THE RISING TIDE OF CORPORATE SOCIAL RESPONSIBILITY IN CHINA

by

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ABSTRACT

Proponents of 'corporate social responsibility' or 'CSR' believe that corporations should be responsible to the societies and environments in which they operate. CSR is a familiar concept in the developed markets of North America and Europe; increasingly, companies are also being held accountable for their social and environmental impacts in developing countries. This trend is being observed in China, where CSR appears to be gaining considerable ground.

This paper examines the drivers and challenges to the adoption of CSR in China, and argues that the rising tide of corporate social responsibility will continue to grow, both from internal and external pressures, as China becomes an increasingly important and influential participant in the global economy.

Keywords: Corporate social responsibility; corporate social responsibility in China; CSR; CSR in China; corporate accountability; corporate responsibility; business ethics

Subject Terms: Social responsibility of business -- Developing countries; International business enterprises -- Moral and ethical aspects -- Developing countries; Business ethics
To Peter —

who supported me through this,

not least by walking the dog so many times

when I was studying or parked at my computer.
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INTRODUCTION

Considerable attention has been paid in recent years to the concept of ‘corporate social responsibility’ (CSR). The belief that companies have a responsibility to the societies and environments in which they operate is widely held, particularly in the developed markets of North America and Europe. Increasingly, companies are also being held accountable for their social and environmental impacts in developing countries. This trend is being observed in the economic powerhouse of China, where the concept of CSR appears to be gaining considerable ground.

To date, Western values and business models have predominantly defined the global CSR landscape. Yet recent developments suggest that interest in CSR in China is gathering momentum, and that China will be an important player in the world of CSR. As China continues its economic development and integration with the global economy, the country’s impact on the face of CSR could be significant.

This paper examines the drivers and challenges to the adoption of CSR in China, and argues that the rising tide of corporate social responsibility will continue to grow, both from internal and external pressures, as China becomes an increasingly important and influential participant in the global economy.
1. METHODOLOGY

The research for this paper was conducted through both primary and secondary methods. The majority of information presented in the paper was learned from secondary sources, including online and print reference materials, journals and other publicly available information sources. Primary research was conducted in the form of an online survey. The intention of the survey was not to collect a statistically valid sample, nor to test a hypothesis; rather the survey was used as a method of testing and supplementing the information gathered through secondary sources, and as a way of determining whether anything important had been missed. Please see Appendix 1 for a copy of the online survey, and Appendix 2 for the raw survey data.

1.1. Online Survey Distribution

The aim of the online survey was to gain insight into the definitions of and attitudes towards CSR among business leaders in China. The link to the survey was distributed by email to people within the researcher’s network who are currently working at some level of managerial responsibility in China. These individuals were encouraged to further distribute the survey among people who fit the target respondent profile within their own networks. The researcher also sent the link to the survey by email to a random sample of people whose names and email addresses were listed on the websites of various companies operating in
China. Since it is not known how many people were sent the link to the survey, it is not possible to gauge the response rate.

1.2. **Online Survey Respondent Profile**

Thirty-six respondents completed the online survey. The majority of survey respondents (47%) were from multinational corporations operating in China.

- 14% were from Chinese private corporations and joint-venture corporations respectively;
- 3% were from Chinese State Owned Enterprises; and,
- The remaining 22% were from a variety of types of organizations including the following: Manufacturing Wholly Owned Foreign Enterprise (WOFE), foreign private company, foreign government, business association, social enterprise, and foreign non-profit organization.

![Respondent profile](image)

**Figure 1.1 Respondent profile**
Questions probing number of employees and annual financial turnover (in $USD) were asked in the survey to gauge the size of respondents’ organizations. The majority of respondents (63%) were from relatively small organizations with less than 100 employees working in China.

- 25% of respondents were from organizations with 100-500 employees; and,
- 6% respectively were from organizations with 1001-5000 employees and 5001 or more employees working in China.

![Respondent profile - Number of employees working in China](image)

*Figure 1.2 Respondent profile – Number of employees working in China*
Half of respondents were from organizations whose annual financial turnover in 2006 was less than US$ 2 million.

- 21% of survey respondents were from organizations with a financial turnover in 2006 of US$ 2-5 million;
- 29% were from organizations with an annual financial turnover of over US$ 15 million in 2006.

![Figure 1.3 Respondent profile - Financial turnover ($USD - 2006)](image)

Effort was made to collect survey responses from both Chinese National and expatriate respondents. As could be expected, however, given that the research was conducted from Canada and the researcher's network consists primarily of expatriates, a relatively small number of Chinese Nationals completed the survey.
• 78% of survey responses were from expatriates working in China;
• 22% of survey respondents were Chinese Nationals. Of these, half had worked overseas and the remainder had only worked in China.

![Respondent profile - Expatriate vs Chinese National](image)

**Figure 1.4 Respondent profile – Expatriate vs Chinese National**

The ability to isolate the responses from Chinese Nationals versus expatriates allows for cross-tabulation and comparison of the responses between the two groups. This comparison is particularly interesting, since, as has been mentioned, to date the field of CSR has been largely dominated by Western values and business models.

The survey included other identifying questions, including one to ensure survey respondents were representative of the population of 'senior business
people working in China. The majority of respondents (42%) identified themselves as a ‘Manager’, while 33% indicated they hold the title of ‘Senior Manager’. Eight per cent of respondents described their title as ‘President’, and 6% indicated they are the CEO of their organization.

Figure 1.5 Respondent profile – Job title
2. CONTEXT

Governments around the world are waking up to the need to integrate sustainable development principles and practices across business operations, sectors, and issues.² Nowhere is this need more vital than in China. China has experienced annual average growth rates in excess of nine per cent over the past two decades.³ The country’s economy is now the second largest in the world after the United States.⁴ Considering the amount of foreign direct investment (FDI) entering China, this growth trend looks set to continue. In 2002 China became the world’s largest FDI recipient, receiving an estimated US$ 53 billion.⁵

At 1.3 billion,⁶ China’s population is the largest in the world. It is expected to peak at about 1.6 billion before beginning to decline.⁷ Although China’s extraordinary economic growth has lifted many of the country’s population out of poverty, UN figures indicate that eight per cent of the population lives below the international poverty line, that there is a growing gap between the rich and poor, and that about a quarter of the nation’s population still does not have access to a safe water supply.

With the phenomenal economic growth rate in China has come a devastating environmental impact. Issues range from energy and water scarcity to air pollution and soil erosion.⁸ The myriad social problems resulting from mass labour migration within China, among other issues, are also significant.
It is against this backdrop that CSR and the responsibility of corporations to society takes on a new level of urgency in China. Parallel to China's unprecedented growth, there is an increased importance to maintain a sound balance between the economy, environment and society. As Jiang Weiming, Vice President of the China Business Council for Sustainable Development says in reference to the environmental and social challenges facing China today:

"If we want China's development to be sustainable, now and for future generations, we have no choice but to meet these challenges head on and find solutions in a responsible way. Business is often seen as the culprit, or at best a contributor to the problems. But our claim is that this need not be the case. On the contrary, as a major steering force for economic and industrial activity, business can, and should, be part of the solution."
3. BACKGROUND

Before specifically examining CSR in China, and to help develop a level of familiarity with the concept, it is useful to review some background information to understand the key issues dominating the CSR debate. These include how corporate social responsibility is defined and measured, and the movement to develop global standards for CSR.

3.1. Understanding CSR

One of the challenges related to discussions of CSR, whether in China or elsewhere, is that the concept itself is not easily defined. In fact, there is no universal or ‘one size fits all’ definition for CSR. Many different terms are used to describe CSR, including ‘good corporate citizenship’, ‘corporate sustainability’ and ‘corporate accountability’. The Centre for Corporate Citizenship at Boston College refers to ‘corporate community involvement’ or ‘CCI’ as synonymous with CSR. Notions of business ethics or transparency, as well as sustainable development, are also often referred to when describing CSR.

Different organizations, industries, countries and cultures define CSR differently. The World Business Council for Sustainable Development, in its publication Making Good Business Sense, uses the following definition:

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and
their families as well as of the local community and society at large.\textsuperscript{13}

Business for Social Responsibility (BSR) – a global organization based in the UK, which focuses on encouraging businesses to be more socially responsible – defines CSR more simply as:

\textit{Achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment.}\textsuperscript{14}

The World Bank’s definition of CSR is as follows:

\textit{Corporate Social Responsibility (CSR), is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life, in ways that are both good for business and good for development.}\textsuperscript{15}

Definitions of CSR are influenced by the culture, values and expectations of different societies. Consider the following definitions of CSR offered in \textit{Making Good Business Sense}\textsuperscript{16}:

\textit{CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government.} (Ghana)

\textit{CSR is about business giving back to society.} (Philippines)

\textit{CSR is the contribution to the development of natural and human capital, in addition to just making a profit.} (Taiwan)

\textit{CSR is about commitment to strive for the best economic development for the community, to respect workers and build their capacities, to protect the environment and to help create frameworks where ethical business can prosper.} (Brazil)
Different approaches to the practice of CSR are also evident, particularly when examining how CSR has evolved. Traditionally, CSR has been practiced in the United States in terms of a philanthropic model.\textsuperscript{17} In this scenario, “Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.”\textsuperscript{18}

The European model, in contrast, is much more focused on operating the core business in a socially responsible way.\textsuperscript{19} This ‘way of doing business’ is complemented by investment in communities for solid business case reasons.

