

Towards CSR and the Sustainable Enterprise Economy (2) in the Asia Pacific Region

Author

Forbes, Susan, McIntosh, Malcolm, Haefner, Andrea

Published

2011

Journal Title

Asia Pacific Work In Progress research Papers series

Rights statement

© The Author(s) 2011. The attached file is reproduced here in accordance with the copyright policy of the publisher. For information about this journal please refer to the journal's website or contact the authors.

Downloaded from

<http://hdl.handle.net/10072/42967>

Link to published version

<http://www.griffith.edu.au/>

Griffith Research Online

<https://research-repository.griffith.edu.au>

APWIPPs

Asia Pacific Work In Progress research Papers series

Towards CSR and the Sustainable Enterprise Economy (2) in the Asia Pacific region

Susan Forbes, Malcolm McIntosh and Andrea Haefner

Issue 1

September 2011

Published by Asia Pacific Centre for Sustainable Enterprise
South Bank campus, Griffith University
226 Grey Street, South Brisbane
Queensland, 4101
Australia
griffith.edu.au/asia-pacific-centre-for-sustainable-enterprise

ISSN 1839-6356

APWIPs showcases leading-edge research on sustainable enterprise, business ethics and corporate responsibility from Griffith academics and its associates. The series is for manuscripts in draft form.

All submissions are peer-reviewed, and unless otherwise stated, all written material is the copyright of the contributing author/s, who retain the right to republish material elsewhere. Any comments or requests regarding written material should be directed to the corresponding author. Please do not quote without permission.

Submission enquiries should be directed to the General Editor, Dr Tapan Sarker; Email: tapan.sarker@griffith.edu.au;
Telephone: +61 (0)7 3735 3249.

The Asia Pacific Centre for Sustainable Enterprise informs and assists the development of sustainable enterprise through innovative *research, teaching and engagement*. We take a global perspective while focusing on the Asia Pacific region.

Table of contents

1	Purpose	1
2	Context	1
3	Methodology	3
3.1	Selection of Organisation-based Indicators for CSR uptake	3
3.2	Selection of National Performance Indicators	4
3.3	Selection of countries in the Asia Pacific region.....	4
3.4	Methodology for the study.....	6
4	Preliminary findings on Organisational CSR-related Indicators	7
5	Preliminary findings on National Performance Indicators	10
6	Preliminary recommendations	13
7	Anticipated outcomes	15
8	Conclusion	16

Towards CSR and the Sustainable Enterprise Economy (2) in the Asia Pacific Region

Susan Forbes^a, Malcolm McIntosh^{a,*}, Andrea Haefner^a

^a Asia Pacific Centre for Sustainable Enterprise, South Bank campus, Griffith University, 226 Grey Street, South Brisbane Queensland 4101, Australia

* Corresponding author. Telephone: +61 (0)7 3735 3251; Facsimile +61 (0)7 3735 3272; Email: m.mcintosh@griffith.edu.au

1. Purpose

This study examines the uptake of corporate social responsibility (CSR) in the Asia Pacific region and explores the extent to which countries in the region are transitioning towards a sustainable enterprise economy (SEE).

Accordingly, this study links the uptake of CSR at the organisational level to the configuration and transformation of societies. It investigates the relationship between the organisational CSR performance of organisations in societies and the performance of these societies at the national level in terms of social cohesion; human well-being; the rule of law; governance-based stability; political rights and civil liberties; and environmental stewardship.¹

2. Context

In the light of the Global Financial Crisis and in the face of impending sustainability challenges for our world, strategic decision-making from both private and public perspectives is expected to be concerned increasingly with 'how to' pursue CSR rather than 'why' pursue CSR.

Further, with the release of the International Standard on Social Responsibility at the end of 2010, there is expected to be increasing attention by organisations – not just in the corporate and business sector but also governments, non-government organisations, academic institutions and associations generally – to be directed towards 'how to' apply CSR in practical terms under ISO 26000.²

Given the growing need that ISO 26000 (while a guidance document) will create for organisations with cross-border interests to embed CSR throughout their global product chain, organisations will be faced

¹ The first edition of this paper was written and presented by Susan Forbes at a conference held at the UN University in Tokyo for APABIS in November 2010. It was subsequently published in its original form in a special edition of the Journal of Sustainability, Accounting and Management Policy in October 2011. It was also presented by Malcolm McIntosh at a conference in Ningbo, China, in June 2010 and at a number of academic venues in Europe in June and July 2011. These presentations led to this revised working paper, which contains many of the comments offered by those who have engaged with the original concept. This paper is the second iteration of this long-term research project and has benefitted from input by Andrea Haeffner and others. The most significant changes to the project is that it has now evolved to have a global perspective and has been renamed as the National Indicators Project (nip) and been joined by Chris Fleming with expertise in alternative economics and Andrea Haeffner. Susan Forbes has commenced doctoral studies as a scholarship fellow at the Asia Pacific Centre for Sustainable Enterprise at Griffith Business School where she is focussing on a values perspective of countries in the Asia Pacific region as they progress towards a more sustainable enterprise economy. The next and third iteration of this project will be published in 2012.

² The Social Responsibility Guidance Standard, ISO 26000, was passed in September 2010, with 93% of voting countries voting in favor of it. Interestingly, 66 of the 71 voting countries voted in favour of it; 5 voted against it; and 11 abstained. It was published in November 2010. Further details are available at: www.iso.org/sr.

increasingly with the challenge of embedding CSR throughout their international operational environment with its diversity of cultural values and societal practices.

With two of the three world's largest economies (namely, China and Japan) situated within the Asia Pacific region and with regional Gross Domestic Product (GDP) representing a major proportion of global GDP, the global economic, social and environmental landscape will be significantly influenced by the cultural values, societal practices and operational environment of the Asia Pacific region.

Moreover, with the anticipated growing economic significance of the Asia Pacific region, the global landscape over the coming decades will be significantly influenced by the economic and social transformations taking place today within the Asia Pacific region and the foundations now being laid down for future economic principles, standards and practices in this region.

Accordingly, this study focuses on the operational environment within the Asia Pacific region and specifically on its perspectives and practices towards social responsibility, sustainability and governance generally, with a view to exploring prospects for enhancing social responsibility, sustainability and governance across the region and globally.

More specifically, this study examines the current uptake of CSR in the Asia Pacific region and explores moves underway in the region to transition towards a SEE model of development.

