

Corporate Social Responsibility (CSR) Activity in Latin America

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Abstract

Corporate Social Responsibility (CSR) is a broad field that covers all business operations in an attempt to harmonize the relations between a company and key stakeholders. This paper explores the level of CSR activity and CSR reporting in Latin America. The CSR activity was determined using the number of hits related to CSR in Google search engine for each selected Latin American country, while CSR reporting was explored by conducting a review of the literature available on this subject. Brazil was identified as a clear leader in the region, followed by México and Argentina. A high number of companies in Brazil are committed to the issue of social responsibility reports and several of them possess international certifications such as SA 8000 (SAI). The last portion of the paper discusses one such CSR report that caters to activities carried out in this region. This report provides examples as to how companies in Latin American can include CSR into their schedules and why it is a value added practice.

KEY WORDS: Corporate Social Responsibility, CSR reporting, Latin America.

“You make a living by what you get; but you make a life by what you give.”

Winston Churchill.

Introduction

Corporate social responsibility (CSR) is an important feature of the modern business world. The recent debate and discussion on this field has opened new doors of stakeholder satisfaction and responsibility. CSR is a broad field that covers all business operations in an attempt to harmonize relations between the business and key stakeholders. Through this new concept, companies can better manage operations and ensure that a right balance is maintained when dealing with the stakeholders at all times. An organization has several important stakeholders, some of them being internal such as owners, managers, and employees, while other external stakeholders include shareholders, customers, suppliers, banks, regulatory agencies, and the society. Each of these stakeholders has varied interest in the business and it is critical that the business achieves a balance to satisfy all stakeholders.

These stakeholders have varied interests in the corporations and, therefore, require different types of information from it. Most have defined forms and documents to collect information from the corporation and the role of Corporate Social Reporting is to extract further information with respect to supply chain, environmental impact and Corporate Governance. There is no doubt that CSR reporting is a key concern for most countries around the world presently, especially in North America and Europe. However, when looking at the Latin American region, the level of CSR activity and CSR reporting seems to be less popular. Yet, it would be interesting to study and determine the real level of CSR reporting in Latin America. The analysis should also be sensitive to the differences in countries pertaining to the level of commitment with the cause. There is a general perception that some inequalities exist but the analysis should enable one to identify some leaders in the field. Once this has been gauged, the areas of leadership and how this position was attained needs to be studied closely.

Methodology

The first step in the preparation of this paper was a thorough review of the literature on CSR activity in Latin America. The special focus was on CSR reporting by companies established in Latin American countries. As the trend is relatively new in the region, there was dearth of information regarding the level of activity in these countries.

Most of the literature mentions some Latin American nations as a small part of larger global studies considering other regions such Europe and Asia.

In the absence of a reference framework exclusively for Latin America which could measure the level of CSR activity, an Internet search was conducted using the methodology developed by Susan Aaronson and James Reeves in 2002 (Corporate responsibility in the global village: the role of public policy). This method consists of assessing the “level of activity” of CSR of selected countries according to three axes: private sector participation, government promotion and public awareness. The measurement of each axis was through the results returned by Google and, therefore, it is inevitable that some misleading results could appear. In addition, some countries have larger population than others and the level of Internet penetration also varies significantly, regardless of the population size. These features could affect the results returned by the search engine. Thus, in order to minimize the possible biases in results, some filters were applied. Firstly, the same search term (in Spanish and within quotes) was used across all the countries (“Responsabilidad Social” Empresarial¹ en (country name)). Secondly, the results were segmented by country, for instance, in order to collect data for Argentina the local Google was used i.e. www.google.com.ar. Further, the search option “pages from (country name)” was applied, and later a manual filter of the first 50 results of each country was conducted in order to eliminate WebPages duplicity.

Considering that most of the companies, both non-governmental organizations (NGOs) and government ones possess WebPages in Latin America, this approach was considered as an effective way to paint a "big picture" of CSR activity in the region.

Theoretical Foundation of the Problem

Traditional-accounting frameworks have always been the center of debate for corporations and different stakeholders. The key safeguards applied are the International Accounting Standards (IAS) and the International Standards on Auditing, while the US used Generally Accepted Accounting Principles (GAAP). However, the turn of the millennium shed new light on existing financial reporting and audit standards

¹ “Responsabilidade Social” empresarial, in the case of Brazil

due to instances such as Enron, Arthur Anderson and WorldCom. These financial scandals visibly shook confidence of the investors and general public. The ease with which executives and, in some instances, audit companies deceived shareholders and the government, cast serious doubts on the credibility of existing systems.

