status quo is a significant force mitigating against the formation of new partnerships, whether CCCs or multi-stakeholder ones.

Initially, it could be a very daunting challenge to change relationships that have historically been based on adversarial roles to ones that are mutually supportive. Asian cases demonstrate that barriers such as these are always present. Creating these innovative collaborative arrangements also has its financial costs although the long-term pay offs are well worth it. Multi-stakeholders seem to work better with certain concerns than with others (for instance, environmental issues). In two books, *Governance Innovations in the Asia-Pacific Region* (Bhatta and Gonzalez, 1998) and *Opting for Partnership* (Gonzalez et al., 2000), I and a number of development colleagues shared the results of the Canada-ASEAN Governance Innovations Network (CAGIN), a four-year project planned and implemented by the Institute On Governance (IOG) and supported largely by the Canadian International Development Agency (CIDA) to evaluate the barriers to partnerships among business, civil society, and government. The findings presented here in this section of the paper build on this extensive research with updated information.

A. Internal and External Concerns: Civil Society in Asia

In Asia, NGOs, CBOs and PVOs are most concerned about their capacity to contribute and commit to a CCC without money. Asian civil society entities feel that if they have no money to place on the table, then they will not be equal and credible partners to the CCC since, to private businesses, funds are a critical indicator of serious intent. (Are NGOs just going to be followers and doers since they do not have the money?) However, Asian not-for-profit organizations are quickly learning that the first step that they need to take, upon establishment, is to make themselves "profitable" and that means financially viable. Many Asian civil society groups also feel that they speak a non-business language, e.g., emotional, critical, social, cultural, supportive, psychological, educational, and environmental. Boards of directors of Asian companies, especially those from the traditional school who

are steeped in the Sun Tzu and the Milton Friedman principles of business, are not interested in listening to sales pitches by young, dynamic, passionate civil society representatives who use non-business discourse. Senior company directors and regional managers believe that unless what civil society has to say will directly affect revenues, then NGOs have no business telling them how to run private businesses.

Asian NGOs and CBOs are used to using ad-hoc, informal, and task oriented approaches to everyday operations. Conversely, corporate inter-office dynamics in Asia utilize formal, bureaucratic hierarchies and processes in their daily transactions, including firm superior-subordinate relationships. How could these two operating settings mix? Although marked improvements have been made, there is still a gender divide in civil society and business work. Some argue that the "soft work" done by civil society organizations is for women while the "hard work" of business is for men. Certain segments of the Asian civil society sector lack confidence in their leadership abilities. Some of them think that NGO leadership skills are not counted in the "real world." Some feel that the only leadership acknowledged by the working world comes from either corporate or government experience, there is no in-between. Because of this insecurity, it is unclear who should lead the collaboration.

Cozy relationships between government and business have also been criticized by citizens as corruptive at the expense of society. There is a dearth of literature about these cozy public-private relationships and their result in "iron triangles" and sub-governments. Hence, civil society is wary that any relationship with business could be viewed in the same light. Is a CCC moral or ethical? Another set of questions among local CBOs and NGOs are: Isn't a CCC a western ideal? If so, is it compatible to our country or culture? Maybe we are not there yet. Maybe, our citizens and institutions still lack democratic maturity. Is a CCC simply an MNC's way of co-opting militant groups, especially labor? From the outside, development beneficiaries from the community also have these queries: Does the community partner really have credibility with the local community? Or, is the community partner really a GRINGO (Government-Run or Initiated NGO) or a BINGO (Business-run International NGO)?

B. Internal and External Concerns-Corporations in Asia

What about businesses in Asia? What are their concerns? Although there is a growing trend toward socially responsible investments, many shareholders, managers and boards are still uncomfortable with a number of CCC features (Chen, 2001). A primary concern of businesses in Asia is how a CCC would affect their business models and the profits they have projected over the short, medium, and long term. Another concern is how much the CCC will cost and if there are any financial returns. Time, in business, is equated with money. How many meetings and discussions do senior managers or their representatives have to attend? When are these meetings going to be held since they have business cycles to adhere to and production deadlines to meet? How many CCC meetings will they have to host? Asian business meetings are always