In this study, SEE is used in the sense of:

an economy where *any enterprise* – corporate, social or individual – aims to have as little impact on the environment as possible and is mindful of its social impact. In an enterprise economy the spirit of the community is geared to innovation, creativity, problem solving, entrepreneurialism and enthusiasm for life. A *sustainable* enterprise economy produces wealth, preserves the natural environment and nurtures social capital.³

Further, the SEE is considered to be:

the next step for the CSR movement and should be at the heart of the human security agenda. If enterprise, in all its shapes and forms, can adopt sustainability as its template then we have a new capitalism . . . The new sustainable capitalism gears production, consumption and efficiency to finding innovative and profitable solutions to issues of clean energy, the conservation of biological resources, increasing transparency and accountability of organisations, and decision-making and finding leaders for the common good.⁴

Accordingly, this study links the uptake of CSR at the organisational level to the configuration and transformation of societies. As stated by Michael Porter and Mark Kramer:

When looked at strategically, corporate social responsibility can become a source of tremendous social progress, as the business applies its considerable resources, expertise, and insights to activities that benefit society . . . A symbiotic relationship develops: The success of the company and the success of the community become mutually reinforcing.⁵

This study therefore explores how the movement towards CSR can strengthen and advance sustainable national advantages for countries and lead to healthy and prosperous societies, recognising that there are a number of possible pathways to the SEE. It investigates the relationship between organisational CSR performance in societies and the performance of these societies at the national level in terms of social cohesion; human well-being; the rule of law; governance-based stability; political rights and civil rights; and environmental stewardship.

Within the Asia Pacific region, the Asia Pacific Economic Cooperation (APEC) plays a significant role in influencing the operational environment of the Asia Pacific region. It represents 21 countries in the region, accounting for approximately 50% of the world's GDP, 40% of world trade and 40% of the world's population.

³ McIntosh, M. (2008) "Sustainable Enterprise and Sustainable Futures" in Suder, G. G. S. (ed). *International Business Under Adversity: A Role in Corporate Responsibility, Conflict Prevention and Peace*, Cheltenham: Edward Elgar Publishing Limited, p 147.

⁴ McIntosh, M. (2008) "Sustainable Enterprise and Sustainable Futures" in Suder, G. G. S. (ed). *International Business Under Adversity: A Role in Corporate Responsibility, Conflict Prevention and Peace*, Cheltenham: Edward Elgar Publishing Limited, p 140.

⁵ Porter, M. & Kramer, M. (2006) "Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility", Harvard Business Review, December 2006, pp 78-93.

Its stated aim is to achieve sustainable growth and prosperity for the region by working to liberalise trade and investment, facilitate business, ensure human security and promote economic and technical cooperation.

At the 2008 Lima Summit, the APEC Economic Leaders made a 'new commitment to Asia Pacific development', which included promoting CSR in the Asia Pacific.⁶ A key outcome of the 2009 Singapore Summit was an agreement to put in place 'a more comprehensive long-term growth strategy that supports balanced growth within and across economies achieves greater inclusiveness in our societies, sustains our environment, and which seeks to raise our growth potential through innovation and a knowledge-based economy.'⁷ This agreement covers both 'inclusive growth' that ensures the benefits of growth are spread more widely and 'sustainable growth' that incorporates environmental considerations including climate change and energy.

Accordingly, APEC has clearly been embracing CSR and the goal of transitioning towards a more sustainable and harmonised economy based upon its principle of 'open regionalism'.

APEC Japan 2010, which is culminating in an Economic Leaders' Meeting on 12-13 November this year, is building on this further by working on 'formulating a 'new vision' for further growth and prosperity in the Asia Pacific region based on the following agenda:

- regional economic integration
- growth strategy
- human security
- economic and technical cooperation.⁸

By examining the current uptake of CSR in the Asia Pacific region and moves underway towards a SEE within the region, this study recognises that there are a number of ways in which countries can progress to a SEE and hopes to initiate what is considered to be an important body of work into:

- tracking how the Asia Pacific region transitions towards its 'new vision for further growth and prosperity'
- assessing the needs, opportunities and challenges for CSR capacity-building in the Asia Pacific region and how the transition to a SEE can best be accelerated
- evaluating the implications this will have on the global economic, social and environmental landscape, and
- exploring how this may present prospects for enhancing social responsibility, sustainability and governance generally across the region and globally.

3. Methodology

3.1 Selection of Organisation-based Indicators for CSR uptake

In order to examine the uptake of CSR in the Asia Pacific region and be able to assess the performance of this uptake effectively across countries in the region, this study compiles data from a selection of CSR-related indicators that are globally-harmonised and globally-recognised.

While adherence by organisations to their local national laws, regulations, standards and customary practices would be useful as an indicator of organisational responsibility (and is an absolute minimum in terms

⁶ APEC 2008 Leaders' Declaration, "A New Commitment to Asia Pacific Development", Lima, Peru, 22-23 November 2008, (www.apec.org/apec/leaders__declarations/2008).

⁷ APEC 2009 Leaders' Declaration, "Sustaining Growth, Connecting the Region", Singapore, 14-15 November 2009, (www.apec.org/apec/leaders__declarations/2009).

⁸ Further details on APEC Japan 2010 can be accessed at: www.apec2010.go.jp/en/index.

of CSR), the scope of this study is limited to those globally-harmonised and globally-recognised indicators that facilitate comparisons across countries.

Specifically, the selected global indicators are those that provide comparative national data on the extent to which organisations (through their membership and/or certification) are:

- embracing global CSR guidelines – through membership of the United Nations Global Compact
- reporting on measures taken to implement CSR in an accountable and transparent manner – through Sustainability Reporting under the Global Reporting Initiative
- accepting and adhering to global performance standards – through certifications issued under International Standards for Quality Management Systems, ISO 9001, and for Environmental Management Systems, ISO 14001
- pursuing CSR-oriented global standards in organisational work environments – through the Social Standard, SA8000.⁹

3.2 Selection of National Performance Indicators

Given the scope of this study and in an effort to assess the extent to which countries are in fact transitioning towards the SEE, the global indicators under examination also extend to national performance indicators that not only set the operational context for organisations but also help to measure the ultimate impacts of policies, practices and activities by organisations on national conditions:

- the United Nations Development Programme’s Human Development Index, covering ‘a long and healthy life’; ‘education’ and ‘a decent standard of living’
- New Economic Foundation’s Happy Planet Index, covering ‘life satisfaction’, ‘longevity’ and ‘carbon footprint’
- the Freedom in the World Index, covering political rights and civil liberties as measurement of freedom;
- Transparency International’s Corruption Perception Index, covering perceived levels of public sector corruption
- the Institute for Economics and Peace’s Global Peace Index, covering peacefulness.¹⁰

As with the five organisational indicators under examination, these five national performance indicators offer globally-harmonised and globally-recognised data that facilitate comparisons across countries. They cover selected key areas of national performance, namely: health, education, a sense of well-being and freedom; human security; governance; and environmental impact.