These actions initiated a renewed emphasis on business ethics, corporate social responsibility and accountability. Corporate Governance was introduced into the conduct and ethics code of Certified Accountants around the world and increasingly taught to accountancy students worldwide. The need for a new-reporting format that also took into account other factors besides financial reporting was introduced. This came to be known as the Social Reporting Framework.

Need for CSR Reporting, It's Worth.

CSR reporting broadly reflects the extent to which an organization is dedicated to the cause of CSR and tries to exercise the same spirit when interacting with key stakeholders. The CSR reports are also graded and awarded on the basis of presentation and outstanding performance. Moreover, these activities are a chance for the company to market its brand and promote itself with key stakeholders. Furthermore, the diverse nature of CSR activities allows almost all firms to exercise their passion for the cause. The extent of activities ranges from charity events, recitals, donations, philanthropic efforts, development programs to scholarships and other funding programs. This is a way for organizations to payback the environment for contributing to the company's growth, which in turn also results in the customers gaining a favorable image of the company (Burke and Logsdon, 1996).

Professor Patricia Debuljuh from Center of Advanced Studies, UADE in Argentina explains why companies feel the need for CSR and the current role of Government in the following words:

In one way or another, companies are more and more aware of the close relationship they have with society. Governmental paternalism has failed, and the business sector plays a central role in the expectations of civil society, which has started to demand greater participation and social commitment from companies. The company is no longer a closed system preoccupied only with generating

profits. It has become an open system, much more influenced by social needs and requirements (In Latin America, Companies Are Becoming More Interested in Social Corporate Responsibility).

The important focus of this explanation is on the changing roles of government and corporations, the former being ex-champions of the people. Latin American governments are not recognized as the most benevolent of this class and, thus, different stakeholders including the public have no option but to look towards corporations. Most corporations receive taxation credits for donation towards charities and development projects and, therefore, contribute to such causes. Others feel the need to develop their image and reach out to key stakeholders. Whatever, the intentions may be, the actions speak for themselves and companies are gradually moving towards open systems that actively function in and for societies (Puppim de Oliveira, 2006, pp 112).

Research has also been done to determine the relationship between financial performance and CSR initiatives by the company. It can be said that when using traditional statistical techniques, a relationship between the two variables exists. However, when a time series fixed effects approach is used, the relationship between them appears to be much weaker. There is little evidence of a relationship between financial performance and narrower measures of social performance that focus on stakeholder management. It can be said that strong stock market performance leads to greater firm investment with respect to CSR related to employee relations, but these initiatives do not directly affect financial results. Thus, one reason why Latin American firms had previously not given much importance to this area was that these efforts were more a result of unobservable firm characteristics rather than by financial performance (Nelling and Webb, 2009).

CSR reporting frameworks

The Global Reporting Initiative has been responsible for describing reporting guidelines that govern CSR reporting. It issued G3 reporting framework that relies on greater process explanation and methods of calculating the standards of reporting. The International Organization for Standardization was also working on ISO 26000-

Guidance Standard on Social Responsibility, and this document was meant to provide a unified platform for comparison of CSR reports. ISAE3000, issued by IAASB has been designated by a specific standard to ensure corporate responsibility reporting. These standards also make adherence to best practices easier for new entrants and simultaneously broaden the scope and effectiveness of CSR activity.

Data Analysis and Results

The Latin American countries rank lower on the development index and have to make great progress with respect to Corporate Social Responsibility. In order to determine the actual situation of CSR in Latin America, an Internet search was conducted using the methodology developed by Susan Aaronson and James Reeves (2002) as described previously. The same methodology was used in 2003 by Paul Alexander Haslam in his study “The Corporate Social Responsibility System in Latin America and the Caribbean”. This study was used as a guideline to develop this part of the paper, which basically is an adaptation and update of the work done by Haslam.

An attempt was made to cover all of Latin American countries but because not all of them had the option of “pages of (country name)” available in the respective local Google pages, only the countries with this feature enabled were considered in order to use a homogeneous sample. Thus, the sample includes a majority but not all of the Latin American countries on the basis of which inferences can be drawn about the situation in general.

Besides the general level of activity of each country, it would be interesting to find out which of the three sectors (private sector, government or public awareness) is a leader in each country. To determine this, the following indicators were used.