long and costly since food and drinks will have to be served. Will they have to listen to long-winded, impassioned speeches about "business' sins" and how much corporations "owe to society"? If there are tangibles (or intangibles) that they could secure from the relationship, what are they in US dollars, in Indonesian rupiah, in Thai baht, in Philippine pesos, in Singapore dollars? Will they be able to write off contributions against taxes? How much? Will CSR increase the price of shares/stocks? Will the CCC provide the firm with market visibility or consumer advertising? Are the community representatives a part of that particular business' consumer market? Or, are these citizen representatives simply spies working for our competitors or the government? Will civil society representatives reveal too much about our comparative advantages, intellectual property, product secrets, special formulas and processes? There is a broad spectrum of community groups. Which civil society organization should business partner with? Do they have a choice?

Businesses in Asia are also concerned with whether Asian civil society will understand business language: profits, competition, markets, risks, supply and demand, price elasticity, wages, contracts and liabilities. Conversely, corporations are worried about whether they will be able to understand civil society's discourse and rhetoric. Some corporations feel strongly that CSR goes beyond their business operations and consumer responsibility. They end up saying, "Isn't social development something the government does? If so, then doesn't the CCC's mission overlap with government's?" Are there any liabilities/legalities with a formal CCC? Or will an informal CCC work? Will we have to go to court to resolve conflicts or will an arbitrator or mediator suffice? Who assumes losses or cost of litigations should they arise? Asian corporate boards always end up asking these questions, too: Is this new CSR mission linked to our core values? Will we have to redo our core values, our mission, our vision or can this be simply a special project, a fad we hook into right now but which we expect to change sometime in the future? Can we trust these "radicals" who we are partnering with? Is this about human rights again? If they are radicals and this is about human rights, then business is not interested.

C. Governmental Concerns – Social Development is My Turf!

The existence of a CCC cannot escape the purview of government, especially if the entity will deliver social services to citizens. Asian governments may be reluctant to endorse, support, or help institutionalize CCCs due to a number of factors revolving around power and influence. There are many public servants who feel that social and community development is the main reason for the existence of government. This is its traditional role and nobody is perceived at being better at it than them. In other words, Asian governments, especially at the national level, may still be reluctant to share power. They are afraid of losing control, power and influence. Asians are very conscious of gaining and losing "face." In this situation, Asia's "benevolent leaders" will be afraid to lose face. They do not wish to appear weak by

seeking help from a CCC to implement social development. Involving government in a CCC might be misinterpreted as politicians and bureaucrats not wanting to do that which they were elected or appointed to do. In effect they lose credibility among the voters. This might reflect on them in the next election or their next performance evaluation.

Asian legislators and executors are also worried about how they could craft laws that regulate the CCC—which is a new public entity— or whether CCCs should be regulated at all? If their assistance for social development is to be institutionalized, the CCC has to be held accountable for sustainability of results. There is always the temptation to create a GRINGO that could partner with business. In this way, they have an intermediary with government instead of an NGO that might be overly critical of them. CCCs lack a broad geographic and global view of social issues. Government, because of its vast reach and with the help of the internet, has the ability to communicate and coordinate up and down the chain of command faster than some company subsidiaries or civil society field offices. Which government representative, agency, or entity is willing to cooperate with a CCC?

V. Conclusions: Some Lessons for Policy, Research, and Practice

Is there a relationship between CSR and social development in Asia? In a seven-Asian country CSR study (Chambers et al., 2002) performed by the UK-based International Centre for Corporate Social Responsibility at Nottingham University, the research team evaluated the extent of CSR penetration for both local companies and MNCs in Singapore, India, Thailand, the Philippines, Malaysia, South Korea, and Indonesia as well as CSRs' impact on social development, measured as adult literacy and life expectancy. There seemed to be no significant correlation between the two, using macro-level indicators. One interpretation of their data is that even with increasing private sector development, divestiture of government shares, contracting out of public services, and the privatization of state-owned enterprises and the shrinking of the government's share in Asian economies, Asian and Asian-based corporations have not taken on increasing responsibilities to address social development issues at a magnitude comparable to their growth. Another interpretation of their Asian dataset could be that testimonies at the community level are not adequately covered by the statistical aggregation, particularly analyzed on a case-to-case basis. Individual cases have highlighted that there is actually high community satisfaction with the work of CCCs. The succeeding Asia case studies from the Philippines, Thailand, Indonesia, and Singapore will provide strong evidence to this argument.