3.3 Selection of countries in the Asia Pacific region

The study examines these ten indicators across 19 selected countries in the Asia Pacific region (Table 3.1).

Table 3.1 Selected Asia Pacific countries

1	Australia
2	Cambodia
3	China
4	Hong Kong SAR
5	Indonesia
6	Japan

⁹ It is intended that the study expand its investigations into Organisation-based Indicators for CSR uptake beyond the initial five indicators where others of value are identified.

¹⁰ It is intended that the study expand its investigations into National Performance Indicators beyond the initial five indicators where others of value are identified.

7	Korea, Rep.
8	Lao, PDR
9	Malaysia
10	Myanmar
11	New Zealand
12	Papua New Guinea
13	Philippines
14	Singapore
15	Solomon Islands
16	Thailand
17	Timor-Leste
18	Tonga
19	Vietnam

Of further regional significance, the selected 19 countries were selected because of the following reasons, memberships, available data and significance:

- 9 of the 10 members of the Association of South East Asian Nations (ASEAN) (i.e. Cambodia; Indonesia; Lao, PDR; Malaysia; Myanmar; the Philippines; Singapore; Thailand; and Vietnam)¹¹
- 3 additional countries that make up ASEAN+3 (i.e. Japan, China and the Republic of Korea)
- 2 additional countries that make up the East Asia Summit (EAS) (i.e. Australia and New Zealand) which are in the Pacific region¹²
- Hong Kong SAR which remains a significant regional centre for commerce, finance and international trade as well as
- Papua New Guinea, Timor-Leste, Solomon Islands and Tonga located in the Asia Pacific.¹³

These countries under examination comprise a GDP of 13,530,777 US\$M in 2009, which accounts for 23 % of the global GDP (in 2009: 58,133,309 US\$M). The study further includes two of the world's three largest economies (China and Japan), two of the most populous countries in the world (China and Indonesia) and 13 of 21 members of APEC.

These 19 countries will be drivers of the future course of the Asia Pacific region through the size and anticipated expansion of their economic activities; their contribution to international trade; their role in geo-security; and their generally involvement and participation in international affairs. Accordingly, the global landscape will be significantly influenced by the cultural values, societal practices and operational environment of these 19 selected Asia Pacific countries in particular.

¹¹ Brunei Darussalam is the one ASEAN member excluded from this study due to its lack of World Bank GDP figures, however it might be included in future studies. Further details can be found at: www.aseansec.org

¹² The EAS is a significant regional grouping of 16 countries for strategic dialogue and action on key issues facing the East Asian region that advances closer regional integration and cooperation in the region. Further details of this Australian AusAID initiative under the ASEAN-Australia Development Cooperation Programme can be found at: www.aseansec.org/aadcp/repsf/abouteastiasummit.

¹³ This paper excludes the remaining Pacific Islands due to the relatively small size and GDP or the lack of accurate and accessible information. In future research, it is planned to include more Pacific Islands, possibly as a block related to the membership of the Pacific Island Forum. More details found on: www.forumsec.org.fj/pages.cfm/about-us/.

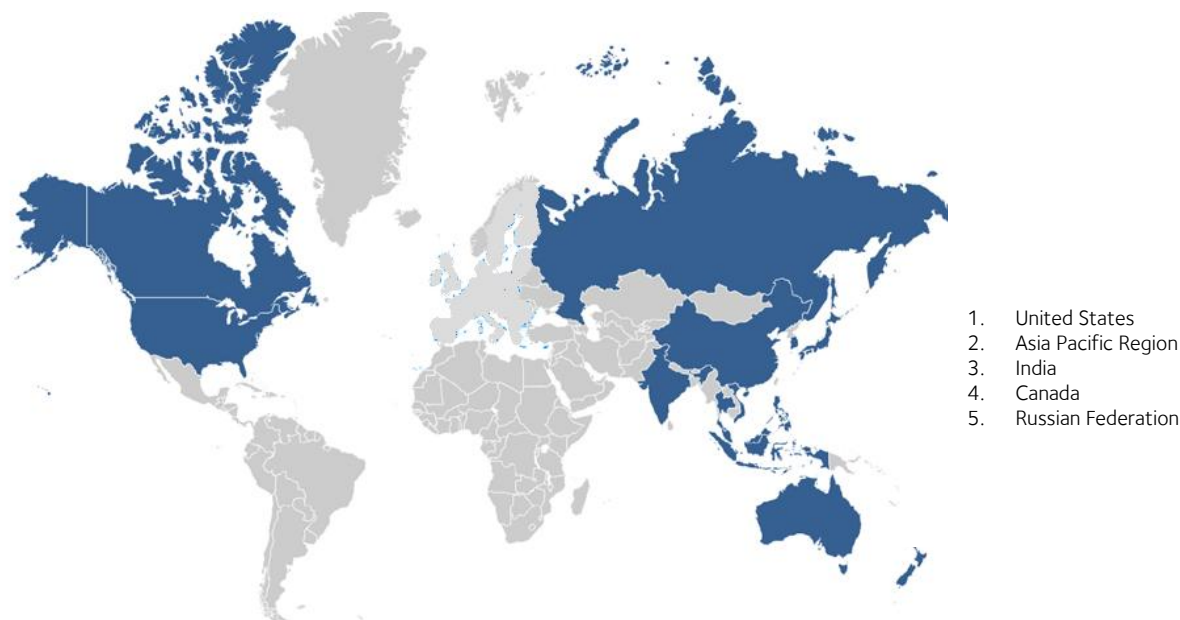
Brunei, Taiwan and the Democratic Republic of Korea as well as Fiji, Samoa and other smaller Pacific Island countries were excluded do to the lack of accurate and accessible information available.¹⁴ In the future this research will expand its scope and will include those countries to include as many countries as possible in the Asia Pacific in order to achieve a more comprehensive coverage of the Asia Pacific region. This would also include Fiji, Samoa and other smaller Pacific Islands as a collective, based on the membership in the Pacific Island Forum (PFI).¹⁵

3.4 Methodology for the study

Based on these selected countries and selected key indicators, the following methodology is used in this study:

1. In order to examine the uptake of CSR in the selected countries, a comparative analysis is initially conducted on the nominal uptake figures for each organisation-based indicator across the 19 countries.
2. In order to account for the variations in the size of the 19 economies and in the absence of harmonised global measures for the total number of organisations in each country, a comparative analysis of more depth into the CSR uptake and performance across countries is conducted by weighting the uptake of each country by its GDP.¹⁶
3. Further, in order to reference each country's uptake and performance against a benchmark, a comparative analysis is conducted between the United States, Canada, India and the Russian Federation and the 19 selected Asia Pacific countries individually and combined in terms of the uptake of each indicator. However, this comparison is currently under review and will in the future possible include a comparison with individual countries in Europe and a more global approach.