Table 1: Indicators for CSR Study		
Private Sector	Government	Public Awareness
Independent Organizations	Government Departments	Newspaper Citations
Industry Associations	Publicly-Owned Firms	National NGO’s (non-business)
Companies with CSR Codes	Programmes with Foreign Governments or multilaterals	Subsidiaries of International NGO’s
CSR Consultants		University/College Activities

Source: (Haslam, 2004)

Regarding private sector, independent organizations could be, for instance, the "Business Coordinating Council" (CCE - Consejo Coordinador Empresarial) in Mexico, which represents the Mexican business sector on issues such as economic, sociopolitical, and sustainable development. On the side of industry associations, the Chambers of Commerce can be chosen as a representative. The category of government includes entities such as ministries or agencies that advocate and promote CSR, and also programs with international entities such United Nations Development Programme (UNDP), U.S. Agency for International Development (USAID), etc. Lastly, public awareness not only includes websites of newspapers, NGO's and Universities, but also magazines such as www.rsrevista.com in Colombia, or Internet portals such as www.prohumana.cl in Chile.

The following table shows the results returned by Google search and were classified according to the criteria previously mentioned.

Table 2: CSR in Latin America Levels of Activity in Selected Countries								
Country	Private Sector*	Government*	General Public Awareness*	Private Sector	Government	General Public Awareness	Total Hits	Total unique domains**
Cuba	2	3	41	very low	very low	very high	2,160	46
Dominican Republic	10	10	23	low	low	high	4,770	43
Puerto Rico	16	5	19	medium	very low	medium	3,220	40
Costa Rica	18	7	19	medium	low	medium	16,500	44
Nicaragua	15	4	20	medium-low	very low	medium	5,840	39
Panama	15	6	18	medium-low	low	medium	5,060	39
Guatemala	9	3	23	low	very low	medium-high	11,500	35
Mexico	23	2	20	medium-high	very low	medium	286,000	45
Argentina	14	1	25	medium-low	very low	medium-high	183,000	40
Bolivia	13	3	23	medium-low	very low	medium-high	6,380	39
Brazil	16	4	24	medium	low	medium-high	556,000	44
Chile	11	8	26	medium-low	low	high	99,500	45
Colombia	7	4	34	low	very low	very-high	172,000	45
Ecuador	11	6	22	medium-low	low	medium-high	26,400	39
Paraguay	14	4	25	medium-low	very low	medium-high	14,500	43
Peru	9	1	29	low	very low	high	59,700	39
Uruguay	14	2	23	medium-low	very low	medium-high	21,700	39
Venezuela	14	3	25	medium-low	very low	medium-high	107,000	42
Average	13	4	24	medium-low	very-low	medium-high		

* As part of the total unique domains; **Total unique domains of the first 50 Hits.

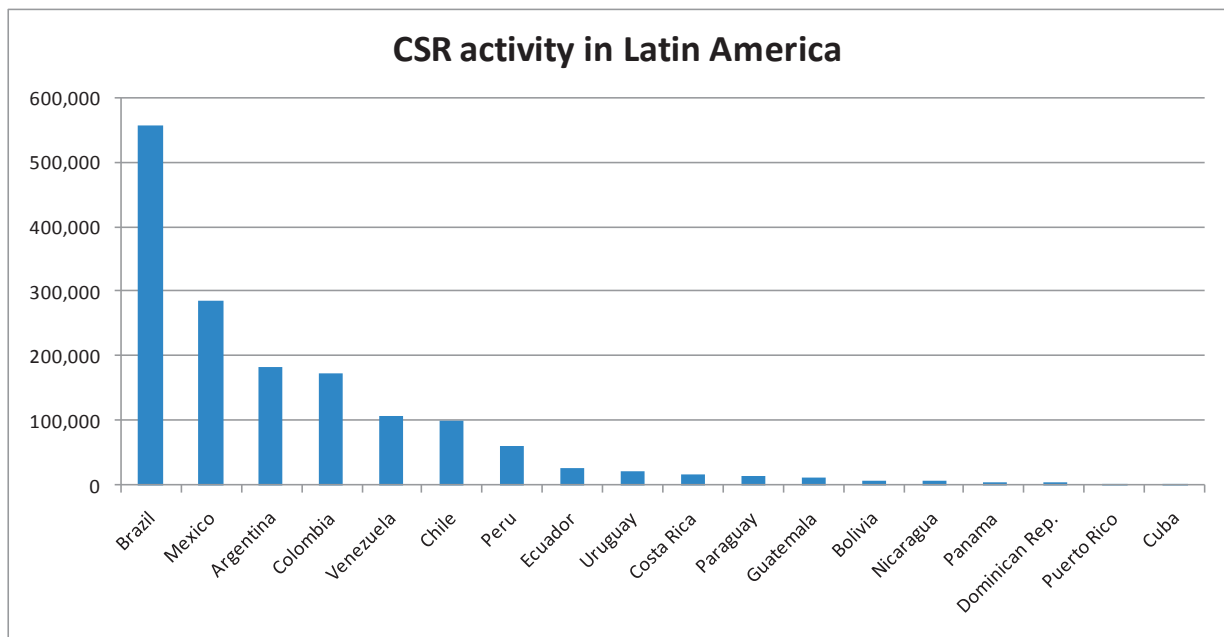
Source: *Compiled by Author as result of Internet research conducted in November 2009.*