Nevertheless, this final section concludes with some policy, research, and practical lessons on overcoming these Asian CCC challenges based on the contextual and CCC assessment, including the challenges to effective CCC formation. These conclusions could be used to guide specific policy initiatives to effectively promote and facilitate such partnerships and participation.

From the contextual analysis of Asian experiences, policymakers who wish to replicate lessons from Asia should be cognizant of these three inter-connected motivators:

1. A profitable or competitive business climate and wealth accumulation are necessary preconditions to initiate CSR.

This is a clear direction of causality. It is not a 'chicken-and-egg' argument. Profits must accrue first and shareholders must be happy before firms think about "giving back to community" and contemplating issues that conservative Asian boardrooms are not accustomed to, like "human rights" and "environmentally sustainable development." That is what happened during the economic miracle years. From philanthropy to CCCs, increased wealth among Asian corporations allowed them to channel some of their energy and resources into what they saw as areas that only indirectly affect their revenue targets. Even over the centuries of business trends in the region, it is observed that there are still many Asian business leaders who subscribe to the Milton Friedman/Sun Tzu paradigm of profit maximization. Interestingly, even Buddhism points out that making money is acceptable since, "a person who has greater resources can do more good for others than someone who does not." Meanwhile, Hindus believe that "the more the company makes, the more should go back into the dharma." Also, there is a traditional saying in the region that "rice bowl" issues at home need to be addressed first before one can reach out to others. Charity begins at home.

2. CSR culture in Asian business derives from spiritual and philosophical underpinnings. Some Asian firms may look schizophrenic to western observers especially when Asian spirituality is factored into firm operations because they will apply the Milton Friedman/Sun Tzu outlook but also believe in the *karma* of firm altruism. Good fortune charms from golden Buddhas to Hindu images remind them that "kindness begets kindness." Thus, as successful money-makers, Asians know that greed is not good according to the teachings of popular Eastern religions that many of them adhere to such as Buddhism, Islam and Hinduism. Asians are constantly bombarded with this message when they worship, pray, reflect, chant or meditate in the many temples, mosques, churches, and other spiritual sites that are interspersed with their corporate skyscrapers. Moreover, some Asians believe you do not have to be necessarily religious to subscribe to any of these faith-based beliefs. After all, Asia is a mix of "theocratic-fundamentalist states," especially in parts of South Asia and Southwestern Asia, and more moderate religion-influenced states in Northeast Asia and Southeast Asia.

Asian spirituality and philosophy could be covertly or overtly applied to business, leading to CSR. In Malaysia, Bank Muamalat provides banking products and services to all levels of society, based on Islamic Law or Syariah, practicing a banking concept that entails no "*riba*," or no-interest. In Indonesia, the largest Muslim country in the world, the Jakarta Institute of Islamic Finance and Capital and the Islamic Chamber of Commerce ensure that member companies get involved only with *halal* (permissible) activities; hence, non-endorsement of businesses or investments which promote alcohol, pork, gambling, tobacco, armaments, etc.

Confucius, in his proverbs, pointed out that there is nothing wrong with getting wealth as long as the person obtains it in the right way and as long as one proceeds with virtue thereafter. In other words, acts motivated by profit are compatible with Confucian morality if the money is secured in an ethical manner and if some of the earnings are used in a virtuous manner. Hindus believe that managing people toward achieving their higher beings leads to one's business reaping many benefits.