Baker argues that this model is more sustainable because:

1. Social responsibility becomes integral to the wealth creation process, which can enhance the competitiveness of business and maximize the value of wealth creation to society.
2. When times get hard, companies have an incentive to invest even more in CSR - if it is purely a philanthropic exercise which is peripheral to the main business, it will always be the first thing to face budget cuts when push comes to shove.\textsuperscript{20}

As the concept of CSR matures, and as more consumers and regulatory environments demand sustainable business practices, the European approach to CSR is becoming the standard, or at least the ideal. There is growing acknowledgement that \textit{true} CSR demands that organizations shift from solely focusing on making a profit to considering what is known in CSR parlance as the “triple bottom line”. This means that companies should include social, environmental and financial responsibility in their core business strategies.
Simply put, CSR is about how companies proactively integrate social and environmental values and practices into their core business to produce an overall positive impact on society.\textsuperscript{21} Yet the difficulty in defining CSR, and the varying approaches to its practice, means that understanding CSR is \textit{not} simple. How CSR is defined and how it is applied in practice are key elements of the CSR debate, which present critical challenges to the adoption of CSR policies and practices. For as Waddock argues in reference to the field of business in society, "If the field is to progress it is truly important to begin to agree on terminology and its appropriate usage."\textsuperscript{22} Another challenge, particularly in North America, is determining how CSR can be defined and applied in the context of the legal responsibility of directors of a company to maximize shareholder value.\textsuperscript{23}

3.2. \textbf{From the Margins to the Mainstream}\textsuperscript{24}

Despite the fact that CSR is difficult to define, it is increasingly becoming a more mainstream concept, particularly in developed economies. According to Jane Nelson, Director of the Corporate Social Responsibility Initiative at Harvard’s Kennedy School of Government, there is a growing spotlight on the role of business in society and growing expectations on what this role should be.\textsuperscript{25} There is also increasing recognition within the business community of the need to understand and respond to these expectations in a way that contributes to competitiveness, or at the very least helps manage risks and sustain profitability.\textsuperscript{26}
To be sure, the field of CSR is more mature in the developed markets of North America and Europe than it is in developing countries, but around the world there is intense and growing pressure for corporations to rebuild public trust and to be competitive in a global economy. To do this, many companies are incorporating CSR strategies in their core business practices in an effort to act with greater accountability, transparency and integrity, while at the same time remaining profitable and innovative.

In today’s global economy, companies need to be able to demonstrate good performance not only in terms of competitiveness, market growth and financial results, but also in relation to their corporate governance, ethical, social and environmental performance. Increasingly, “... demands are heightening for business to become more reflective and sensitive to the influences—both positive and negative—they have on ... communities and society overall.” CSR is moving from the margins to the mainstream, largely because it can help map the way for companies to address the leadership challenges of global business.

3.3. Measuring CSR and the Case for Standardization

With the increasing awareness of and interest in corporate social responsibility, has come the need for mechanisms to measure, track and report it. Numerous efforts have been made to develop international reporting standards and measurement tools for CSR. The AA1000 Framework, MNE Declaration, Global Reporting Initiative, United Nations Global Compact and the OECD
Guidelines for Multinational Enterprise are among the collection of international CSR standards, tools and initiatives.

The International Organization for Standardization (ISO) is also in the process of developing a standards framework for corporate social responsibility. Work on the ‘ISO 26000 Guideline for Social Responsibility’ began in 2005 and results are expected in 2008. Market mechanisms, such as the Dow Jones Sustainability Index\(^3\), also exist as tools for evaluating a company’s social performance.

Efforts to standardize CSR reporting have partly been motivated by demands for corporate transparency and accountability, but also by the desire to share best practice between businesses engaged in corporate social responsibility. The incentives for developing global CSR norms and standards are apparent:

“... a range of stakeholders are pushing for increased commitment by companies to widely recognized standards, and multinational corporations are expected to apply the same standards in different parts of the world. Companies themselves are seeking to establish a level “playing field,” especially in connection to international trade. For multinational corporations, there are strong pressures to be seen applying the same standards in different parts of the world.”\(^32\)

Arguing the case for standardization, Khaled Abu Osbeh of the UN Global Compact states:

“There are literally hundreds of voluntary corporate social responsibility initiatives ... if CSR is to become a truly global force that transcends narrow and national or group-specific interests, then there is a need to align CSR initiatives with robust and universally recognized principles ... Standardization in this area could help promote greater efficiency as well as a more level
playing field so that developing country companies can compete on a more even footing with their counterparts in other countries.**33**

While the push to create global standards for CSR is strong, the debate about *how* to do so continues in local and international CSR circles. The issue of standardizing approaches to CSR will be discussed at greater length later in this paper.

3.4. **Key International CSR Measurement Tools and Reporting Standards**

There are a number of international measurement tools and reporting standards for CSR. It is useful to develop an understanding of the “plethora of measurement ranking systems…”34 by briefly examining a number of the key measurement tools and reporting standards. The very fact that such a “plethora” exists suggests that there are limitations to the tools and standards currently available to measure and report on CSR. This speaks to another of the challenges plaguing the CSR debate.

**AA1000 Framework**35

Launched in 1999 by the AccountAbility Institute of Social and Ethical Accountability, the AA1000 Framework was developed to address the need for organizations to integrate their stakeholder engagement processes into daily activities. The key elements of the framework are planning, accounting and auditing, and reporting. The framework is voluntarily applied. It does not prescribe what should be reported on, but rather 'how' reports should be
developed. In this way, it is designed to complement the GRI Reporting Guidelines (described below).

**MNE Declaration**

The MNE Declaration is the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Governed by the International Labour Organization Governing Body, the MNE Declaration is a formal agreement between business, labour, and governments on the social responsibilities of business and government in the area of labour and employment. The Declaration is a set of guidelines that covers issues including training, working conditions, and industrial relations.

**Global Reporting Initiative**

Perhaps the most known of the international CSR reporting tools, the Global Reporting Initiative (GRI) is a multi-stakeholder process and independent institution with the mission to develop and disseminate globally applicable Sustainability Reporting Guidelines. These guidelines have been developed for organizations to report on the economic, environmental, and social dimensions of their activities, products, and services.

GRI reporting guidelines are used voluntarily by organizations, and the primary aim of the GRI is to promote the comparability of reports by providing a common framework for triple bottom line reporting.
United Nations Global Compact

The UN Global Compact was designed to bring companies together with UN agencies, labour and civil society to support universal environmental and social principles. The Global Compact's operational phase was launched in 2000 and since then hundreds of companies, international labour and civil society organizations from around the world have engaged. These groups work together under the Global Compact to advance ten 'universal' principles in the areas of human rights, labour, the environment and anti-corruption.

Through collective action, the Global Compact seeks to promote responsible corporate citizenship, calling on businesses to be part of the solution to the challenges of globalization. The Global Compact is seen as a facilitator to enable the private sector – in partnership with other social actors – to help realize the vision of a more sustainable and inclusive global economy. Like a number of other international CSR ‘tools’, the Global Compact is a purely voluntary initiative.

OECD Guidelines for Multinational Enterprises

The OECD Guidelines for Multinational Enterprises (MNEs) are the only comprehensive code of corporate conduct agreed to by multiple nations. The Guidelines constitute a set of voluntary recommendations to multinational enterprises in all the major areas of business ethics, including employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation. Adhering governments have committed to promote them among multinational enterprises operating in or from their territories.
Observance of the Guidelines is voluntary and is encouraged and facilitated by OECD member governments through National Contact Points (NCPs), which are government offices charged with promoting the Guidelines and handling enquiries in the national context. Adhering countries comprise all 30 OECD member countries\(^{40}\), and nine non-Member countries (Argentina, Brazil, Chile, Estonia, Israel, Latvia, Lithuania, Romania and Slovenia).

The previous review of international measurement standards and reporting instruments for CSR is not exhaustive, yet it serves to illustrate that there is no shortage of available standards and instruments to measure CSR. Further, it demonstrates what Márquez and Fombrun argue: that “the ratings' marketplace today is confusing, partly due to the proliferation of players carrying out evaluations, as well as the variety of criteria that apply in judging social responsibility.”\(^{41}\) The challenges related to applying these standards at the local context in China will be discussed later in this paper.