The classification of the three categories was made based on the following scale

Table 3: Classification Scale	
1 to 5	very low
6 to 10	low
11 to 15	medium-low
16 to 20	medium
21 to 25	medium-high
26 to 30	high
31 and more	very high

Source: Compiled by Author

From the data collected, Brazil can be easily identified as the leading country of the region, with more than 550,000 hits related to CSR. It is followed by Mexico with 286,000 hits, while Argentina and Colombia with 183,000 and 172,000 hits respectively make up the other top spots. Other countries in the region were reported to have 100,000 or fewer hits. Using the previous information, the following ranking was developed.



Source: Compiled by Author

On the other hand, regarding the level of activity by sector, it can be seen in table 2 that the results obtained were mainly homogeneous, with few countries having numbers in the extremes. On average, it can be said that most of the countries have a medium-high awareness of CSR as the issue has been a subject of great interest in conferences, universities, newspapers, NGO's, and blogs over the Internet. The private sector had a moderate role with medium-low level of activities, with the exception of

Mexico where evidence was found of high level of activities by firms with CSR codes and business associations with programs in this area. A study also sought to determine the role of major US-based companies regarding CSR activities in the region. It is believed that wealthy individuals and corporations usually lag behind in CSR efforts. According to the latest trends, larger multinational companies are more cautious about CSR activities as they come under greater scrutiny by the public at large. Efforts are being made to take a more holistic perspective of the issue and adopt CSR at all levels of corporation (Torres-Baumgarten and Yucetepe, 2008).

Lastly, the support from governments in this subject is almost nonexistent as CSR promotion is done through international organizations such UNPD or USAID, rather than local agencies. Only one interesting exception was found in the IRS of Chile, an entity which has a program called “Corporate Social Responsibility Tax” or “Responsabilidad Social Empresarial Tributaria” in Spanish. The program consists of large business taxpayers who promote, encourage and support the training of its suppliers (micro, small and medium enterprises) in adopting electronic invoicing. The program also specifically tries to boost the use of Free Electronic Billing System, available on the Chilean IRS website. The aim is that this practice will eventually become a dominant way of operating in this sector, when its many benefits in terms of efficiency, management, and transparency are considered.

Thus, this analysis presents a general picture about CSR activity in Latin America. However, it is equally important to gauge the levels of CSR reporting to determine organizations in which countries actually publish CSR reports as part of their annual reports. The KPMG survey of International Corporate Responsibility Reporting 2008 rated Brazil as a premier example of CSR reporting in the region, with 56% companies following this habit. This also suggests a correlation with the previous findings stated in this paper. Meanwhile, Mexico, which was also examined in the survey, featured with a reporting rate of 17% (Alliance Magazine, 2009).

The Trend

Argentina

The UDESA carried out a Survey of Corporate Social Responsibility in 2005, which revealed that a majority of the top 153 Argentinean companies contributed either

cash or in kind towards NGOs. The level of CSR extends towards setting up of corporate foundations and this figure has gone up to 25% from 20% eight years earlier. It is important to analyze the areas which have received special focus, and the most interest seems to be with respect to educational programs. Almost 78% companies contributed towards this aspect. Other notable areas include social actions and poverty programs, healthcare and childhood development which feature with 62, 56 and 51% participation, respectively. The obvious focus is towards children's development and a future outlook with respect to developmental objectives (In Latin America, Companies Are Becoming More Interested in Social Corporate Responsibility).