3. CSR requires a legal framework that promotes openness, partnerships, and democratization. It is acknowledged that the regional business environment and philosophical underpinnings are both critical to overall CSR introduction. However, reinforcing, sustaining and monitoring changes, especially to achieve CCC, can only be accomplished with policies and legislation that encourage changes in firm operations and human behavior. International consultants, multinational companies and development agencies, together with Asian bureaucrats and politicians as part of a larger private sector regional development trend, worked to influence the legal and regulatory environments that included CSR innovations. Government-initiated moves that promoted the CSR activities and interventions described above in Asia included the enactment of business-friendly legislation and laws that encourage partnerships, openness, and a more democratized relationship between and among government, business and civil society actors. In the legal framework, policymakers should:

- **Recognize that CCC is both a CSR process and a CSR product.** As a process, corporate-community cooperation is learned human and organizational behavior. It is powerful especially when business and community stakeholders bring physical, organizational, political, socio-cultural and intellectual commitments. CCC begins at the national and international level with business and civil society representatives wanting to be trained and taught how to coordinate, network, collaborate and share information. At the leadership level, it is corporate CEOs wanting to meet with NGO executive directors (EDs) to partner. It is CEOs, their boards of directors, and shareholders learning to listen to and participate with EDs, their advisory boards, and stakeholders, and vice versa. Side-by-side they address health, environmental, and social development concerns. As a product, CCC emerges as an evolving culture of democratization, openness and transparency. This is a dynamic product that is constantly innovated and replicated.
- **Encourage trust and confidence-building activities since they seem to be the most important components of formal CSR-CCC conceptualization and institutionalization.** Having the political will to want to work together is crucial. However, it takes a certain amount of quality time and interaction among individuals from the prospective organizations, from after-hours drinking sessions at a local bar in Manila, the Philippines, or karaoke singing in Seoul, Korea, to picnics and joint recreational activities at a park or sports club in Jakarta,

Indonesia, or Taipei, Taiwan. Asians are fond of involving families in many of these trust-building activities to create even stronger and longer lasting bonds. Beyond these informal activities which may be difficult to put in a formal policy document are formal business-government-civil society exchanges, conferences, workshops, and retreats which could be budgeted by firms, state agencies, and community-based organizations.

- **Signal to private firms and civil society groups to factor CCC and other CSR interventions into their business models early.** CSR should not be viewed simply as an afterthought or a temporary trend. For new private firms, it should naturally flow from their mission and vision statements as well as their operations, marketing and organizational culture. For older and more developed private companies, it should be "sold" by the board to the workers and be institutionalized. Conversely, NGOs, PVOs and CBOs should also learn about ways to partner with private business early on. Civil society groups must realize that CCCs, as part of their operations, are a more powerful force towards achieving social development than if they were to do it on their own. However, for both stakeholders there is a lot of work to be done.

This paper began with Confucius, and now it ends with Buddha's thoughts on CSR:

Look back at your business and life, at their end, and honestly say that the years of doing business have had some meaning. We should be able to look back and see that we have conducted ourselves and our business in a way that had some lasting meaning and which left some good mark on the world.

It seems, in Asia, this is the ultimate measure of corporate-community cooperation's success.

REFERENCES

- Aquino, Rosemary, editor (1981). *Perspectives on the Social Responsibility of Business*. Manila: Bishop-Businessmen's Conference for Human Development.
- Asia Africa Intelligence Wire (2003). "Globalisation Seen as a Boost to Corporate Social Responsibility in Asia." *Asia Africa Intelligence Wire*, April 11 issue.
- Asiaweek (2001). "Viewpoint: Beyond Compliance: Social Accountability Can Protect Companies and Profits." *Asiaweek*, April 13 issue.
- Business World. (2003). "Philippines Bags Special Awards (Corporate Social Responsibility)." *Business World*, Oct 28 issue.
- Campos, Jose Edgardo and Gonzalez, Joaquin L. (1997). "Deliberation Councils and Effective Policy Making: Experiences From Malaysia, Singapore, and Canada." In Jose L. Campos and Suzanne Taschereau, *Governance Innovations: Lessons from Experience*. Canada: Institute on Governance.
- Campos, Jose L. and Taschereau, Suzanne (1997). *Governance Innovations: Lessons from Experience*. Canada: Institute on Governance.
- Carroll, Archie B., editor, (1977). *Managing Corporate Social Responsibility*. Boston: Little Brown and Company.
- Chambers, E., Chapple, W., Moon, J., and Sullivan, M. (2003). "CSR in Asia: A Seven Country Study of CSR Website Reporting." *ICCSR Research Paper Series*, No. 09-2003. Nottingham University, Nottingham, UK.
- Charumilind, Chutatong (2002). "Crony Lending: Thailand Before the Financial Crisis". Conference presentation at the 2nd Asian Corporate Governance Conference in Seoul, South Korea, Asian Institute of Corporate Governance, May 16-17, 2002.