3.5. The Business Case for CSR

Supporters and critics of the CSR movement alike have called for evidence that demonstrates the value of corporate social responsibility from a business perspective. The key question has been: does CSR contribute to the bottom line? There is a growing body of evidence that suggests that it does, and that “doing good is good for business”.\(^{42}\)
A global study conducted by Environics International (now Globescan) provides evidence of the business case for CSR. The study, Corporate Social Responsibility Monitor 2001: Global Public Opinion on the Changing Role of Companies, was conducted in 20 countries, including China, and gathered input from close to 20,000 respondents into the way consumers and societies at large perceive the social and environmental responsibilities of business.

Three key findings from the study, which demonstrate the value of corporate citizenship, are highlighted below. Although not specific to CSR in China, these results illustrate key global trends in CSR and provide evidence for making the business case for corporate social responsibility:

1. Significant numbers of investors take a company's social performance into consideration when making investment decisions.
2. In developed countries, social responsibility makes a greater contribution to corporate reputation than brand image.
3. Companies that ignore social responsibility place market share at risk.

The findings above have been echoed in other studies demonstrating the value and importance of CSR. Although existing evidence is still at an early stage of development, Rochlin and Christoffer argue:

"A case is mounting that effective CCI [corporate community involvement] does indeed add value to the business by supporting customer acquisition and marketing; human resource strategies; preserving the “license” to operate; building reputation; and supporting innovations in market and product development. ... There is enough [evidence] out there to make a compelling case that companies should invest more time, energy and resources toward their social performance."
4. CSR IN CHINA

The intention of the background information in the previous section was to orient readers to the field of CSR, highlight some of the key issues shaping the CSR debate, and demonstrate the complexity of the CSR field. Equipped with this background knowledge, we can better understand and more critically examine CSR in China, both in itself and as it relates to the context of the field of CSR generally.


Recent developments and reporting suggest that CSR is gaining momentum in China.\textsuperscript{50,51,52} According to the China Development brief, the country is grasping the new CSR discourse extraordinarily fast.\textsuperscript{53} The Fall 2005 edition of \textit{Leading Perspectives}, the newsletter of Business for Social Responsibility,\textsuperscript{54} states: “It is clear in China that government, business, academia and others are working hard to understand what all this heat and light around CSR is about.”\textsuperscript{55}

As in other parts of the world, definitions of CSR vary in China. When asked in the online survey conducted for this study, “What does CSR mean to your company?” the majority of survey respondents (78%) indicated CSR means providing a safe and healthy working environment.

- 61\% of respondents indicated that for their company, CSR means providing support for community projects and ensuring good environmental performance respectively;
- 58% felt CSR means creating value for the company's shareholders;
- Less than half of the survey sample (47%) defined CSR as it has traditionally been viewed by indicating it means 'making financial donations to charity'; and,
- 36% of respondents indicated that for their company, CSR means establishing partnerships with non-government or community organizations.

![Definitions of CSR](chart)

**Figure 4.1 Definitions of CSR**

Interestingly, only minor differences in how CSR is defined were observed when comparing survey responses received from expatriates versus Chinese Nationals.
Figure 4.2  Definitions of CSR – Expatriate vs. Chinese National

Although definitions of CSR in China may vary, there are numerous signs of growing interest in the topic in important circles in China. Some examples include:

- The Chinese Executive Leadership Academy Pudong, the government’s new finishing school for public officials, is incorporating lectures on CSR for government and party officials and the institution has signed an agreement with the British Ministry of Foreign and Commonwealth Affairs on a one-year partnership program in research on corporate social responsibility.

- Two of the countries most prestigious academic institutions, Beijing University and Tsinghua University, have started offering courses in CSR.
• The China National Textile and Apparel Council, the national Federation of all textile-related industries in China, has established its own code of conduct for its manufacturers.\textsuperscript{59}

• China has in recent years played host to some major international conferences on CSR. The UN Global Compact held an important summit in Shanghai on November 30, 2005. Nearly 800 business leaders and government and civil society representatives attended, making it the largest ever high-level corporate responsibility conference in China.\textsuperscript{60} Also at the end of November 2005, CSR Asia\textsuperscript{61} held their first annual CSR conference in Shenzhen, China. 'The Supply Chain Talks Back' brought together representatives from the entire supply chain to debate and discuss issues, tensions, best practice and problems in achieving social responsibility in China and around the region. Notably, the conference featured a number of presenters from industry and government in China.\textsuperscript{62}

• In the last few years there has been a growing proliferation of organizations with a CSR mandate in China. Some examples include Syntao, Social Responsibility in Business and Investment,\textsuperscript{63} a Chinese news and information Internet source featuring resources on CSR; CSR Net,\textsuperscript{64} an initiative of the Chinese Institute for Environment and Development (IED) and Leadership for Environment and Development International (LEAD)-China to promote corporate social responsibility and foster mainstreaming CSR in China; China CSR Map, an initiative that is attempting to map which organizations are undertaking what CSR activities in an effort to promote the development of CSR in China through the "sharing and open exchange of information"\textsuperscript{65}; and CSRchina.net,\textsuperscript{66} a new resource for Chinese business established by SourceAsia Ltd in the UK and the Participatory Development Appraisal (PDA) Network in Guangzhou, China. The networking organization aims to help Chinese business leaders learn about CSR and access CSR management tools.
There are also signs at the ‘popular’ level in China that CSR is gaining ground. Several CSR ‘blogs’ and discussion groups have been established in recent years, in both Chinese and English, including “Chinese CSR,” “CSR in China,” “China SRI,” and the “CSRChina Yahoo Group.” A group in Beijing called “Green Drinks” meets monthly to provide networking opportunities for individuals working in sustainable development and CSR in China.

In addition to these signs at the grass roots level, there are indications at the policy level in China that concepts related to social responsibility and CSR are attracting interest. China’s recent “People First” initiative emphasizes the social welfare of the country’s population, and shifts the focus from increasing the GDP to creating a more “man-centered” society. The initiative is characterized by five “balanced steps” which are in keeping with the principles of corporate social responsibility: balancing urban and rural development; balancing development among regions; balancing economic and social development; balancing development of man and nature, and balancing domestic development and opening wider to the outside world. This shift in policy sends a clear signal that the Chinese government is concerned about the social and environmental impact of development. It also creates a supportive environment for companies interested in pursuing CSR strategies.

Signs of engagement in CSR at the corporate level were evident in the online survey results. The majority of survey respondents (92%) indicated that in the past year their company had engaged in at least one of the CSR activities
listed in the survey; only eight per cent of the sample reported their company had not initiated any of the CSR activities listed.

In 2006, did your company ...?

![Pie chart showing CSR activities in 2006]

Figure 4.3 In 2006, did your company ...?

Examining the activities 'on the ground' in China suggests that there is a general 'buzz' around CSR. Yet interest in the subject may not be entirely new: the Corporate Social Responsibility Monitor 2001 showed that China's score for 'Ethical Consumer Activism' was higher than in Japan, France, Spain, and South Africa, and around the same as the Netherlands and Italy. The clear message here is that CSR is important to Chinese customers.
The online survey results indicate that CSR is also seen as important among business leaders in China. When asked to indicate whether they agreed with the statement “Corporate social responsibility initiatives make a significant contribution to a company’s reputation”, the vast majority of respondents (92%) either strongly agreed or agreed. None of the respondents felt ambiguous about or strongly disagreed with this statement, and only 8% somewhat disagreed.

![Bar chart showing the distribution of agreement levels.](chart.png)

**Figure 4.4 CSR initiatives make a significant contribution to a company’s reputation**

Although there was less agreement among survey respondents with the statement “Companies that are socially responsible are more profitable than companies that are not socially responsible”, still half of the survey sample agreed with this statement. Thirty-nine per cent of respondents indicated they
neither agreed nor disagreed, and 11% somewhat disagreed with this statement. There were no survey respondents who indicated they strongly disagreed. This suggests that survey respondents believe that CSR not only has a positive impact on corporate reputation, but that it may also contribute to the bottom line.

Figure 4.5 Companies that are socially responsible are more profitable than companies that are not socially responsible

When comparing opinions about these two statements among Chinese Nationals versus expatriate survey respondents, some interesting differences were observed. The vast majority of expatriate respondents (96%), versus 75% of Chinese respondents, either strongly agreed or agreed that CSR initiatives make a significant contribution to corporate reputation.
CSR initiatives make a significant contribution to a company’s reputation

Figure 4.6  CSR initiatives make a significant contribution to a company’s reputation

In addition, expatriates felt more strongly than the Chinese Nationals who responded to the survey that socially responsible companies are more profitable than companies that are not socially responsible.
Companies that are socially responsible are more profitable than companies that are not socially responsible

Figure 4.7 Companies that are socially responsible are more profitable than companies that are not socially responsible

4.2. Drivers of CSR in China - Who or What is Behind the Wheel?

An analysis of what is driving CSR in China reveals that the movement is being influenced by a number of key factors, both internal and external. Both environmental and social issues in China are strong internal forces driving CSR. Internal forces include the “Green” 2008 Olympics, and, increasingly, the realization within China that CSR can be harnessed as a competitive advantage. External forces include globalization and the presence of multinational corporations (MNCs) in China, as well as the standards and compliance required by regulatory instruments in China’s export markets. Survey respondents in general indicated that the three most important drivers of CSR in China are
internal: environmental issues (83%), social issues (83%), and Chinese regulatory requirements and compliance standards (77%).