Argentina lacks specialized CSR companies to advance this concept, but considerable time has been spent on incorporating the mechanism into the corporate outlook. Taking the example of a recent meeting conducted by the IDEA-Argentine Institute of Corporate Development between business managers, surprising results were uncovered, which also included the fact that CSR was almost nonexistent about a decade ago. Furthermore, 73% executives revealed that their corporations engaged in one form of CSR or the other. Argentina ranks 18th out of 33 when it comes to companies certified by Social Accountability International, with five member companies (In Latin America, Companies Are Becoming More Interested in Social Corporate Responsibility).

The Argentinean perspective can be explained with the help of the following example as noted by Berger, "Business leaders do not assume a leadership role in social responsibility or in the involvement of companies in committing to promote something at a sectoral level" (In Latin America, Companies Are Becoming More Interested in Social Corporate Responsibility). Therefore, Argentinean businesses have to spend more time in coming to terms with the need and rationale behind CSR efforts. It is certain that the development of business mission and vision must contain some reference to Corporate Social Responsibility, which would allow Argentinean companies to progress.

Brazil

The Latin American giant occupies a special position when it comes to CSR reporting and certifications. The SA 8000 is a specialized, global standard that was prepared with the view to measure the extent to which a company adheres to CSR. The Universal Declaration of Human Rights created an organization named Social Accountability International (SAI), which creates such standards. The standard maintains a broad definition of CSR that allows it to interact with the society, customers and the environment. Moreover, Brazil is the only Latin American country that has a Corporate Responsibility Index (Índice de Sustentabilidade Empresarial-ISE) as part of its Stoke Exchange (BOVESPA).

Brazil ranks 4th in the world in the number of SAI certifications received. The country has 100 membership certificates and most companies have well developed CSR programs. Its position of strength can be compared against other Latin American countries including Argentina, which ranks 18th out of 33 positions, when it comes to companies certified by Social Accountability International with five member companies. Bolivia occupies the 22nd spot with four certifications and is the third Latin American country on the list (In Latin America, Companies Are Becoming More Interested in Social Corporate Responsibility).

Taking the example of TNT Express Company, which has obtained the Investors in People Certificate, Latin American companies are slowly but surely progressing towards the concept of Corporate Social Responsibility. The real challenge will be to influence the consumers to a level where they give preference to the products of socially compliant companies. Thus, the key victory for socially compliant companies will arrive when the consumer integrates this factor into the purchasing decision.

Relationship with environment

It is felt that companies with a higher impact on the socio-economic environment have a greater need to engage in dialogue with stakeholders through their corporate social responsibility reports. Others feel that presenting reports is an additional burden that only adds to the total costs. This means that sectors such as oil and gas and chemicals should feel a higher degree of the requirement to interact with stakeholders.

This can also be due to corporate disasters in the sector such as Chernobyl in the former Soviet Union, and Exxon Valdez off the Alaskan coast, which strongly diminished public confidence in corporations. Other classes of corporations like media, communications have a lower impact on the environment and, therefore, do not feel the need to engage in CSR reporting.

CSR Reports Issued By Companies

During the Corporate Social Responsibility Reporting Survey 2008, 100 Brazilian companies were examined. It was discovered that 78% of the companies had proper CSR reporting strategies, with 100% of oil and gas, chemicals, forestry, pulp and paper and electronics/computers reporting on CSR. About 65% of them had proper, corporate responsibility strategies and 30% utilized third party comments. Furthermore, 12% used assurance as an alternative to other forms of authentication. Approximately, 9% utilized both assurance and third party comments (KPMG International, 2008).

Green ethanol-Example for going green

Sao Paulo occupies a unique position when it comes to ethanol as it produces 25% of worldwide consumption. Therefore, in June 2007, the State launched an Agro Environmental protocol that called for the eradication of manual-cutting procedures. This would lead the sugar cane industry to transcend its normal scope and move towards environmental compliance. UNICA (Brazilian Sugarcane Industry Association) and Sao Paulo government were instrumental in launching a Green Protocol that includes 130 member plants. The report describes two areas of concentration based on the issue of pre-harvest burning. The year 2014 has been set as the target date to remove pre-harvest burning in areas where mechanization is possible, while a further three years will be allowed where mechanization is currently not feasible (KPMG International, 2008).