Figure 3.2 Selected Asia Pacific countries and the geographically closely related, increasingly important countries (listed by GDP).



¹⁴ For instance, the lack of World Bank GDP numbers or insufficient available information regarding the ten indicators used for this study.

¹⁵ This will exclude the PFI members Australia and New Zealand in the block because of their relative big size and already inclusion in the project as separate counties through membership in the EAS.

¹⁶ GDP is used for this purpose as it is a measure of an economy's economic size and represents a readily-available measure across all countries of a country's capacity for taking up CSR-related initiatives through organisational membership and/or certification.

4. A deeper examination of CSR uptake and performance across the 19 countries in terms of each organisation-based indicator is then conducted to identify target areas that hold prospects for accelerating uptake for the Asia Pacific region and warrant further study.
5. An examination is then conducted of each of the national indicators to assess the extent to which the 19 countries at the national level are transitioning towards the SEE and to identify target areas at the national level that hold prospects for accelerating uptake for the Asia Pacific region and warrant further study.
6. The two sets of findings are synthesized to generate some key recommendations for accelerating CSR uptake and transitioning to the SEE at both the organisational level and at the national level within the Asia Pacific region. Given the significance of the Asia Pacific region globally, these recommendations hold relevance for enhancing social responsibility, sustainability and governance generally across the globe.

4. Preliminary findings on organisational CSR-related indicators

Tables 4.1 and 4.2 summarise the uptake of the five organisational CSR-related indicators among the 19 selected countries in the Asia Pacific region, listing the countries by Population and in order of their economic size as represented by their Gross Domestic Product. Table 4.3 shows a comparison with other increasingly important and geographically closely related countries to the Asia Pacific region. However, this comparison is currently under review and will in the future possibly include individual countries in Europe and worldwide due to the awareness of the complexity and diversity of comparing a whole region with individual countries.

Table 4.1 Summary of organisational CSR-related indicator (by population)

	Population mid-2009 (millions)*	GDP 2009 US\$M	UNGC**	GRI (2009)	ISO 9001 (Dec 2008)	ISO 14001 (Dec 2008)	SA 8000***
1 China	1,331.40	\$4,909,280	220	52	224,616.0	39,195	349
2 Indonesia	243.3	\$540,277	132	1	5,713	849	9
3 Japan	127.6	\$5,067,526	145	89	62,746	35,573	2
4 Philippines	92.2	\$160,476	47	9	2,412	773	5
5 Vietnam	87.3	\$91,854	94	0	3,971	325	48
6 Thailand	67.8	\$263,856	28	3	5,275	934	14
7 Myanmar	50.0	n.a	0	0	18	843	0
8 Korea, Rep.	48.7	\$832,512	190	54	23,036	7,133	3
9 Malaysia	28.3	\$191,601	71	6	6,267	997	2
10 Australia	21.9	\$924,843	88	72	8,773	1,125	0
11 Cambodia	14.8	\$10,447	0	0	7	6	0
12 Hong Kong SAR	7.0	\$215,355	15	0	3,499	739	20
13 Papua New Guinea	6.6	\$7,893	0	1	24	4	0
14 Lao PDR	6.3	\$5,939	1	0	2	0	0
15 Singapore	5.1	\$182,232	73	8	4,526	668	1
16 New Zealand	4.3	\$125,160	4	10	1,228	148	0
17 Timor-Leste	1.1	\$558	1	0	0	0	0
18 Solomon Islands	0.5	\$657	0	0	0	0	0
19 Tonga	0.1	\$311	0	0	0	0	0
Total	2,144.3	\$13,530,777	1,109	305	352,113	89,312	453
Median	21.9	\$171,354	28	1	3,499	739	1

	1st
	2nd
	3rd-6th
	7th-11th
	12-19th

* 2009 Population Reference Bureau

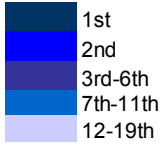
** Data as of May 2011

*** Data as of Dec.2010

Source: Table produced from data compiled by the author.

Table 4.2 Summary of organisational CSR-related indicator (by GDP)

	GDP 2009 US\$M	Population mid-2009 (millions)*	UNGC**	GRI (2009)	ISO 9001 (Dec 2008)	ISO 14001 (Dec 2008)	SA 8000***
1 Japan	\$5,067,526	127.6	145	89	62,746	35,573	2
2 China	\$4,909,280	1,331.4	220	52	224,616	39,195	349
3 Australia	\$924,843	21.9	88	72	8,773	1,125	0
4 Korea, Rep.	\$832,512	48.7	190	54	23,036	7,133	3
5 Indonesia	\$540,277	243.3	132	1	5,713	849	9
6 Thailand	\$263,856	67.8	28	3	5,275	934	14
7 Hong Kong SAR	\$215,355	7.0	15	0	3,499	739	20
8 Malaysia	\$191,601	28.3	71	6	6,267	997	2
9 Singapore	\$182,232	5.1	73	8	4,526	668	1
10 Philippines	\$160,476	92.2	47	9	2,412	773	5
11 New Zealand	\$125,160	4.3	4	10	1,228	148	0
12 Vietnam	\$91,854	87.3	94	0	3,971	325	48
13 Cambodia	\$10,447	14.8	0	0	7	6	0
14 Papua New Guinea	\$7,893	6.6	0	1	24	4	0
15 Lao PDR	\$5,939	6.3	1	0	2	0	0
16 Solomon Islands	\$657	0.5	0	0	0	0	0
17 Timor-Leste	\$558	1.1	1	0	0	0	0
18 Tonga	\$311	0.1	0	0	0	0	0
19 Myanmar	n.a	50.0	0	0	18	843	0
Total	\$13,530,777	2,144.3	1,109	305	352,113	89,312	453
Median	\$171,354	21.9	28	1	3,499	739	1



* 2009 Population Reference Bureau

** Data as of May 2011

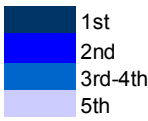
*** Data as of Dec.2010

	GDP 2009 US\$M	UNGC	GRI (2009)	ISO 9001 (Dec 2008)	ISO 14001 (Dec 2008)	SA 8000
World Total:	\$58,133,309	7700	1390	982,923	188,815	2151
Selected 19 countries, global share of:	23%	14%	22%	36%	47%	21%
EU (27), global share of:	28%	42%	41%	41%	38%	47%
No. Of countries engaged globally:	192	130	60	176	155	60

Source: Tables produced from data compiled by the author.