### Figure 4.8 Drivers of CSR in China

Comparing survey responses received from Chinese Nationals versus expatriates reveals some interesting differences and similarities. Social issues (100%) were clearly the key driver of CSR among the Chinese sample, followed by environmental issues and consumer demand (75% respectively). Among expatriates, environmental issues in China (86%) were also identified as a key driver of CSR, followed by Chinese and international regulatory requirements and compliance standards (82% and 79% respectively). Consumer demand was identified as the least important driver of CSR among the expatriate sample.
Drivers of CSR in China - Chinese sample

- Social issues in China: 100%
- Environmental issues in China: 75%
- Consumer demand: 75%
- The Beijing 2008 Summer Olympics: 50%
- Chinese regulatory requirements and compliance standards: 50%
- International regulatory requirements and compliance standards: 50%
- Globalization and global competition: 38%
- Examples from multinational corporations (MNCs): 38%

Drivers of CSR in China - Expatriate sample

- Environmental issues in China: 86%
- Chinese regulatory requirements and compliance standards: 82%
- International regulatory requirements and compliance standards: 79%
- Examples from multinational corporations (MNCs): 79%
- Social issues in China: 79%
- The Beijing 2008 Summer Olympics: 71%
- Globalization and global competition: 68%
- Consumer demand: 64%

Figure 4.9 Drivers of CSR in China – Chinese sample

Figure 4.10 Drivers of CSR in China – Expatriate sample
By necessity, China’s disastrous environmental state is a driving force for CSR in the country. “Green” concerns are intensifying the spotlight on CSR in China and pushing CSR higher up the communications agenda. Senior government officials in China have recognized that the country’s phenomenal economic growth has come at a steep price. China ranks fifth in the world in daily water consumption, and second in energy consumption and carbon dioxide discharge. At the Seventh Green China Forum in June of 2005, Pan Yue, deputy director of the Chinese State Environmental Protection Administration (SEPA), said that environmental crisis, coupled with many social problems, would come earlier than anticipated if the country did not embark on a path of “green rise” immediately. The recognition of serious environmental concerns is one of the key internal drivers of CSR in China.

In addition, Beijing is aware that the world’s attention will be focused on China during the 2008 Olympic Games. The country has pledged to host a “green” Olympics, promising the International Olympic Committee to achieve World Health Organization (WHO) standards for urban air quality in time for the 2008 Olympics. As part of the preparations for the Games, China is making an unprecedented financial and societal commitment to improve its environment. Examples include the replacement of more than 7,000 old buses with new ones that meet higher environmental standards; the construction of a solar energy system for Beijing’s Olympic Village, which will supply hot water and electricity for the Games in 2008 and beyond, and the development of a hydrogen park in the
Olympic Village that will demonstrate hydrogen technology by operating buses using a mix of hydrogen and natural gas.\textsuperscript{78}

The US Department of Energy (DOE) is working with the Chinese government in an attempt to ensure the goal of reaching WHO air-quality standards is achieved in time for the Games. According to Lee Gebert with the DOE, the US and China have developed a public-private partnership to foster the introduction and spread of clean energy in China. "We hope to continue to do this kind of work – helping industry deploy clean energy technology for the Olympics and hopefully replicating the technology throughout China,"\textsuperscript{79} says Gebert.

The "Green" Olympics has become the catalyst for Chinese government agencies and businesses, MNCs and environmental NGOs to work together,\textsuperscript{80} and has created the infrastructure and opportunities for corporations to become involved in environmental and social programs. The partnerships forged during the lead up to the Olympics will help contribute to the development of a supportive environment for CSR in China.

Regulatory requirements and compliance standards in China's export markets are also contributing to the movement towards CSR in China. The regulatory landscape for manufacturers in China is shifting rapidly.\textsuperscript{81} As of July 2006, all manufacturers of electronic and electrical equipment sold in Europe had to comply with the EU's Restriction of Hazardous Substances (RoHS) directive. This type of regulatory requirement acts as an incentive for Chinese factories to incorporate more socially and environmentally sensitive practices into their business operations. As Smith illustrates, some companies began to do just that,
even before the requirement was enforced: “... a local Hong Kong company, LTK industries, recently announced that it is the first wire and cable company in the world to obtain the approval of Underwriters Laboratories, a 110-year product safety certification, to meet the strict EU requirements – 18 months ahead of the mandated deadline.”

There is growing recognition among business in China that adopting a CSR strategy can contribute to competitiveness. Serena Lillywhite, who has conducted extensive research on supply chain management in China, confirmed through her studies that:

“... whilst CSR is not well understood by most Chinese, some factory managers are increasingly interested in how a business can be more responsible, particularly in highly competitive sectors... These managers are becoming aware that corporate responsibility and improved compliance with corporate codes, national laws and international standards could be harnessed as a competitive advantage.”

CSR in China is also being driven in part by globalization as MNCs seek to project a positive image in China, while at the same time trying to satisfy domestic markets and global business watchdog bodies that they are behaving responsibly. Company managers operating in developing countries are well aware of the damage done to the reputations of companies like Nike and The Gap, who were both accused of human rights abuses in ‘sweatshop’ factories and shamed in the international media in highly publicized cases. CSR campaigns that make a positive contribution to social and environmental development provide one way for companies to distance themselves from such negative images.
According to CSR expert Jeremy Moon, MNCs will be more likely to institutionalize CSR in their practices as they seek to establish themselves in global markets, and this will provide a powerful example for Chinese companies. This view is supported by Simon Longstaff, an adviser to Australian companies on the ethics of doing business overseas, who says that the companies making the effort to “get it right” are providing a commendable example and are having an impact on business culture in China. “That kind of smart, ethical behaviour, to be sensitive and engaged and to prosper with your principles intact, is a wonderfully powerful example that many people will be attracted to and seek to emulate,” says Longstaff.

As demonstrated in a report of CSR practices by US companies in China, the actions of American MNCs are helping to:

“... advance the cause of important social, labour, environmental and economic objectives, including improved health, safety and environmental practices; consistent enforcement of high ethical standards; increased compensation, training and educational opportunities for workers; ... transparent government regulation; and the rule of law.”

Many of the world’s global multinational companies – Shell, Motorola, Nike, GE, Unilever, Boeing, McDonald’s and others – have initiated CSR strategies in China. Some of these may be little more than creative public relations campaigns devised to give the company a more public friendly face; others may be motivated by efforts to increase productivity and competitiveness. Lillywhite argues, “Gaining a competitive advantage and ensuring the reputation of global brands is not tarnished is the dominant driver of CSR developments in
Regardless, while the actions of MNCs may not be driven by altruism, their CSR campaigns in China are having a positive impact on corporate culture and furthering the development of corporate social responsibility in China.

4.3. Challenges to CSR in China

There are numerous challenges facing the practice of CSR in China. Eighty three per cent of survey respondents identified the lack of a regulatory framework in China to enforce CSR standards as one of the most significant challenges. In addition, survey respondents highlighted lack of government incentives for businesses (81%), as well as lack of consumer demand (78%) as significant barriers to CSR in China.

Significant differences were observed between the responses received from expatriate and Chinese National survey respondents regarding the challenges that face CSR in China. Survey responses among the expatriate sample were very similar to responses received from the general sample: 86% of expatriate respondents indicated that the lack of a regulatory framework to enforce CSR standards and the lack of government incentives for businesses are the two most significant challenges to CSR in China. Among the Chinese sample, however, these were seen as the least significant barriers for CSR. The most significant challenge identified by Chinese survey respondents was the perception that pursuing CSR initiatives is expensive and will negatively impact competitiveness; this was the least significant challenge identified by expatriate respondents.
Challenges to CSR in China

Lack of a regulatory framework to enforce CSR standards
Lack of government incentives for businesses to adopt socially responsible behaviour
Lack of consumer demand for socially responsible behaviour from companies
The perception that pursuing CSR initiatives is expensive and will negatively impact competitiveness
Lack of a universal definition of CSR in China

% of responses

Very/somewhat significant Neutral Somewhat not/not at all

Figure 4.11 Challenges to CSR in China

Challenges to CSR in China - Expatriate sample

Lack of a regulatory framework to enforce CSR standards
Lack of government incentives for businesses to adopt socially responsible behaviour
Lack of consumer demand for socially responsible behaviour from companies
Lack of a universal definition of CSR in China
The perception that pursuing CSR initiatives is expensive and will negatively impact competitiveness

% of responses

Very/somewhat significant Neutral Somewhat not/not at all

Figure 4.12 Challenges to CSR in China – Expatriate sample
Figure 4.13 Challenges to CSR in China – Chinese National sample

As Allan Choate, director of program development in China for The Asia Development Foundation states, “... although the idea of CSR is quite trendy in China at the moment, defining it and acting upon it is a larger challenge." The difficulty in “acting upon” CSR in the Chinese context is due in part to the complexity of China’s regulatory environment and legal framework, neither of which support or facilitate the implementation of CSR policies, such as improved labour conditions or environmental standards.