Motivations for CSR in Brazil

The Ethos Institute of Brazil has made considerable investments in CSR as carried out in Brazil. It reports the following three main drivers as the major motivators of CSR in the country:

1. International markets, especially Europe, the United States and Canada, are still way ahead in terms of adherence and propagating of CSR activities. Therefore, Brazilian companies find this as a means to adapt to the international market.
2. Brazilian society is characterized by huge differences in the society with the bottom one-fifth generating only 2.4% of national income. Therefore, this is found as a way of eradicating poverty and social differences at the same time. Corporations feel the social need to give back to societies and generate employment at the same time.
3. The third motivation is based on forward thinking and revolves around the need to preserve human and natural resources for the future generation. This includes investment in human resource development through primary and specialized educational programs (Barr, p 4-58).

Social reports and the Stock exchange

The BOVESPA Corporate Sustainability Index (Índice de Sustentabilidade Empresarial – ISE) is the first index tracking the economic, financial, corporate governance, environmental and social performance of leading companies listed in the São Paulo Stock Exchange. It was launched in December 2005 to provide asset managers and investors with a reliable and objective benchmark of the best corporate sustainability practices in the country and currently has 40 listed companies.

In 2005, BOVESPA became the first stock exchange to join the signatories of the United Nations' Global Compact. As part of this process and instigated by the lack of a benchmark for Socially Responsible Investing (SRI) funds, a working group were created to develop a sustainability index for the Brazilian stock market. Made up of representatives from environmental, social, corporate governance, and capital market institutions, the group defined the basic guidelines for the development of the index's methodology. The development of the methodology became the center of a proposal

presented to the International Finance Corporation (IFC) that became the sponsor of such initiative (Bovespa Corporate Sustainability Index, n.d).

BOVESPA joined forces with the Center for Sustainability Studies at Fundação Getulio Vargas (GVces) to develop the new index. GVces conducted a thorough literature review on the criteria and indicators of sustainability and analyzed in detail social balance directives put forth by IBASE, ETHOS, and the Global Reporting Initiative (GRI), as well as the questionnaires used by DJSI, FTSE4Good, and JSE. The result was ISE, which is based on the triple bottom line (TBL) concept introduced by the English consulting firm SustainAbility. TBL evaluates the economic-financial, social, and environmental elements in an integrated manner. To the TBL principles, corporate governance indicators and criteria were added following the JSE model.

The economic-financial, social, and environmental dimensions were divided into four programs: goals; monitoring, performance, legal compliance, and environmental and consumer regulations among others. The Corporate Governance dimension includes best practice indicators for criteria which includes property, administration council, management, monitoring and auditing; and conduct and conflict of interests (Bovespa Corporate Sustainability Index, n.d).

The Chiquita Example

The last portion of the report will discuss one CSR report that caters to activities carried out in the Latin American region. This report provides examples as to how companies in Latin America can include CSR into their schedules and why it is a value added practice. The company has been chosen on the basis of practices in CSR reporting and its level of operations in Latin America region.

Chiquita had to restructure business operations after recovering from a 'Chapter 11' bankruptcy in March 2002. From then onwards, the company's strategic CSR efforts have contributed to steady business growth and stakeholders' satisfaction. Chiquita is a famous brand name for bananas in the Western hemisphere, and the company has an annual turnover of US\$ 3.1 billion, with presence in 60 countries. The company's registered headquarters are in Cincinnati, Ohio, but 17000 of its 25000 workers are employed in Central and South America. The company's primary distribution networks

are maintained in Latin America, which provides high-quality bananas and other fresh produce to the rest of the world (Prieto-Carrón, 2006).

ACCA recognition and the Code of Conduct

Chiquita came into the CSR limelight when, in 2006, the ACCA (Association of Chartered Certified Accountants) chose its CSR report along with seven others as truly excellent. The company has made major strides in the area and is focused on moving away from the extremely volatile market of banana distributions by opting for product diversification and value addition. The company has a comprehensive Code of Conduct that was made after examining results from interviews of 1000 Chiquita employees worldwide. These interviews revealed that each worker was considered as socially responsible and ethical and the best values were included into the new Code. The company is virtually dedicated to this code and has displayed the same on its website and other online forums (Prieto-Carrón, 2006).

The company has also written and distributed a Spanish pamphlet that holds the same values for Latin American workers, enabling them to keep in touch with the guidelines. The lucid explanation for the bottom line workers enables the company to forward its mission of driving value addition through CSR efforts. The company's dedication towards CSR reporting is reflected in its multi-year reporting cycle that called for 2006 reporting based on 2003-05 reporting.

