TNGOs, rights-based approaches, and the CSR agenda

The relationship between NGOs and business have expanded in number and form over the past decade. The proliferation of business commitments to social and environmental issues has moved business beyond their dyadic role as funders or campaign targets and given NGO-business interaction a more diverse element. Firms’ engagement in social and environmental issues is generally captured under a corporate social responsibility (CSR) umbrella. Despite its common usage, the concept of CSR has remained elusive for academics and practitioners alike. While some see in CSR a window of opportunity for moving business from being part of the problem to being part of the solution of global problems, others have argued that the notion of benevolent business firms is inherently counter-intuitive.

While the debate surrounding CSR is likely to continue for some time, NGOs remain faced with the task of deciphering the significance and meaning of business agency in development issues. Besides representing a potential avenue for funding and partnership what are the risks from engaging with CSR-related initiatives? How compatible is the concept of CSR with rights-based missions to development work? Based on an on-going research project on CSR, post would like to offer two observations regarding the relationship between CSR and rights-based approaches to development.

First, the discourse surrounding CSR has evolved significantly over the past decade. The growing adoption of CSR by business has moved the concept from the idea of social obligation of business to the conception of CSR as part of business strategy. In a way, ethical considerations have given way to instrumental ones, unleashing a significant level of agency on the part of business. A strategic approach to CSR aims to find win-win situations, in which achieving strategic business goals, such as minimizing risk or implementing differentiation or efficiency strategies, also contribute to the alleviation of social, economic, or environmental ills. In a way, this trend has re-emphasized the voluntary nature of CSR. CSR as a business strategy is by nature a top-down approach, starting with the identification of overlaps between business interests and opportunities for engagement with their social environment. In contrast, right-based approaches start with the recognition of a situation that is perceived to violate certain universal standards. While trade-offs and prioritization are inescapable for any NGO due to the scarcity of resources available, a central component of a rights-based approach is the focus on identifying and targeting the most vulnerable and excluded individuals and groups of any given area of engagement. Priority areas of engagement for CSR are likely to be not identical with issue areas that would be addressed if normative standards (e.g. human rights) were the basis for action.

Second, rights-based approaches and CSR are likely to diverge with regards to how issue areas are envisioned to be addressed. CSR is largely a cooperative approach based on a vision of social change that is largely built on incentivizing social action, creating win-win situations, and consensus outcomes. Rights-based approaches, in contrast, are grounded in a more complex vision of social change processes that recognizes the structural exclusion of marginalized groups from development processes. Identifying more fundamental causes of poverty, working to support transformative change processes, and placing greater emphasis on political advocacy efforts are just three examples of how a deeper understanding of social change processes has affected the strategies employed by NGOs. As a result, CSR in many cases
does not address structural issues, which are often characterized by a significant level of contestation and conflict.

CSR and rights-based approaches are not necessarily incompatible. There is no blueprint for decision-making regarding if, when, and how NGOs should engage with CSR agendas of the private sector. However, recognizing the differences between the two paradigms might contribute to more informed decisions. If one thing seems certain, then it is that the construct of CSR is likely to remain in motion. Recent initiatives aiming to give CSR a more rule-based element (e.g. the UN Business and Human Rights Framework, ISO 26000) are one interesting trend. Changes in public awareness following the global financial crisis are also likely to influence the future development of CSR as a concept. For the foreseeable future, CSR will be with us.