CSR in China also faces suspicion that it will negatively impact economic development, and that it is being promoted by Westerners who are trying to weaken the competitiveness of Chinese companies by driving up production costs and ‘road-blocking’ China’s success through the erection of non-tariff barriers. The China Development Brief puts it this way: “There is, to be sure, a
continuing undercurrent of suspicion that CSR is a new tool invented by
foreigners to bash China." Related to this is the neo-imperialist view held by
CSR opponents in China that it is an "... imposition of Western values aimed at
undermining China's political system and creating Western-style democracy." This notion is supported by the survey responses collected from Chinese
Nationals, as reported above.

Like in other markets, the practice of CSR faces challenges in China
because its benefits are difficult to monitor and track, making the concept harder
to package for mass consumption. Different companies have different corporate
responsibility standards; this poses difficulties for the many factories that
manufacture products for more than one brand. Further, global monitoring and
reporting standards developed at an international level are voluntary, and they
may not be relevant to the local context in China. Without a roadmap depicting
what CSR success looks like in China, some companies may find it difficult to
implement their own CSR strategies.

The subject of international CSR standards deserves closer attention.
There are several challenges related to the utility of these standards at the local
level in China. One major challenge is that international CSR standards are for
voluntary use by companies and organizations. They are not enforceable in
China, nor are there 'global' mechanisms to demand compliance. In addition,
mechanisms to identify and respond to specific priorities at the national or local
level in China are lacking in existing international standards.
Examining the Global Reporting Initiative (GRI) specifically as an example, we see that it defines three types of indicators: environmental, economic and social indicators. The GRI's environmental indicators could be seen to be generally applicable and valid for all organizations in China, although some may be specific to a single organization or sector. The economic indicators measured through the GRI – such as salaries, profits, investments in research, or financial information about the organization – are also not difficult to understand in the Chinese context. Social indicators, however, such as human rights or freedom of association, are subject to different interpretations related to cultural differences. The human rights debate in China is a case in point.

In addition, sustainable development challenges are contextual and unique from community to community. This raises the question: do global CSR standards allow for adequate flexibility for the innovation, creativity and responsiveness necessary to meet national or local challenges and priorities in China? It also raises the concern that “… international standards may stifle the innovation and creativity that has characterized some companies’ approach to CSR, by imposing “some minimum requirement and level of precision that could squash potentially very creative approaches for CSR and turn it into a formula approach.” Addressing one of the key challenges of the CSR debate, Hamann et al argue, “There are increasingly prominent tensions between universal, international norms and standards referring to CSR, on the one hand, and national or local circumstances, priorities, and dilemmas, on the other.”
The tension between international standards for CSR and its practical applications at the local level is also a challenge for CSR in China.

4.4. The Future Outlook of CSR in China

After examining the current state, the drivers and the challenges to corporate social responsibility in the world’s most populous nation, the question is: what is the future outlook of CSR in China?

Results from the online survey suggest CSR is something companies are taking seriously in China. When asked who (or which department) in their organization is responsible for managing matters of corporate social responsibility, the majority of respondents (56%) indicated the responsibility for CSR falls to the CEO. Almost half of respondents (47%) indicated that other members of the senior management team handle matters of CSR. This suggests that CSR is being approached not just as a public relations or marketing exercise, but rather as something related to the company’s core business that is of interest to and handled by the leadership of the organization.
When considering the future outlook of CSR in China, it is also hopeful to note that the majority of survey respondents (83%) felt their company should be completely or somewhat responsible for lessening the negative environmental impacts of their industry’s operations.

Similarly, when asked about the degree to which they felt their company should be responsible for supporting charities and community projects, the majority of respondents (72%) indicated they felt their company should be either completely or somewhat responsible. None of the survey participants selected ‘completely not responsible’ in answering this question.
To what degree should your company be responsible for supporting charities and community projects?

Figure 4.15 To what degree should your company be responsible for supporting charities and community projects?

To what degree should your company be responsible for lessening the negative environmental impacts of your industry’s operations?

Figure 4.16 To what degree should your company be responsible for lessening the negative environmental impacts of your industry’s operations?
It is evident that CSR will need to be locally defined and engage local partners for it to have significant impact in China. As the China Development Brief argues:

"In terms of legitimacy as well as access, when it comes to working in China both international activist groups and corporate ‘CSR compliance’ staff, not to mention international labour researchers and donor agencies with an interest in [CSR] issues, all need credible, local partners to advance their programmes."98

This requirement is not unique to the Chinese context: local participation is a key ingredient in the success of CSR initiatives generally.99 For CSR to continue to take hold in China, more Chinese voices and organizations will have to engage in the debate, and the CSR agenda will have to be defined and controlled by the Chinese. The resulting “CSR with Chinese characteristics”100 will be representative of local Chinese values and business models, and therefore more likely to succeed. Supporting this notion, Newell argues that it may not be possible to develop CSR standards that are universally applicable. He states:

"Unhelpfully, perhaps for companies seeking ‘one-size-fits-all’ tools for the measurement of their social and environmental performance wherever they operate, the conclusion here is that such solutions are unable to address the key issues of process by which a company’s social and environmental obligations come to be determined, enforced and made locally relevant. Mainstream CSR approaches assume a set of conditions that do not exist in most of the world. CSR can work, for some people, in some places, on some issues, some of the time. The challenge is to identify and specify those conditions in order that inappropriate models of ‘best practice’ are not universalized, projected and romanticized as if all the world were receptive to one model of CSR.”101
Further, for CSR to be successful in China, the Chinese government will have to play a key role in the promotion of socially responsible principles and practices. This is non-negotiable, considering that 85% of China's top 500 companies, which account for three quarters of the country's GDP, are state-owned enterprises. Reinforcing the idea that Chinese government involvement is tied to the success of CSR is the reality that many of the issues on the CSR agenda, such as human rights, labour conditions and environmental concerns, are too complex to be addressed by business alone. In reference to the issue of human rights, Lillywhite argues that, "... individual firms have little capacity to bring about change in China, as this is a complex matter of national law with local variations." For true change to take place, the government must play a lead role.
CONCLUSIONS

Is there cause to be optimistic about the future of CSR in China? This researcher believes the evidence examined in this paper suggests that there is, and that the future of CSR in China looks bright. Despite the challenges facing CSR in China, still, “… senior leaders and media [in China] are increasingly inclined, rather than rejecting the notion of CSR, to accommodate it within the overarching rhetoric of building a ‘harmonious society.’” In addition, as observed in the China Development Brief, “… delegates to the March [2005] sessions of the China People’s Political Consultative Conference and the National People’s Congress highlighted the need for corporate responsibility in building a ‘harmonious, socialist society.’” This gives rise to optimism, since government involvement will be key to the success of CSR in China.

The scope of this paper did not include examining specific examples of CSR deployment in China. Rather, the intention was to demonstrate that interest in CSR in China is intensifying, both from internal and external pressures, and to suggest based on the evidence examined, that the rising tide of CSR in China will continue to swell. Investigations of the practical application of CSR principles and strategies in China, not only by MNCs operating in the country, but also by domestic Chinese businesses, provide the scope for future research and further study.
In the absence of concrete and practical examples of CSR successes in China, in particular from Chinese businesses and organizations, it may be naive to be optimistic about the future of corporate social responsibility in China. Yet the alternative does not bear imagining. For, as the World Business Council for Sustainable Development has recognized, there can be no sustainable world without a sustainable China.¹⁰⁶
ENDNOTES

1 In fact 37 survey responses were collected, however one response received from an individual who described their position as “Admin Assistant” was deleted from the raw data so as not to corrupt the survey sample.


5 “Corporate responsibility and business success in China,” 18.


7 “Corporate responsibility and business success in China,” 19.

8 Ibid, 8.

9 Ibid, 3.

10 Ibid.


16 Holme and Watts, 8,9.


18 Ibid.

19 Ibid.

20 Ibid.

21 Ibid.

23 By law in Canada and the US, the directors of a company have a responsibility to maximize shareholder value. The debate then becomes about defining what constitutes 'shareholder value' and whether aspects that may not translate directly into economic terms should also be considered (such as social and environmental concerns). This issue is of particular relevance in North America. According to lawyer Antonio Borges, who is a Vice Chairman at Goldman Sachs and Vice Chairman of the European Corporate Governance Institute, the concept of 'maximizing shareholder value' is not entrenched in law in the same way in Europe as it is in North America. Borges states, "We also refer to shareholder value in our discussions, yet we mainly make reference to the concept of the company’s interest and to the duty of directors to maximize this interest. Not all scholars would identify the interest of the company with shareholder value. Some would also include the interests of stakeholders amongst those that the board should protect. Stakeholder theories are particularly strong in Germany. On balance, I would say that shareholder value is gaining ground in Europe, despite strong resistance both in law and practice." (From email correspondence with Antonio Borges, May 17, 2007).