- Chen, May Yee (2001). "Make Green by Being Green: Social Responsible Investing Funds in Asia," *The Asian Wall Street Journal*, July 16, 23(29): 18.
- Chowdhury, M. R. and Kabir, A. (2000). "Social Responsibility of Business: A Study with Special Reference to Selected Enterprises of CEPZ." *Journal of the Institute of Bangladesh Studies*, 23: 235-248.
- Collins, Paul, Editor (2000). *Applying Public Administration in Development: Guideposts to the Future*. London: John Wiley.
- Cox, N., Keating, J., Shapiro, D., and Patanne, E. P. (1987). "Salvaging a Damaged Image: A Good Corporate Citizen." *Asian Business*, Sept issue, 23(9): 82-88.
- Dhatta, P.T. J. (2003). "More to Medicine Biz Than Mere Profits." *Businessline*, June 9 issue.
- Dhiravegin, L. (1985). "Business and Social Responsibility." *Thailand Business*, 8(10):39-41.
- Djalil, Sofyan and Pandin, Marcelino (2002). "Corporate Governance Reform in Indonesia." Conference presentation at the 2nd Asian Corporate Governance Conference in Seoul, South Korea, Asian Institute of Corporate Governance, May 16-17, 2002.
- Dunung, Sanjyot P. (1998). *Doing Business in Asia*. San Francisco: Jossey-Bass.
- Economist Intelligence Unit (1997). "Just Don't." *Business Asia*, July 28 issue.
- Emerson, Tony (1998). "The New Standard: Corporations That Care." *The Bulletin with Newsweek*, Feb. 17, 117(6110): 67.
- Gescher, J. M. (2002). "Adding Value: Dimension of Corporate Social Responsibility." *China Review*, Spring 21: 21-23.
- Gonzalez, Joaquin L. and Bhatta, Gambhir, Editors (1998). *Governance Innovations in the Asia-Pacific Region: Trends, Cases, and Issues*. Aldershot, UK: Ashgate Publishing.
- Gonzalez, Joaquin L. and Calingo, Luis (2000). *Success Secrets to Maximize Business in the Philippines*. Portland, OR: Graphic Arts Publishing.
- Gonzalez, Joaquin L., Lauder, Kathleen and Melles, Brenda (2000). *Opting for Partnership: Governance Innovations in Southeast Asia*. Canada: Institute On Governance.
- Hanazaki, M., Souma, T. and Wiwattanakantang, Y. (2003). "Silent Large Shareholders and Entrenched Bank Management: Evidence from the Banking Crisis of Japan". Conference presentation at the 3rd Asian Corporate Governance Conference in Seoul, South Korea, Asian Institute of Corporate Governance, May 15-16, 2003.
- Harivash, L. (1990). *Drugs Industry, Social Responsibility, and the Multinationals*. New Delhi: Commonwealth Publishers.
- Hiebert, M. (2002). "The New War on Terror." *Far Eastern Economic Review*, June 6 issue, 165(22): 40-42.
- Holland, Tom (2002). "Ethics Pay in the Long Run". *Far Eastern Economic Review*, 165(15): 49-51.
- Ii, Justin and Batten, Jonathan (2001). "The Implementation of OECD Corporate Governance Principles in Post-Crisis Asia." *Journal of Corporate Citizenship*, Winter 16:47.
- Jomo, K. S. (1998). *Tigers in Trouble: Financial Governance, Liberalisation and Crises in East Asia*. London: Zed Books.
- Kawamoto, I. (1977). "Social Responsibility of Corporation." *Kobe University Law Review*, 11: 1-19.
- Koh, Philip (2002). "Corporate Governance in Malaysia: Current Reforms in Light of Post 1998 Crisis". Conference presentation at the 2nd Asian Corporate Governance Conference in Seoul, South Korea, Asian Institute of Corporate Governance, May 16-17, 2002.
- Krishnaswamy, K. S. (1986). "Banking and Social Responsibility." In Raj Nigam, editor, *Banking in India in the Eighties*. New Delhi: Documentation Centre for Corporate and Business Policy Research.
- Limpaphayom, Piman (2002). "Corporate Governance in Thailand: Recent Developments and Implications". Conference presentation at the 2nd Asian Corporate Governance Conference in Seoul, South Korea, Asian Institute of Corporate Governance, May 16-17, 2002.
