Introduction

THE VERY EXTENSIVE LITERATURE IN the theory and practice of corporate social responsibility (CSR) that has been growing over the past few years is still, for the most part, very heavily focused on European and US cultures (see Birch 2003; Moon 2002; but see Regelbrugge 1999; Singh-Sengupta 2003). In the 90 papers published so far in the first 12 volumes of The Journal of Corporate Citizenship, for example, only 7 are directly focused on an Asian country (Cone 2003; Chakraborty 2001; Lu and Batten 2001; Kimber and Raghunath 2001; Mohan 2001; Sutherland; Rahman 2002; Utting 2003).

In recognition of this lacuna, the International Centre for Corporate Social Responsibility (University of Nottingham), the Corporate Citizenship Research Unit (Deakin University, Melbourne) and the Centre for Europe–Asia Business Research (University of Nottingham in Malaysia) organised a conference on CSR in Asia, taking place in March 2003 in Kuala Lumpur, Malaysia, at which several of the papers collected in this special issue were presented. It was recognised at this conference that the importance of exploring distinctive business and cultural contexts for the varying developments of CSR around the world is of critical importance. This special issue of The Journal of Corporate Citizenship is therefore aimed at taking a step towards redressing the current imbalance of attention and bringing some greater focus to CSR initiatives within Asia.

The 2003 Kuala Lumpur conference offered a picture of a great range in CSR reported by corporations across different countries. In India nearly three-quarters of large corporations present themselves as having CSR policies and practices, whereas in Indonesia only a quarter do so (Chambers et al. 2003). Moreover, papers at the conference presented a great range of issues or targets (e.g. education, environment, employee welfare) to which the national groupings of companies’ CSR efforts are directed, and there was some diversity in the modes of action those companies deployed (e.g. use of foundations, volunteering and partnerships). No single determinant of CSR levels was identified, confirming our view that CSR patterns are firmly grounded in national traditions of societal and corporate governance concerning the distinctive responsibilities of government, business and the non-profit sectors as well as relatively recent drivers (e.g. stakeholder activism, socially responsible investment, corporate risk analysis).

Yet CSR is also a fast-developing and complex concept reflecting a number of factors. First, like such concepts as democracy and
justice, CSR is ‘essentially contested’ (Crane et al. 2003) and, therefore, as different actors engage with its meaning and application, it is dynamic. Second, CSR overlaps with other concepts such as corporate citizenship, business ethics and sustainability, which are themselves contestable and in flux. Third, as well as being grounded in national business and governance systems, CSR thinking and practice also reflect global influences. At the global level there are attempts to generate common systems of CSR definition and verification. These reflect the experiences of individual businesses operating in and adapting to different social environments, the role of global CSR business alliances and the CSR partnerships being struck between businesses, international governmental organisations and non-governmental organisations (NGOs). Fourth, although much CSR is still in the more traditional form of community involvement, there are new waves, such as attention to socially responsibly products and processes and socially responsible employee relations. Fifth, in each of these areas there is an increased interest in the relationship between CSR and mainstream business activity. This raises calls from some quarters for measurement of CSR performance and identification of its discrete contribution to business success.

Central to the papers collected here is an acknowledgement that there is no single CSR formula or template for CSR worldwide, and that programmes and policies in CSR can differ considerably for company-specific and culture-specific reasons. As editors we therefore felt it important not to limit the papers to a specific definition of CSR but to allow the many varying definitions in existence around the world to emerge as they do in the papers included here.

Similarly, the collection combines a variety of approaches and methodologies. Some papers are multi-country or generally comparative in focus, whereas others focus on single countries. A number of authors base their evaluation of CSR performance or prospects on its wider governance contexts. A variety of evaluative concepts and tools are deployed. Some authors analyse company self-reporting; others focus on stakeholder perceptions (e.g. on the perceptions of employees, communities and NGOs); yet others evaluate the impacts of various codes of conduct or explore the relationship between social and economic performance.

**Critical corporate social responsibility issues in Asia**

Robert Davies, chief executive of the Prince of Wales International Business Leaders Forum, speaking on corporate citizenship and socially responsible investment in Hong Kong in 2002, made it very clear that Asia faces many critical issues in the context of globalisation, varying from regional conflicts and terrorism, corruption, growing gaps between rich and poor, environmental pressures and access to infrastructure and basic services such as health, clean water, education and housing (Davies 2002).

‘Companies’, he argued, ‘can play key roles as corporate citizens in contributing to human resource development, technology access, sensitive and creative industrial restructuring and inclusive economic development as well as respecting human rights.’ ‘The smart companies’, he said, ‘are those that will take a proactive approach and see corporate social responsibility as a feature of mainstream business practice, employee engagement and a competitive advantage’ (Davies 2002).