Table 4.3 Summary of organisational CSR-related indicator: Comparison

	GDP 2009 US\$M	Population mid-2009 (millions)	UNGC	GRI	ISO 9001	ISO 14001	SA 8000
1 United States	\$14,256,000	306.8	417	132	32,400	4,974	1
2 Asia Pacific Region	\$13,530,777	2,144.3	1,109	305	352,113	89,312	453
3 India	\$1,377,265	1,171.0	388	20	37,958	3,281	576
4 Canada	\$1,336,068	33.7	77	39	10,506	1,388	0
5 Russian Federation	\$1,231,893	141.8	44	4	16,051	720	0
Total	\$31,732,003	3,797.6	2,035	500	449,028	99,675	1030
Median	\$1,377,265	306.8	388	39	32,400	3,281	1



Source: Table produced from data compiled by the author.

The preliminary findings from an examination of the uptake of the five organisational CSR-related indicators among the 19 selected countries in the Asia Pacific region indicate the following:

1. It is very clear that, while progress is being made, there is still limited uptake by organisations relative to the number of organisations in each country. There is considerable potential indicated, therefore, for CSR capacity-building in the Asia Pacific region.

The United States, for instance, has the largest uptake of the UN Global Compact and the Global Reporting Initiative (GRI) in comparison to each of the 19 selected single countries in the Asia Pacific region, but this involves only 418 and 132 organisations respectively, representing only a minimal uptake relative to the number of organisations in the country.

Across the selected 19 countries, ISO 9001 has the largest number of organisational engagement, totalling 352,113, but this also falls short of the number of organisations within the 19 countries.

Focusing on SA 8000, this shows that India has the highest uptake with 576 certifications, followed by China with 349, whereas the United States and Canada have only 1 and 0 certified facility (Tables 4.2 and 4.3).

2. Different countries are performing strongly under different organisational CSR indicators and are leading the way in different aspects of social responsibility. There may be merit, therefore, in advancing mechanisms for enhancing the exchange of information and learnings across countries.

In absolute terms, the United States has the largest uptake of the UN Global Compact and the GRI in comparison with the 19 selected countries, which is not surprising given its significant economic size relative to the other countries under study. Interestingly, however, China has the largest uptake of ISO 9001 (in fact ranking first globally) and of ISO 14001, and India ranks highest in SA 8000 uptake in terms of the number of SA 8000 Certified Facilities.

Japan ranks at least second highest across three of the indicators – GRI, ISO 9001 and ISO 14001 – with India ranking second behind the United States for the UN Global Compact. For the SA 8000, India's first ranking is followed by China (with India and China ranking 2nd and 3rd globally behind Italy). Interestingly, Vietnam comes second in terms of SA 8000 Certified Facilities among the 19 Asia Pacific countries (and earns a strong 7th global ranking).

When assessed relative to GDP to account for the different economic size and capacities of countries, the performance rankings change quite significantly. Preliminary findings indicate that Vietnam stands out in terms of its performance relative to its economic size under the UN Global Compact, with Singapore, Malaysia and Indonesia also strong relative performers. Australia and Japan rate strongly in terms of their relative engagement with the GRI, as does the Republic of Korea. China rates strongly in ISO 9001 and ISO 14001 performance in these relative terms as it does in absolute terms. Vietnam is a strong performer in ISO 9001 relative to its economic size, with Japan and the Republic of Korea also relatively strong in ISO 14001. Interestingly, uptake by the United States lags considerably relative to its size.

When examined in further depth, preliminary findings reveal variations between countries in terms of the:

- spread of organisational engagement with the UN Global Compact across the business and various non-business sectors¹⁷

¹⁷ For instance, preliminary findings reveal that the UNGC uptake of countries like Japan and Malaysia is overwhelmingly by the business sector (94% and 90%), with limited broader community engagement in UNGC principles beyond the business sector. In contrast, the Philippines has attracted only 24% of total participation from its business sector, with the majority interest from its non-business sector, primarily NGOs.

- extent to which business participants are actively engaging with the UN Global Compact through Communications on Progress
- level of adherence and commitment to sustainability reporting guidelines as indicated by the:
 - Application Levels for GRI disclosure
 - extent to which sustainability reports are being externally (i.e. independently) assured to offer added credibility
 - checking mode selected (whether self-checked, checked by a third party or by GRI), with GRI-checked reports demonstrating stronger engagement with GRI
- extent to which organisations are choosing to have independent auditing and certification of their quality management systems under ISO 9001 and their environmental management systems under ISO 14001
- level of commitment towards ensuring fair and equitable treatment of workers in the workplace through coverage of workers under facilities certified under SA 8000.¹⁸

Further study is expected to help clarify specific prospective areas for cross-learnings across countries.

3. Global engagement with organisational CSR-oriented indicators is still in its infancy. Given the growing significance of the Asia Pacific region on the global landscape, there appear to be prospects for enhanced uptake of CSR by countries in the Asia Pacific region to help accelerate engagement in other parts of the world.

Of the five indicators under study, preliminary findings indicate that ISO 9001 has the largest number of organisations engaged with it globally, but with global uptake of 982,923, there is still substantial scope for increased engagement across the world. (Global uptake totals 188,815 for ISO 14001; 7700 for the UN Global Compact; 2151 for SA 8000; and only 1390 for GRI.)

Of the nearly 200 countries worldwide, organisations from 176 countries are engaged with the ISO 9001, 155 countries for ISO 14001, 130 countries for the UN Global Compact and only 60 countries for the GRI and SA 8000 (Table 4.2).

4. As many of the globally-harmonised and globally-recognised indicators appear to be focussed on organisations in the business and corporate sector rather than organisations at large, there appear to be prospects for further developing these indicators in themselves so they transition towards a wider target group and will increasingly be representative indicators for Organisational Social Responsibility (OSR) rather than CSR.
5. As organisational behaviour tends to be influenced by what is being measured and assessed, there would appear to be merit in progressing this study to further evaluate and monitor trends in such globally-harmonised and globally-recognised OSR-related indicators. This is expected to help identify target areas for accelerating uptake in each country as well as help influence organisational behaviour towards the desired goal of OSR.