25 Ibid.

26 Ibid.


30 For CSR to be truly integrated in the corporate landscape, particularly in North America where corporate directors are legally responsible to maximize shareholder value, there will have to be broad debate and resolution regarding what constitutes long-term 'shareholder value'. Also see note 23 above.

31 "In the past, a portfolio invested in the stocks represented in the Dow Jones Sustainability Group Index performed better than a comparable globally diversified equity portfolio. Backtracking the index has also shown that the Dow Jones Sustainability Group Index has an above-average risk/return profile than standard global equity indexes such as the MSCI World or the Dow Jones Global Index." (footnote reference: SAM Investment Funds, SAM Sustainability Index Fund Equity fund for future-oriented sustainability leaders, information brochure. www.sam-group.com/eiPDF/IF_Prospectus_E.pdf.)

32 "Indeed, over a 5-year period from July 1996 to July 2001, the annualized return in % of the DJSGI World index was 18.35 compared to the DJGI World Index, which was only 14.81." (footnote reference: Dow Jones Sustainability Group Indexes. Report Quarterly 2/2001, http://www.sustainability-index.com/news/newsletter.html)

33 "Between the beginning of 1994 and the end of February 2001, the DJSGI posted a re-turn of 163%, while the Dow Jones Global Index managed only 114% (in Euro). At the same time,
sustainability leaders performed better in seven out of nine industry sectors. The risk – in other
words, the price fluctuation or volatility – was only very slightly higher in the case of the
sustainability-driven investments.” (footnote reference: SAM Investment Funds, SAM
Sustainability Index Fund Equity fund for future-oriented sustainability leaders information
brochure. www.sam-group.com/e/PDF/IF_Prospectus_E.pdf)

Quoted in David V.J. Bell, “The Role of Government in Advancing Corporate Sustainability,”
<www.g7.utoronto.ca/scholar/2002/bell11062002.pdf> [Accessed May 1, 2007].

32 Ralph Hamann et al., "Universalizing Corporate Social Responsibility? South African
Challenges to the International Organization for Standardization’s New Social Responsibility

33 Khaled Abu Osbeh, as quoted in Ralph Hamann et al., 2-3.

34 Hopkins, 213.

35 Accountability Institute of Social and Ethical Accountability.

36 International Labour Organization.
2006].

[Accessed December 1, 2006].

[Accessed December 1, 2006].

39 OECD Guidelines for Multinational Enterprises.
<http://www.oecd.org/document/28/0,2340,en_2649_34889_2397532_1_1_1_1,00.html>.
[Accessed December 6, 2006].

40 OECD Guidelines for Multinational Enterprises.
<http://www.oecd.org/document/58/0,2340,en_2649_201185_1889402_1_1_1_1,00.html>.
[Accessed December 6, 2006].

Twenty countries originally signed the Convention on the Organization for Economic Co­
operation and Development on December 14, 1960. Since then a further ten countries have
become members of the Organization. The Member countries of the Organization and the
dates on which they deposited their instruments of ratification are: AUSTRALIA: 7 June 1971;
AUSTRIA: 29 September 1961; BELGIUM: 13 September 1961; CANADA: 10 April 1961;
CZECH REPUBLIC: 21 December 1995; DENMARK: 30 May 1961; FINLAND: 28 January
1961; HUNGARY: 7 May 1996; ICELAND: 5 June 1961; IRELAND: 17 August 1961; ITALY:
December 1961; MEXICO: 18 May 1994; NETHERLANDS: 13 November 1961; NEW
ZEALAND: 29 May 1973; NORWAY: 4 July 1961; POLAND: 22 November 1996; PORTUGAL:
4 August 1961; SLOVAK REPUBLIC: 14 December 2000; SPAIN: 3 August 1961; SWEDEN:
28 September 1961; SWITZERLAND: 28 September 1961; TURKEY: 2 August 1961; UNITED
 KINGDOM: 2 May 1961; UNITED STATES: 12 April 1961.

41 Antonio Márquez and Charles J. Fombrun, "Measuring Corporate Social Responsibility,"


Opinion on the Changing Role of Companies,” Environics International (June 2001).
December 1, 2006].
Ibid. The 20 countries where the survey was conducted include: Argentina; Brazil; Canada; Chile; China; France; Germany; Great Britain; India; Indonesia; Italy; Japan; Mexico; Nigeria; Russia; South Korea; Spain; Sweden; Turkey; and, the United States.


Ibid. "In the United States, where 61% of people own shares, more than a quarter said they had bought or sold shares on the basis of a company's social performance. A similar picture of CSR influencing investor decisions emerged in the results of the study from Canada, Japan, Britain and Italy."

Ibid. "A company's commitment to sound labour practices, environmental stewardship and good community relations plays an influential role in how it is perceived by the public, especially in developed countries. The study showed that this trend could also be seen, albeit to a lesser degree, in developing countries."

Ibid "Consumers, especially those in North America, are likely to vote with their wallets against companies whose social and environmental performance is perceived to be poor. In Asia, there is less pressure to follow ethical standards, yet still eight per cent of consumers said they had boycotted companies with low standards of corporate behaviour."

"Percentage of consumers who have punished companies for being socially irresponsible, by region"

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<th>Region</th>
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Rochlin and Christoffer.


Business for Social Responsibility (BSR) <www.bsr.org> is considered one of the world leaders in corporate social responsibility research and consulting.


Cramer and Westgaard, 2.

58 Cramer and Westgaard, 2.

59 Ibid.

60 UN News Centre.


61 CSR Asia provides information, research, training and analysis of CSR issues in the Asia Pacific region. Founded by Richard Welford of the Corporate Environmental Governance Programme (CEGP) at the University of Hong Kong and Stephen Frost of the South East Asia Research Centre (SEARC) at the City University of Hong Kong, CSR Asia has offices in Hong Kong, Singapore and Shenzhen and plans to expand further around the region.


63 Syntao, Social Responsibility in Business and Investment.


66 CSRChina.net: Corporate Social Responsibility for Business Success.


73 Ibid.


75 Emma Smith, “Green concerns will push CSR higher up the comms agenda,” Media (Feb 25, 2005): 18.


79 Ibid.

Emma Smith, 18.

Ibid.


Ibid.

Alex Wilson, "China Presents Ethical Dilemmas," Sydney Morning Herald (Jun 13, 2005).


Lillywhite, 3.


Cramer and Westgaard, 2.


Cramer and Westgaard, 2.


Ralph Hamann et al., 16.

Ibid, 6.

Ibid, 2.

“Editorial: Labour rights groups will stumble if pushed to move too soon”


Cramer and Westgaard, 2.

Newell, 556.

Cramer and Westgaard, 3.

Lillywhite, 7.

“Editorial: ‘CSR’ will not be delivered by business alone”

“Editorial: Labour rights groups will stumble if pushed to move too soon”

“Corporate responsibility and business success in China,” 61.
REFERENCE LIST


Borges, Antonio. Email correspondence (May 17, 2007).


"CSR May be Debatable, but Not the Recipients, JAKARTA POST." World Sources Online (2004): n/a.


APPENDICES

Appendix 1: Corporate Social Responsibility in China

The purpose of this survey is to gather information that will provide insight into the definitions of and attitudes towards corporate social responsibility (CSR) among business leaders in China. The survey is being conducted in part for completion of a Master of Arts degree in International Leadership from Simon Fraser University.

The survey consists of 18 questions and will take approximately 10 minutes to complete. Your time is greatly appreciated.

Confidentiality and Informed Consent: Any information that is obtained during this study will be kept confidential to the full extent permitted by the law. Information from this survey will only be used for the purposes of this study and will not be disclosed or released to anyone else for any other purpose. All responses will be completely anonymous. Knowledge of your identity is not required. You will not be required to write your name or any other identifying information on research materials. Materials will be maintained in a secure location. By completing this survey, you are agreeing to participate in this study.

If you have any questions or would like some help filling out this survey, or if you would like to obtain a copy of the survey results, please contact:
Jennifer Hall
604-947-2093
jthall@sfu.ca

If you have any concerns about this research project, please contact:
Dr. Hal Weinberg
604-268-6593
hal_weinberg@sfu.ca

Thank you for your participation.
1. What does ‘corporate social responsibility’ mean to your company? (Please select ALL that apply)
   - Making financial donations to charity organizations
   - Providing support for community projects
   - Ensuring good environmental performance
   - Providing a safe and healthy working environment
   - Creating value for the company’s shareholders
   - Establishing partnerships with non-governmental organizations (NGOs) or community organizations
   - Other (please describe) __________________________

2. In 2005, did your company …? (Please select ALL that apply)
   - Donate money to charity organizations
   - Provide financial or other support for community activities
   - Provide financial or other support for environment-related activities
   - Have partnerships with any NGOs or community-based organizations
   - None of the above

3. Does your company have formal policies covering …? (Please select ALL that apply)
   - Reducing or minimizing pollution
   - Mitigating negative environmental impacts
   - Employee rights and benefits
   - Employee donations of time to charitable organizations
   - Employee donations of money to charitable organizations
   - Membership in business / trade organizations
   - None of the above

4. On a scale of 1 to 5, indicate whether you agree with the following statement:
   “Companies that are socially responsible are more profitable than companies that are not socially responsible.”