- Mahmud, M. M. (1988). "Corporate Social Responsibility: A Study with Reference to Public Industrial Enterprises in Bangladesh." *Chittagong University Studies*, 4: 51-74.
- Mosher, S. (2003). "Corporate Codes of Conduct: A Summary." *China Rights Forum* 1: 43-48.
- Nair, K. U. (2001). "India: Setting New Rules for the Managers of Tomorrow." *Businessline*, Nov 29 issue.
- Naya, Seiji F. and Tan, Joseph L. H. (1996). *Asian Transitional Economies: Challenges and Prospects for Reform and Transformation*. Singapore: Institute of South-east Asian Studies.
- Plante, Christopher S. and Bendell, Jem (1998). "The Art of Collaboration: Lessons from Emerging Environmental Business—NGO Partnerships in Asia" *Greener Management International*, Winter issue, p. 91.
- Prahalad, C. K. and Hart, Stuart L. (2002). *The Fortune at the Bottom of the Pyramid*. Strategy+Business: e-doc series.
- Reder, Alan (1994). *In Pursuit of Principle and Profit: Business Success Through Social Responsibility*. New York: Putnam.
- Richter, Judith (2001). *Holding Corporations Accountable: Corporate Conduct, International Codes and Citizen Action*. London and New York: Zed Books.
- Roberts, Geraint (1994). "To Care and Care Alike: Responsible Care Programs in Asian Chemical Industries." *ECN Chemscope*, May issue, 28: 2.
- Roman, Francisco L. (2002). "Managing Corporate Governance: Legal/Regulatory Environment and Corporate Governance Practices in the Philippines". Conference presentation at the 2nd Asian Corporate Governance Conference in Seoul, South Korea, Asian Institute of Corporate Governance, May 16-17, 2002.
- Rufino, Maria Victoria (2000). "Beyond Brushstrokes: Artistic Expressions and Corporate Social Responsibility." *Businessworld* (Philippines), Sept 11 issue.
- Sekimoto, Tadahiro (1994). "Corporate Contributions to Society: Keynote Address by the President of NEC Corporation." *Japan 21st*, March issue, 39(3): 40.
- Selwyn, M. (1992). "A Reputation for Success." *Asian Business*, May issue, 28(5)
- Sethi, S. Prakash and Steidlmeier, Paul (1995). "The Evolution of Business' Role in Society." *Business and Society Review*, Summer 94: 9-12.
- Shinawatra, T. (2002). "Prime Minister Urges Transparency Among Thailand's Business." *Bangkok Post*, March 15 issue.
- Shrivastava, P. (1995). "Industrial Environmental Crises and Corporate Social Responsibility." *Journal of Socio-Economics*, 24(1): 211-227.
- Singh, P., Maggu, A. Warrier, S. K. (1980). "Corporate Social Responsibility: Realities and Expectations." *Vikalpa*, 5(2): 117-130.
- Takeuchi, A. (1978). "Should There be a General Provision on Social Responsibility of Enterprises in the Commercial Code." *Law in Japan*, 11: 37-56.
- Tong, Lu (2002). "The New Development of Corporate Governance in China". Conference presentation at the 2nd Asian Corporate Governance Conference in Seoul, South Korea, Asian Institute of Corporate Governance, May 16-17, 2002.
- Wiriyaopong, Nareerat (2003). "Experts Urge Thai Officials to Press Firms for More Social Responsibility." *Bangkok Post*, Sep 23, 2003.
- Wokutch, R and Shepard, J. M. (1999). "Corporate Social Responsibility, Moral Unity, and the Maturing of the Japanese Economy." In Georges Enderle, editor, *International Business Ethics: Challenges and Approaches*. Notre Dame, Indiana: University of Notre Dame Press.
- Wong, Sook Ching and Jomo, K. S. (2002). "Malaysia Corporate Restructuring After the 1997-98 Crisis: Cronyism or Necessary Evil." Conference presentation at the 2nd Asian Corporate Governance Conference in Seoul, South Korea, Asian Institute of Corporate Governance, May 16-17, 2002.
- Wu, Rong-I and Chu, Yung-Peng, Editors (1998). *Business, Markets and Government in the Asia Pacific*. New York: Routledge.
- Young, N. (2002). "Three 'C's: Civil Society, Corporate Social Responsibility, and China." *China Business Review*, 29(1): 34-38, Jan-Feb issue.