These are all themes that are discussed, in one way or another, in the papers collected in this issue. Welford, for example, outlines some of the main thinking in CSR that has taken place worldwide in recent years, mapping out 20 key elements of CSR that are valuable for business to adopt and which he explores in a survey that included major companies in Hong Kong, Singapore, Korea, Malaysia and Thailand as well as the United Kingdom, Germany, France, Italy, Spain and Norway. He suggests that, although best-practice CSR in Asia may not
be as well developed as it is in Europe, it is
important to recognise that considerable dif-
fferences exist between different countries
and that stakeholder expectations and
demands are culturally specific and require
CSR solutions that reflect that difference and
Cultural specificity.

Those differences are explored in con-
siderably more detail with respect to cor-
porate governance and financial systems in
the paper by Szilagyi and Batten, in which
an important move is made to connect cor-
porate governance to the property rights of
investors and financial systems in general.
Szilagyi and Batten argue that recognising
the differences in cultural, social and
political factors across economies, and con-
necting these with differences in financial
structures, is crucial for understanding sys-
tems of corporate governance, particularly
in undeveloped countries financing major
industrial expansion. Ensuring that the high
levels of growth that we are currently wit-
nessing in Asia are more sustainable is
likely to happen by improving corporate
governance frameworks, they suggest, 'by
maintaining the competitiveness of capital
markets, providing legal protection for
investors (better property rights) and
enhancing the role of outside shareholders
within the individual company' (page 63)
rather than by introducing market-based
financial systems that have for the most part
been the model in Europe.

Prasad addresses the impact of globali-
sation, most particularly on free trade and
its relations with CSR, by examining the
South Pacific Forum Island countries,
which, he argues, are recognising that cor-
porate citizenship is becoming of greater
importance, with increased levels of globa-
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initiatives in many places around the world, but as competition increases so too does pressure on garment companies to ensure that appropriate labour standards and practices are adhered to. Kaufman et al. argue that the Thai garment industry faces a number of very significant changes if it wishes to compete effectively in the global marketplace, where the imperatives of CSR have led to the development of very significant codes of conduct to improve labour practices in contract factories in Asia.

Labour practices, with particular reference to child labour in the Pakistani soccer industry, are discussed in some detail by Hussain-Khalilq. She states that, in this industry, connecting to a highly competitive global market for the sports goods industry, resulting in 'a demand-led consciousness', may result in strategic changes in child labour in Pakistan. She argues that, irrespective of the socially responsible policies and corporate programmes that may be developed, 'it will not be until we have a genuine change in local attitudes ... that we can expect a sustainable impact on the incidence of child labour in Pakistan' (page 107).

The contrast, then, between CSR policies, protocols and practices as established in the West compared with the local CSR awareness levels that might be required in non-Western countries is further explored by Ramasamy and Woan Ting in a detailed analysis of Malaysian and Singaporean companies. They conclude that many companies in Malaysia have lower levels of CSR awareness than similar-sized companies in Singapore and, further, that awareness of CSR in Singapore has emerged rather slowly. Like Hussain-Khalilq, their conclusions are that increasing CSR awareness in these countries will depend primarily on education at a local level.

A major component in that education at a local level will inevitably involve greater levels of communication of CSR activities in companies in Asia, and Thompson and Zakaria explore the extent to which CSR is reported within one specific country—Malaysia. They conclude that such reporting, though improving in recent years, is still in its very early stages, failing short of what gets reported in this area in many Western countries. Their argument is that this is due in large part to a lack of government and societal pressure for such reporting, particularly on environmental issues.

Connelly and Limaphayom continue this theme in a detailed analysis of environmental reporting in Thailand, finding that the 'connections between environmental policy and responsibilities to stakeholders implied under good corporate government practices remain contentious' in Thailand (page 148). Like Thompson and Zakaria, they conclude that a strong role from government is required in order to improve environmental disclosure and that a more thorough understanding of the relationship between corporate environmental responsibility and corporate financial performance needs to be made.

A major theme, discussed in one way or another in all of these papers, is that effective CSR in Asia requires companies to behave responsibly at both the global and the local level, to sustain core values in traditional cultures, to create sustainable employment, to handle externalities responsibly and to create sustainable development. As Robert Davies argued in his Hong Kong conference paper in 2002, 'business culture and definitions of corporate responsibility must always take account of the local context'. He continued:

In most parts of Asia, bonds of family and friendship in economic relations generally account for far more than in the developed Western world where the professionalisation of business, the separation of ownership and control and impact of mobility have diminished the significance of the bonds of friendship and community. Similarly, courtesy and respect, whether for age, wisdom, leadership, neighbours and customs throughout Asia are still striking in comparison (Davies 2002).

He went on to state that:

it may therefore be seen as curious as to why business practices in Asia are
coming under such close scrutiny from investors, business partners, consumers, the media and the public in the industrialised West—the places whose own industrialised revolutions and heritage of practices including questionable and excessive business standards were dominant for more than a century (Davies 2002).

We hope that this collection of papers will go some way to engaging with some of that curiosity and to place more firmly on the agenda than has so far been the case in the literature and debates about CSR generally the cultural specificities and divergences in Asia.

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