5. Preliminary findings on National Performance Indicators

Tables 5.1 and 5.2 summarise the uptake of the five national performance indicators among the 19 selected countries in the Asia Pacific region, with the countries listed once again by population and in order of their economic size as represented by their GDP.¹⁹ Table 5.3 includes the comparison with Canada, India, the

¹⁸ Interestingly, preliminary findings from a more detailed examination of the uptake of SA 8000 reveals that India and China, while ranking 2nd and 3rd globally behind Italy in the number of SA 8000 Certified Facilities in the world, outrank Italy in terms of the number of facility employees covered by these Facilities (330,000 workers covered in India and 211,000 workers covered in China, compared with 195,000 in Italy).

¹⁹ It should be noted that, for the Global Peace Index, a lower figure signifies a better rating in peacefulness.

United States and the Russian Federation. This approach as mentioned earlier is under review and will in the future possibly include individual European and other global individual countries as opposed to comparing one region with individual countries.

Table 5.1 Summary of National Performance Indicators (by population)

	Population mid-2009 (millions)	GDP 2009 US\$M	Human Development Index	Happy Planet Index	Corruption Perception Index	Global Peace Index	Freedom of the World Index	
1	China	1,331.4	\$4,909,280	0.772	57.1	3.6	2.03	6.5
2	Indonesia	243.3	\$540,277	0.734	58.9	2.8	1.95	2.5
3	Japan	127.6	\$5,067,526	0.960	43.3	7.7	1.25	1.5
4	Philippines	92.2	\$160,476	0.751	59.0	2.4	2.57	3.5
5	Vietnam	87.3	\$91,854	0.725	66.5	2.7	1.69	6.0
6	Thailand	67.8	\$263,856	0.783	50.9	3.4	2.29	4.5
7	Burma	50.0	n.a.	0.451	51.2	1.4	2.58	7.0
8	Korea, Rep.	48.7	\$832,512	0.937	44.4	5.5	1.72	1.5
9	Malaysia	28.3	\$191,601	0.829	54.0	4.5	1.54	4.0
10	Australia	21.9	\$924,843	0.970	36.6	8.7	1.47	1.0
11	Cambodia	14.8	\$10,447	0.494	42.3	2.1	2.25	5.5
12	Hong Kong SAR	7.0	\$215,355	0.944	41.6	8.2	n.a.	n.a.
13	Papua New Guinea	6.6	\$7,893	0.431	n.a.	2.1	2.11	3.5
14	Lao PDR	6.3	\$5,939	0.497	57.3	2.1	1.66	6.5
15	Singapore	5.1	\$182,232	0.944	48.2	9.2	1.62	4.5
16	New Zealand	4.3	\$125,160	0.950	36.2	9.4	1.19	1.0
17	Timor-Leste	1.1	\$558	0.502	n.a.	2.5	n.a.	3.5
18	Solomon Islands	0.5	\$657	0.494	n.a.	2.8	n.a.	3.5
19	Tonga	0.1	\$311	0.677	n.a.	3.0	n.a.	4.0
Total		2,144.3	\$13,530,777	13.845	747.5	84.1	27.92	70.0
Median		21.9	\$171,354	0.8	50.9	3.0	1.7	3.8

Source: Table produced from data compiled by the author.

Table 5.2 Summary of National Performance Indicators (by GDP)

	GDP 2009 US\$M	Population mid-2009 (millions)	Human Development Index	Happy Planet Index	Corruption Perception Index	Global Peace Index	Freedom of the World Index	
1	Japan	\$5,067,526	127.6	0.960	43.3	7.7	1.25	1.5
2	China	\$4,909,280	1,331.4	0.772	57.1	3.6	2.03	6.5
3	Australia	\$924,843	21.9	0.970	36.6	8.7	1.47	1.0
4	Korea, Rep.	\$832,512	48.7	0.937	44.4	5.5	1.72	1.5
5	Indonesia	\$540,277	243.3	0.734	58.9	2.8	1.95	2.5
6	Thailand	\$263,856	67.8	0.783	50.9	3.4	2.29	4.5
7	Hong Kong SAR	\$215,355	7.0	0.944	41.6	8.2	na	n.a.
8	Malaysia	\$191,601	28.3	0.829	54.0	4.5	1.54	4.0
9	Singapore	\$182,232	5.1	0.944	48.2	9.2	1.62	4.5
10	Philippines	\$160,476	92.2	0.751	59.0	2.4	2.57	3.5
11	New Zealand	\$125,160	4.3	0.950	36.2	9.4	1.19	1.0
12	Vietnam	\$91,854	87.3	0.725	66.5	2.7	1.69	6.0
13	Cambodia	\$10,447	14.8	0.494	42.3	2.1	2.25	5.5
14	Papua New Guinea	\$7,893	6.6	0.431	n.a.	2.1	2.11	3.5
15	Lao PDR	\$5,939	6.3	0.497	57.3	2.1	1.66	6.5
16	Solomon Islands	\$657	0.5	0.494	n.a.	2.8	n.a.	3.5
17	Timor-Leste	\$558	1.1	0.502	n.a.	2.5	n.a.	3.5
18	Tonga	\$311	0.1	0.677	n.a.	3.0	n.a.	4.0
19	Myanmar	n.a.	50.0	0.451	51.2	1.4	2.58	7.0
Total		\$13,530,777	2,144.3	13.845	747.5	84.1	27.92	70.0
Median		\$171,354	21.9	0.751	50.9	3.0	1.72	3.8

Source: Table produced from data compiled by the author.

Table 5.3 Summary of National Performance Indicators comparison

	GDP 2009 US\$M	Population mid-2009 (millions)	Human Development Index	Happy Planet Index	Corruption Perception Index	Global Peace Index	Freedom of the World Index
1 United States	\$14,256,000	306.8	0.956	30.7	7.5	2.06	1.0
2 Asia Pacific Region	\$13,530,777	2,144.3	0.729	49.8	4.4	1.86	3.9
3 India	\$1,377,265	1,171.0	0.612	53.0	3.4	2.52	2.5
4 Canada	\$1,336,068	33.7	0.966	39.4	8.7	1.39	1.0
5 Russian Federation	\$1,231,893	141.8	0.817	34.5	2.2	3.10	5.5
Total	\$31,732,003	3,797.6	4.080	207.4	26.2	10.93	13.9
Median	\$1,377,265	306.8	0.817	39.4	4.4	2.06	2.5

Source: Table produced from data compiled by the author.