Company's CSR strategy

The company's CSR strategy is summed up in the following words: "Corporate Responsibility at Chiquita is an integral part of our global business strategy. It commits us to operate in a socially responsible way everywhere we do business, fairly balancing the needs and concerns of our various stakeholders – all those who impact, are impacted by, or have a legitimate interest in the Company's actions and performance. We believe that fairly balancing the expectations of our stakeholders is essential to building a stronger and more financially successful Company" (Prieto-Carrón, 2006).

What is different?

The company reported progress against their corporate responsibility goals and made transparent its supply chain network. The Chiquita Global Logistics operation provides fresh produce, which originated in the Latin American hemisphere, to North American and Europe. As part of the commodity market, the company has contributed towards several differentiation efforts that include active search and implementation of international standards through international alliances. Labor standards and supply chain are two important examples in this regard.

Labor standards

Adherence to international standards means setting minimum wage standards and improving workforce conditions. The company voluntarily implemented the SA8000 labor standard for its workforce during the year 2000. This convention includes an Advisory Board that comprises of public, private stakeholders, unions and NGOs. The focus is towards improving workplace conditions and community development. The organization has also successfully implemented the ILO Convention 180- Wages and Working hours on board ships and manning. This is the most credible international standard for ship workers including stipulations such as a maximum of 14 hour working in a day and 72 hours within a week (Prieto-Carrón, 2006).

Conclusion

Corporate Social Responsibility (CSR) is a way for organizations to payback the environment for contributing to the company's growth. The CSR report reflects the extent to which a company is dedicated to this cause. The diverse nature of CSR activities ranges from charity events, recitals, donations, philanthropic efforts, development programs to scholarships and other funding programs. The way businesses operate today is changing and it is becoming increasingly necessary to harmonize relations between the company and key stakeholders. In fact, companies are now more aware of their close relationship with society and have also realized that ignoring social problems could adversely affect its earnings. In addition, these activities have been seen by companies as an opportunity to market its brand and gain popularity

among key stakeholders. Firms in several countries also receive taxation credits for donation towards charities and social development projects.

From a methodological standpoint, the Google search engine was used to assess the level of CSR activity in Latin America. This was considered to be an effective method since most of companies, non-governmental organizations (NGOs) and government ones, have websites on the Internet and additionally the current technology of Google allows a person to filter the results in order to obtain valuable data. This research concluded that Brazil, Mexico and Argentina are the regional leaders in terms of CSR activity with 550,000, 286,000 and 183,000 hits on Google search engine, respectively. On the other hand, in terms of CSR reporting, Brazil again stands out as the leader among the Latin American countries with 56% of Brazilian companies issuing reports and it being the only country with a Corporate Sustainability Index as part of the Stock Exchange. The country also boasts more than 100 firms holding international certifications. Brazil also ranks 4th in the world, according to Social Accountability International (SAI), but large differences appear when Brazilian companies are compared with other Latin American companies including Argentina and Bolivia.

Motivations for CSR in Brazil rely on three driven ideas. Firstly, international markets, especially Europe, United States and Canada, are still way ahead in terms of adherence and propagation of CSR activities. Therefore, Brazilian companies find this as a means to adapt to the international market. Secondly, Brazilian society is characterized by huge differences in the society with the bottom one-fifth generating only 2.4% of national income. Therefore, this is found as a way of eradicating poverty and these social differences at the same time. Corporations feel the social need to give back to societies and generate employment at the same time. The third motivation is based on forward thinking and revolves around the need to preserve human and natural resources for the future generation. This includes investment in human resource development through primary and specialized educational programs.

Overall, it can be said that most Latin American countries, except Brazil, have a relatively low level of commitment to CSR activities, much less in terms of CSR reports, and almost none in terms of international certifications such as SA 8000. Examples of companies like Chiquita demonstrate the host of available benefits that can be reaped

when an organization dedicates itself towards coordinated CSR activities. The level of reporting shows the commitment of the organization and makes the effort available for international recognition. Chiquita has gained value addition in all activities especially supply chain and workforce commitment through its CSR activities. Furthermore, it has also been able to leverage its brand through being recognized as a socially compliant firm. The combination of these factors enabled it to emerge from bankruptcy and embark on a value added journey. The same example can be applied to other Latin American companies and the Brazilian corporate example should serve as guidance for Colombia, Chile and other countries in the region.

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