ANNEX A

Examples of Domestic Asian Civil Society and Business Organizations with Local and Multinational CSR Partnership Components

Civil society organizations:

- Population and Community Development Association (PDA)
- Human Rights Congress for Bangladesh Minorities (HRCBM)

Shared Interest in Bangladesh
 Automotive Research Association of India
 Communications Information Network Association of Japan (CIAJ)
 Daiwa Institute of Research (DIR)
 Singapore Business and Professional Women's Association (SBPWA)
 Indonesian Centre for Women in Politics
 Committee for Asian Women (CAW)-Thailand
 Christian Children's Fund
 Japan Environmental Education Forum
 Philippine Business for Social Progress (PBSP)
 Catholic Bishop Businessmen's Conference (CBCP)
 Nepal Forum of Environmental Journalists (NEFEJ)
 Malaysian Nature Society
 Pakistan Rural Development Foundation
 Youth for Sustainable Development Assembly YSDA – Philippines Inc.
 Wildlife and Nature Protection Society of Sri Lanka
 KEHATI-The Indonesian Biodiversity Foundation

Business organizations:

China Chamber of Commerce - China Exporter Net
 International Executive Council (China)
 Swiss-Chinese Chamber of Commerce
 All India Biotech Association
 All India Manufacturers Organization
 All India Printing Ink Manufacturer's Association (AIPIMA)
 Confederation of Indian Industry
 Brewers Association of Japan
 Entrepreneur Association of Tokyo
 Philippine Chamber of Commerce and Industry (PCCI)
 Production Management Association of the Philippines
 Thai Medical Device Suppliers Association
 Chambers of Commerce in Taiwan

ANNEX B

Multinational Firms Operating in Asia with CSR "Pledges"

Adidas-Salomon AG
 American Express Company
 AT&T Corp.
 Borders Group, Inc.
 British Petroleum

British Telecommunications plc
 Cable and Wireless plc
 CH2M Hill Companies, Ltd.
 Charles Schwab Corporation
 ChevronTexaco Corporation
 Cisco Systems, Inc.
 Citigroup Inc.
 Coca-Cola Company
 Colgate-Palmolive Company
 Deloitte & Touche LLP
 Exxon Mobil Corporation
 Ford Motor Company
 Gap Inc.
 Genentech, Inc.
 General Motors Corporation
 GlaxoSmithKline plc
 Hallmark Cards, Inc.
 Hewlett-Packard Company
 Home Depot, Inc.
 IKEA International A/S
 Johnson & Johnson
 Kmart Corporation
 Levi Strauss & Co.
 Li & Fung Limited
 Maersk Sealand
 Mattel, Inc.
 McDonald's Corporation
 Nestlé
 NIKE, Inc.
 Odwalla, Inc.
 Oracle Corporation
 Peet's Coffee & Tea, Inc.
 Perry Ellis International, Inc.
 Pfizer Inc
 Procter & Gamble Company
 Shell International
 Sony Corporation
 Starbucks Corporation
 Toys "R" Us, Inc.
 Unilever
 Source: Business for Social Responsibility (BSR), San Francisco, California, USA.

Joaquin L. Gonzalez III is Visiting Assistant Professor of Politics and Asia Pacific Studies, University of San Francisco and Mayor George Christopher Professor of Public Administration, Edward S. Ageno School of Business, Golden Gate University. E-mail: gonzalez@usfca.edu