

The role of charity in CSR

By Wayne Visser

Following my last post on philanthrocapitalism, you may think that I am somehow anti-charity. Nothing can be further from the truth. Charity has an important role to play in society. There will always be those who are vulnerable or who are victims of injustice, who need and deserve the help of those of us who have been more fortunate.

I found out the other day (reading the Oxford Book of 20th Century Words) that "Barnado" entered the English language as an adjective in 1904 (thanks to Rudyard Kipling - "all the time the beggar was a balmy Barnardo Orphan!"). What an amazing legacy of Dr Thomas John Barnado, who first founded Barnado homes in 1867.

In fact, supporting an orphanage was one of the first recorded instances of CSR-related charity, by Macy's in 1875 (as Archie Carroll tells in his excellent chapter on "A History of CSR" in The Oxford Handbook of CSR). I share Carroll's perspective on philanthropy, namely that it is just one part of CSR (along with economic, legal and ethical responsibilities in Carroll's CSR pyramid).

As I also show, however, philanthropy plays a different role in different countries and regions. In many developing countries (as I argue in a chapter in the same book), philanthropy tends to be the second-most important aspect of CSR (after economic contribution). But this is not ideal - it brings serious dilemmas and dangers.

One dilemma is that it casts companies in the role of governments - providing public services like education, healthcare and infrastructure. The problem is that business acts more like a monarchy than a democracy. Nobody voted them in and there are serious conflicts of interest when the beneficiaries are often dependent on the company for jobs.

Which is really the second major dilemma and danger - dependency. I saw this especially in Mozambique when I did some CSR work there a few years ago. The entire economy is geared towards foreign aid and donations. This leads to perverse policies (and sometimes questionable behaviours from charities themselves) that do not encourage independence or innovation.

Since charity will always be an important part of CSR, the real challenge is how to make sure that it "does what it says on the tin". Can we trust the organisations that act on our behalf? Today, I dropped off some spare clothes and books with Oxfam, which I think does a great job. But the issue of charity governance and accountability will certainly not go away.

The final point I would make is that charity is as much about the giver as the receiver. Giving makes us feel good. My research on what provides CSR managers with meaning in their work and life suggests that "making a difference" (which is the title of my CSR

book on the subject) represents a deep psychological motivation in humans that companies be aware of and tap into.

Source:

First published on the CSR International Blog, 22 February 2009. Available at:
<https://csrinternational.blogspot.com/2009/02/role-of-charity-in-csr.html>