5. On a scale of 1 to 5, indicate whether you agree with the following statement: “Corporate social responsibility initiatives make a significant contribution to a company’s reputation.”

1. Strongly Agree
2. Somewhat Agree
3. Neutral (neither agree nor disagree)
4. Somewhat Disagree
5. Strongly Disagree

6. What do you think are the three most important business objectives that corporate social responsibility helps to fulfill? (Please select your top THREE choices)

- Recruiting and retaining employees
- Obtaining favourable media coverage
- Helping to reduce the impact of a crisis
- Enhancing brand name
- Promoting strategic partnerships
- Helping to attract financial investment
- Increasing sales
- Enhancing stock price
- Influencing industry standards and industry policies
- Adhering to industry standards and regulations
- Other (please describe) _______________________

7. On a scale of 1 to 5, to what degree do you feel your company should be responsible for lessening the negative environmental impacts of your industry’s operations?

1. Completely responsible
2. Somewhat responsible
3. Neutral
4. Somewhat not responsible
5. Completely not responsible

8. On a scale of 1 to 5, to what degree do you feel your company should be responsible for supporting charities and community projects in your community?

1. Completely responsible
2. Somewhat responsible
3. Neutral
4. Somewhat not responsible
5. Completely not responsible
9. On a scale of 1 to 5, how important do you think each of the following is in promoting corporate social responsibility in China in 2006?

<table>
<thead>
<tr>
<th></th>
<th>1 Very important</th>
<th>2 Somewhat important</th>
<th>3 Neutral</th>
<th>4 Somewhat unimportant</th>
<th>5 Not at all important</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Beijing 2008 Summer Olympics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer demand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chinese regulatory requirements and compliance standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International regulatory requirements and compliance standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Globalization and global competition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Examples set by multinational corporations (MNCs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental issues in China</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social issues in China</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please describe)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10. On a scale of 1 to 5, indicate the degree to which you think the following pose a significant barrier to corporate social responsibility in China.

<table>
<thead>
<tr>
<th></th>
<th>1 Very significant</th>
<th>2 Somewhat significant</th>
<th>3 Neutral</th>
<th>4 Somewhat insignificant</th>
<th>5 Not at all significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of a universal definition of corporate social responsibility in China</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of a regulatory framework to enforce corporate social responsibility standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of government incentives for businesses to adopt socially responsible behaviour</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of consumer demand for socially responsible behaviour</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The perception that pursuing corporate social responsibility initiatives is expensive and will negatively impact competitiveness

Other (please describe)

11. Who in your organization is responsible for managing issues of corporate social responsibility? Please select ALL that apply.

- CEO
- Other senior management
- Board
- Public relations / affairs division
- Legal division
- Marketing division
- Human resources division
- Other (please describe)

12. Is your corporation a ...?

- Listed company
- Non-listed company

13. Is your company a ...?

- Multinational corporation operating in China
- Chinese private corporation
- Chinese State Owned Enterprise (SOE)
- Joint-venture corporation
- Other (please describe)

14. In 2006, how many employees were employed by your company in China?

- Under 100
- 100-500
- 501-1,000
- 1,001-5,000
- 5,001-10,000
- Over 10,000
15. In 2006, what was the annual financial turnover of your company (RMB)?

- Under 25 million
- 25-100 million
- 100-250 million
- 250-500 million
- 500 million to 1 billion
- Over 1 billion

16. Are you ...?

- A Chinese national
- An expatriate working in China (indicate which country you are originally from)
- A Chinese national who has lived overseas (indicate number of years overseas)

17. What title best describes your position in your company?

- President
- CEO
- Senior Manager
- Manager
- Other (Please describe ________)

18. Do you have any other comments you would like to add related to corporate social responsibility in China?

Thank you very much for your time!
Appendix 2: Raw Survey Data

Q1. What does corporate social responsibility (CSR) mean to your company? Please select ALL that apply. (Checkboxes)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making financial donations to charity organizations</td>
<td>18</td>
</tr>
<tr>
<td>Providing support for community projects</td>
<td>23</td>
</tr>
<tr>
<td>Ensuring good environmental performance</td>
<td>23</td>
</tr>
<tr>
<td>Providing a safe and healthy working environment</td>
<td>29</td>
</tr>
<tr>
<td>Creating value for the company's shareholders</td>
<td>21</td>
</tr>
<tr>
<td>Establishing partnerships with non-governmental organizations (NGOs) or community organizations</td>
<td>14</td>
</tr>
<tr>
<td>Other (please describe in next question)</td>
<td>5</td>
</tr>
</tbody>
</table>

Q2. If you selected 'Other' in the previous question, please describe in the space below. If this does not apply, skip to the next question. (CommentBox)

- A long term investment that ultimately boosts company's image and profitability.
- Encouraging wider CSR involvement in the corporate community by providing thought leadership and successful case studies.
- Doing those activities that go to support fair development of the Chinese economy and make the company a model of fair and ethical enterprise. These would be operate the corporation to teh highest ethical standards.
- Delivering value to all stakeholders in a responsibe way Ethical practices in business.

Q3. In 2006, did your company... ?? Please select ALL that apply. (Checkboxes)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donate money to charity organizations</td>
<td>17</td>
</tr>
<tr>
<td>Provide financial or other support for community activities</td>
<td>24</td>
</tr>
<tr>
<td>Provide financial or other support for environment-related activities</td>
<td>11</td>
</tr>
<tr>
<td>Have partnerships with any NGOs or community-based organizations</td>
<td>16</td>
</tr>
<tr>
<td>None of the above</td>
<td>6</td>
</tr>
</tbody>
</table>

Q4. Does your company have formal policies covering... ?? Please select ALL that apply. (Checkboxes)

<table>
<thead>
<tr>
<th>Policy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing or minimizing pollution</td>
<td>10</td>
</tr>
<tr>
<td>Mitigating negative environmental impacts</td>
<td>13</td>
</tr>
<tr>
<td>Employee rights and benefits</td>
<td>21</td>
</tr>
<tr>
<td>Employee donations of time to charitable organizations</td>
<td>12</td>
</tr>
<tr>
<td>Employee donations of money to charitable organizations</td>
<td>10</td>
</tr>
<tr>
<td>Membership in business / trade organizations</td>
<td>15</td>
</tr>
<tr>
<td>Unsure</td>
<td>6</td>
</tr>
</tbody>
</table>
Q5. On a scale of 1 to 5, indicate whether you agree with the following statement: (Rating Matrix)

Companies that are socially responsible are more profitable than companies that are not socially responsible

<table>
<thead>
<tr>
<th>1. strongly agree</th>
<th>2. somewhat agree</th>
<th>3. neutral (neither agree nor disagree)</th>
<th>4. somewhat disagree</th>
<th>5. strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>14</td>
<td>15</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

Q6. On a scale of 1 to 5, indicate whether you agree with the following statement: (Rating Matrix)

Corporate social responsibility (CSR) initiatives make a significant contribution to a company's reputation

<table>
<thead>
<tr>
<th>1. strongly agree</th>
<th>2. somewhat agree</th>
<th>3. neutral (neither agree nor disagree)</th>
<th>4. somewhat disagree</th>
<th>5. strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>14</td>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q7. In your opinion, what are the THREE most important business objectives of corporate social responsibility (CSR)? Please select your TOP THREE choices only. (Checkboxes)

- Recruiting and retaining employees: 23
- Obtaining favourable media coverage: 10
- Helping to reduce the impact of a crisis: 6
- Enhancing brand name: 25
- Promoting strategic partnerships: 9
- Helping to attract financial investment: 4
- Increasing sales: 8
- Enhancing stock price: 0
- Influencing industry standards and industry policies: 15
- Adhering to industry standards and regulations: 9
- Other (please describe in next question): 1

Q8. If you selected 'Other' in the previous question, please describe in the space below. If this does not apply, skip to the next question. (CommentBox)

Companies engage in CSR because managers or CEO's feel it is the right thing to do, or they see laws coming their way that will force them to act in that manner.
Q9. On a scale of 1 to 5, to what degree do you feel your company should be responsible for lessening the negative environmental impacts of your industry's operations? (Rating Matrix)