The preliminary findings from an examination of the five national performance indicators among the 19 selected countries in the Asia Pacific region indicate the following:

1. The size of the economy, indicated by such measures as GDP, does not necessarily translate to performance in terms of transitioning towards the SEE.²⁰
Australia ranks first in terms of the Human Development Index, with Japan ranked second; Vietnam ranks first in terms of the Happy Planet Index, with the Philippines ranked second; New Zealand ranks first in terms of governance based on Transparency International’s Corruption Perception Index, with Singapore coming second; New Zealand also ranks first in terms of peacefulness based on the Global Peace Index, with Japan coming second; and Australia and New Zealand rank best in the Freedom of the World Index based on political rights and civil liberties followed by Japan and the Republic of Korea (Tables 5.1 and 5.2).
2. As different countries are leading the way in different aspects of SEE, there would appear to be merit, once again, in advancing mechanisms for enhancing performance via information exchange and shared learnings across the countries.
3. Based on this very preliminary phase of the study, it appears there are countries performing strongly in CSR uptake relative to their economic size that are also performing relatively strongly in selected National Performance Indicators (e.g. Japan, Singapore and Australia).²¹ This warrants further study.
4. Based on the very preliminary study undertaken to date into global national indicators, there appears to be a need for more comprehensive indicators that capture key elements of a SEE. While the study is in its early stages, current global national indicators do not appear to account adequately for:

²⁰ It is recognised that, while there is a correlation between material wealth and well-being, national wealth measured by GDP, or even GDP per capita, was never designed to be an indicator for comparisons of national living standards or of national wellbeing. GDP, a measure of the value of a country’s production of goods and services that is often used for national comparisons, does not account for all productive capacity (it has limitations in valuing items that are not reported in monetary terms such as household work and volunteering), and it includes products (such as financial products) which may increase an economy’s output levels but may not translate into increased real wealth.

²¹ Further work is warranted into countries (e.g. Rep. of Korea and China) that appear to be performing relatively strongly in these Organisational Indicators but are not demonstrating strength through these National Performance Indicators; and, similarly, into countries that appear to be performing relatively strongly in National Performance Indicators (e.g. New Zealand) that are not demonstrating strong uptake through Organisational Indicators. It is intended that additional indicators of value, where identified, will be incorporated into the study.

- all types of activity (such as household contributions and volunteering efforts which add to social cohesion)
- the quality of goods and services produced
- broader dimensions of societal well-being (such as air and water quality, health, education, accessibility and affordability of basic needs; sense of personal value and security; social cohesion; wealth equality)
- dimensions of environmental sustainability (such as climate change and resource depletion)
- those dimensions of negative contributions (such as carcinogenic and other activities detrimental to health; and activities giving rise to human insecurity, fear, pollution and resource degradation).

An essential characteristic of such a comprehensive indicator is expected to be that it captures performance in terms of how effectively it is transitioning towards the goal of a SEE (i.e. it captures the 'outcomes' and not the 'outputs' such as activities). As national policies tend to be based on measurable assessments, measures based on 'outcomes' rather than 'outputs' may be more likely to help drive societies towards broader societal goals pertaining to social cohesion and sustainability – and less towards material consumption and potentially wastefulness and greed.

6. Preliminary recommendations

The preliminary recommendations from this study are as follows:

1. The preliminary work conducted to date suggests there is merit in progressing this study and in further developing global OSR-oriented indicators (potentially incorporating ISO 26000 in time).
It would appear to be an initiative of value if comparative national figures of the number of organisations in each country were collected to improve the quality of research into the uptake of OSR among organisations. It would be of use if such data could be captured in terms of the different types of organisations (e.g. businesses; academic institutions; government entities; business associations; labour organisations; and community groups) to enable assessments to be made on the reach of OSR uptake across the society.
2. The preliminary work also suggests there may be merit, not only in expanding the range of National Performance Indicators under examination so that the transition being made towards a SEE can be more effectively captured and better assessments made on how this transition can best be further accelerated, but also in intensifying efforts to develop a global indicator for comparing countries in terms of their overall national performance economically, socially and environmentally – that captures how successfully countries are 'progressing' in the true sense of the word.
There may be merit, therefore, in advancing the development of a composite indicator that captures the 'Net Global Contribution' by countries towards the development of a SEE – one that captures 'contributions' to a SEE (rather than its production/resource use/extractions), net of negative impacts in a humanistic as well as environmental sense and is considered in a 'global' sense (rather than in a domestic or country-centric sense).
In this regard, a more comprehensive indicator akin to 'Net Global Contribution' (NGC) may be needed which takes into account the country's contribution to the global SEE, net of its negative impact economically, socially and environmentally both within the country and to its global neighbours.
To be of relevance, any indicator for national wellbeing will require the highest standards of data quality, consistency, transparency and accountability.

Interestingly, there is an opportunity to collaborate with the European Commission in developing comprehensive indicators encompassing environmental, social and governance considerations.

The European Commission, in a communication in August 2009 entitled 'GDP and Beyond: Measuring Progress in a Changing World',²² endorsed the development of comprehensive indices of the environment; quality of life and social solidarity; and sustainable development, the last incorporating the earth's carrying capacity and assessing development in the governance of societies. It concluded:

Gross Domestic Product (GDP) is a powerful and widely accepted indicator for monitoring short to medium term fluctuations in economic activity, notably in the current recession. For all of its shortcomings, it is still the best single measure of how the market economy is performing. But GDP is not meant to be an accurate gauge of longer-term economic and social progress and notably the ability of a society to tackle issues such as climate change, resource efficiency or social inclusion. There is a clear case for complementing GDP with statistics covering the other economic, social and environmental issues, on which people's well-being critically depends . . . The Commission intends to step up its efforts and communication in this field. The aim is to provide indicators that do what people really want them to do, namely measure progress in delivering social, economic and environmental goals in a sustainable manner. Ultimately, national and EU policies will be judged on whether they are successful in delivering these goals and improving the well-being of Europeans. For this reason, future policies should be based on data that is rigorous, timely, publicly accepted and covers all the essential issues. The Commission intends to report on the implementation and outcomes of the actions put forward by this Communication by 2012 at the latest.²³

In terms of timeline, the European Commission is aiming to establish a clear framework for charting its progress towards sustainable development by 2011 so that it can develop and present well-defined proposals for similar action by the global community at the World Summit on Sustainable Development that the General Assembly of the United Nations has decided to convene for 2012 to review progress on sustainable development 20 years after the Rio Earth Summit of 1992. It is also aiming to include some of the new measures in its new 2020 strategy as well as in Sustainable Development Strategy.

There may be merit in countries in the Asia Pacific region engaging in this process and similarly establishing timelines for the introduction of such comprehensive indicators. By prioritising these efforts, the transition to the SEE is more likely to be accelerated within the Asia Pacific region.

3. In terms of global organisational indicators, there may be merit in advancing similar efforts for the development of global organisational indicators that could sit within the same framework as the national 'Net Global Contribution' indicator. This would not only enhance analyses by enabling the aggregation of organisational data at the micro-level into national data at the macro level but it may also facilitate accelerated stewardship by organisations towards a SEE.

In fact, as some organisations are sizable global entities in themselves, their influence socio-economically and environmentally can be as substantial as countries and, at times, even greater than countries (the annual revenue of Wal-Mart Stores of the United States, a company that leads the Global Fortune 500 list, is approximately US\$450,000 million which is comparable to the GDP of Poland, the 21st largest country by GDP). Given their reach is beyond geographical borders, they can in fact represent 'virtual countries' for the purpose of an analysis into the progress being made globally in transitioning towards a SEE.

²² This follows the European Commission, European Parliament, Club of Rome, OECD and WWF hosting a high level conference in November 2007 entitled 'Beyond GDP' which brought strong support to develop indicators that complement GDP.

²³ Source: European Commission (2009) *Communication from the Commission to the Council and the European Parliament on GDP and Beyond: Measuring Progress in a Changing World*, Brussels 20 August 2009.

One step in this direction may involve organisations, particularly those included in the Global Fortune 500-type rankings, to provide data that indicate their performance in terms of their employee/ shareholder/stakeholder well-being. This is in fact underway in a number of company surveys. What appears necessary from this preliminary study is a globally-harmonised and globally-accepted indicator.

4. The preliminary study also suggests that consideration be given to the initiation of an intra-regional collaborative network on OSR and the SEE in the Asia Pacific region.

The establishment of an Asia Pacific SEE-oriented network may facilitate such shared learnings and help accelerate the uptake of OSR across organisations in the region. This network could potentially build on the ASEAN CSR Network launched during 2010 and be based on learnings stemming from the European Alliance for CSR.

Such a network is likely to help raise awareness of CSR and the SEE; guide those that are in need of support, particularly in areas where they are struggling, through information-sharing and mentoring; and accelerate uptake and enhance performance across the region.

This is likely to involve identifying common ground for regional cooperation, from which to establish a framework of common principles and values; a baseline understanding of CSR, SEE and best practice; a culture of information exchange and dialogue on shared learnings; and pathways for future capacity building.

5. The final preliminary recommendation is for initiatives to be pursued that assist the efforts of the less-industrialised countries to find a fresh pathway to development and thereby a new development model for the creation of a SEE.

Fresh development models for advancing countries may be needed to replace traditional models for economic development – one that, rather than replicating the over-industrialisation experienced by now-industrialised countries which will require them to change their course towards balance and sustainability, will advance newly-industrialising countries more directly along a path towards balanced progress and thereby the SEE.

Many of the countries in the Asia Pacific region are yet to industrialise to the extent of some of the larger economies in the region. Rather than leading them down the same path to development which will then only require a re-balancing towards sustainability, it appears critical to ensure that their pathway to development is a fresh one – one which enables them to retain the harmony they currently have with sustainability while progressing towards enhanced living standards that afford them better health, education and well-being.

This will require information exchange and shared learnings with the traditional cultural wisdom of countries across the Asia Pacific regarding sustainable communities. While there is much to be learned from the innovations and creative solutions being developed by the highly-industrialised countries within the region, many of these countries are themselves now in need of regaining a balance between their economic, social and environmental goals.

There is much that can be learned from Oriental and Eastern philosophies, which value humanistic well-being; encourage social cohesion; promote harmony with nature; and value moderation. There is also much to be learned from indigenous cultures and island-based societies which respect the realities of the natural world and the limits of its natural resources.

7. Anticipated outcomes

By exploring how the movement towards CSR can strengthen and advance sustainable national advantages for countries and lead to healthy and prosperous societies, this study hopes to clarify the relationship between organisational CSR performance of organisations in societies and the performance of these societies

at the national level in terms of social cohesion; human well-being; the rule of law; governance-based stability; and environmental stewardship.

Further, amid the abundance of data from reports, surveys, studies and measures for capturing organisational engagement with CSR, this study hopes to offer a filter that 'cuts through the noise' and improves clarity on the multitude of data available. It hopes to offer a way forward for attaining clarity on the actual uptake of CSR by organisations and focuses on key performance indicators that enable examination of the actual organisational actions to engage with CSR, rather than their opinions and/or intentions.

By examining this uptake from national and regional perspectives, the study hopes to offer clarity on how countries are progressing towards the SEE. The study recognises that each society has its own traditional, historical and current-day circumstances and varies in their future aspirations. It is also recognised that there will be a number of potential pathways for each society towards their own aspirational version of the SEE. Given the interconnectedness of the globalised world, what is shared is a common need – nationally, regionally and globally – for stewardship of those societies along the most direct path to a 'Global SEE'. To use a sailing analogy, this would mean all societies sailing along their respective rhumb lines to shorten the distance travelled in the journey towards global sustainability.

To continue with the sailing analogy – as societies 'tack either side of their rhumb line' towards the Global SEE, it would be invaluable if actual performance could be monitored, tracked and made available in 'real time' so they can 'trim the sails' and 'sail closer to the wind', thereby ensuring they are continually correcting their course to that of 'best fit' to travel the shortest distance to the Global SEE. This study envisages the creation of a 'Global SEE dashboard report' of such actual, real-time key performance indicators that will facilitate stewardship towards the Global SEE. The existence of such a 'Global SEE dashboard' in itself may have the effect of reinforcing strategic behaviour.

8. Conclusion

It is hoped that this study serves as a catalyst for future studies and the development of initiatives that enhance OSR uptake in the Asia Pacific context as well as social responsibility, sustainability and governance across the region and globally.

It is also hoped that this study serves as a catalyst that initiates the creation of a 'Global SEE dashboard' of actual, real-time key performance indicators that can help facilitate stewardship by societies towards the Global SEE.

By underscoring the needs, opportunities and challenges for OSR capacity-building in the Asia Pacific region and for countries to transition effectively towards the SEE, this study is aimed at adding value to the efforts of public policy makers and academics concerned with OSR, sustainability and governance as well as OSR practitioners and members of civil society interested in responsible global citizenship.