<table>
<thead>
<tr>
<th></th>
<th>1. completely responsible</th>
<th>2. somewhat responsible</th>
<th>3. neutral</th>
<th>4. somewhat not responsible</th>
<th>5. completely not responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13</td>
<td>18</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Q10. On a scale of 1 to 5, to what degree do you feel your company should be responsible for supporting charities and community projects in your community? (Rating Matrix)

<table>
<thead>
<tr>
<th></th>
<th>1. completely responsible</th>
<th>2. somewhat responsible</th>
<th>3. neutral</th>
<th>4. somewhat not responsible</th>
<th>5. completely not responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
<td>20</td>
<td>6</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

Q11. On a scale of 1 to 5, how important do you think each of the following is in promoting corporate social responsibility (CSR) in China? (Rating Matrix)

<table>
<thead>
<tr>
<th></th>
<th>1. very important</th>
<th>2. somewhat important</th>
<th>3. neutral</th>
<th>4. somewhat not important</th>
<th>5. not at all important</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Beijing 2008 Summer Olympics</td>
<td>20</td>
<td>4</td>
<td>9</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Consumer demand</td>
<td>10</td>
<td>15</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Chinese regulatory requirements and compliance standards</td>
<td>19</td>
<td>9</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>International regulatory requirements and compliance standards</td>
<td>16</td>
<td>11</td>
<td>6</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Globalization and global competition</td>
<td>11</td>
<td>12</td>
<td>9</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Examples set by multinational corporations (MNCs)</td>
<td>12</td>
<td>14</td>
<td>4</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Environmental issues in China</td>
<td>21</td>
<td>10</td>
<td>5</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Social issues in China</td>
<td>16</td>
<td>15</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other (please describe in next question)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q12. If you selected 'Other' in the previous question, please describe in the space below. If this does not apply, skip to the next question. (CommentBox)

traditional cultural
Q13. On a scale of 1 to 5, to what degree do you think the following pose a significant barrier to corporate social responsibility (CSR) in China? (Rating Matrix)

<table>
<thead>
<tr>
<th></th>
<th>1. very significant</th>
<th>2. somewhat significant</th>
<th>3. neutral</th>
<th>4. somewhat not significant</th>
<th>5. not at all significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of a universal definition of corporate social responsibility (CSR) in China</td>
<td>11</td>
<td>16</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Lack of a regulatory framework to enforce corporate social responsibility (CSR) standards</td>
<td>18</td>
<td>12</td>
<td>1</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Lack of government incentives for businesses to adopt socially responsible behaviour</td>
<td>21</td>
<td>9</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Lack of consumer demand for socially responsible behaviour from companies</td>
<td>15</td>
<td>14</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>The perception that pursuing corporate social responsibility (CSR) initiatives is expensive and will negatively impact competitiveness</td>
<td>11</td>
<td>17</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Other (please describe in next question)</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q14. If you selected 'Other' in the previous question, please describe in the space below. If this does not apply, skip to the next question. (CommentBox)

I wonder if the average Chinese consumer knows or cares about CSR. They are more concerned with the lower levels of Maslow's hierarchy of needs than with this upper level stuff.

I don't agree with many of the premises described in the question. Many MNCs in China have a sophisticated understanding of CSR - it's useful for corp reputation and gov relations. The Chinese central gov also somewhat understands CSR because its it supports "Harmonious Society" and drive for sustainable development.

lack of knowledge on CSR
Lack of enforcement of legal requirements. Lack of knowledge, skills and communications of good practice. Inadequate role of employees in shaping operational practice.
Q15. Who in your organization is responsible for managing issues of corporate social responsibility (CSR)? Please select ALL that apply. (Checkboxes)

<table>
<thead>
<tr>
<th>Role</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>21</td>
</tr>
<tr>
<td>Other senior management</td>
<td>18</td>
</tr>
<tr>
<td>Board</td>
<td>8</td>
</tr>
<tr>
<td>Public relations/affairs department</td>
<td>9</td>
</tr>
<tr>
<td>Legal department</td>
<td>2</td>
</tr>
<tr>
<td>Marketing department</td>
<td>11</td>
</tr>
<tr>
<td>Human resources department</td>
<td>5</td>
</tr>
<tr>
<td>Other (please describe in next question)</td>
<td>2</td>
</tr>
</tbody>
</table>

Q16. If you selected 'Other' in the previous question, please describe in the space below. If this does not apply, skip to the next question. (CommentBox)

we are a comparatively small consulting firm, csr is a responsibility at many levels. we advise on csr among other things, so we somewhat more involved in the practice than others

CSR Dept

Q17. Is your company a ... ?? (Radio Buttons)

<table>
<thead>
<tr>
<th>Option</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed company</td>
<td>6</td>
</tr>
<tr>
<td>Non-listed company</td>
<td>30</td>
</tr>
</tbody>
</table>

Q18. Is your company a ... ?? (Radio Buttons)

<table>
<thead>
<tr>
<th>Option</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multinational corporation operating in China</td>
<td>18</td>
</tr>
<tr>
<td>Chinese private corporation</td>
<td>5</td>
</tr>
<tr>
<td>Chinese State Owned Enterprise (SOE)</td>
<td>1</td>
</tr>
<tr>
<td>Joint-venture corporation</td>
<td>5</td>
</tr>
<tr>
<td>Other (please describe in next question)</td>
<td>8</td>
</tr>
</tbody>
</table>

Q19. If you selected 'Other' in the previous question, please describe in the space below. If this does not apply, skip to the next question. (CommentBox)

Manufacturing WOFE
private company (foreign)
Foreign Government
Business association
social enterprise
foreign non profit
UK company providing services to international and Chinese business
social enterprise in HK
Q20. In 2006, how many employees were employed by your company IN CHINA? (Radio Buttons)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>under 100</td>
<td>24</td>
</tr>
<tr>
<td>100-500</td>
<td>9</td>
</tr>
<tr>
<td>501-1,000</td>
<td>0</td>
</tr>
<tr>
<td>1,001-5,000</td>
<td>2</td>
</tr>
<tr>
<td>5,001 or more</td>
<td>2</td>
</tr>
</tbody>
</table>

Q21. In 2006, what was the annual financial turnover of your company ($USD)? (Radio Buttons)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $2 million</td>
<td>18</td>
</tr>
<tr>
<td>$2-$5 million</td>
<td>7</td>
</tr>
<tr>
<td>$5-$10 million</td>
<td>0</td>
</tr>
<tr>
<td>$10-$15 million</td>
<td>0</td>
</tr>
<tr>
<td>Over $15 million</td>
<td>10</td>
</tr>
</tbody>
</table>

Q22. Are you ...?? (Radio Buttons)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A Chinese National who has only worked in China</td>
<td>5</td>
</tr>
<tr>
<td>A Chinese National who has worked overseas</td>
<td>4</td>
</tr>
<tr>
<td>An expatriate working in China</td>
<td>28</td>
</tr>
</tbody>
</table>

Q23. If you are a Chinese National who has lived overseas, please indicate the number of years you have lived overseas. If this does not apply, skip to the next question. (Single Line Text)

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7 years in Russia</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>9 years</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

Q24. If you are an expatriate working in China, please indicate which country you are originally from. If this does not apply, skip to the next question. (Single Line Text)

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>canada</td>
</tr>
<tr>
<td>Originally from Russia</td>
</tr>
<tr>
<td>Canada</td>
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<td>USA</td>
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</tbody>
</table>
Q25. What title best describes your position in your company?  (Radio Buttons)

<table>
<thead>
<tr>
<th>Title</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>3</td>
</tr>
<tr>
<td>CEO</td>
<td>2</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>12</td>
</tr>
<tr>
<td>Manager</td>
<td>15</td>
</tr>
<tr>
<td>Other (please describe in next question)</td>
<td>5</td>
</tr>
</tbody>
</table>

Q26. If you selected 'Other' in the previous question, please describe in the space below. If this does not apply, skip to the next question.  (CommentBox)

Associate
Program Officer
Client Account Servicing
Project Coordinator
Admin Assistance

Q27. Do you have any other comments related to corporate social responsibility (CSR) in China that you would like to add?  (CommentBox)

Actually, I am just coming back to work in a bank in China. I had written a report about the social advertisement in Russia, China and US. The CSR is a very interesting and necessary problem now. Hope my answer will help you!

The term CSR has not even been around five or six years in China. With China becoming a significant global player, with millions of dollars of foreign investment and nearly every multinational company setting its operations in this country Corporate Social Responsibility is becoming a necessary duty of the companies to operate in China long term, to grow and integrate into society and economy here.

CSR is still very much an abstract concept in the minds of Chinese executives. The switch from communist to capitalist system is still a shock to most of the Chinese business man I have met – whom think that taking care of themself is sufficient (and the government SHOULD do the rest). This is done in forms of central government regulations, or city government directives. Charitable CEO/organization are often dub as
unpretentious that implies a negative tag.

don't underestimate the use of CSR in MNCs' approach to government relations, issue management, and regulatory affairs in China.

Environmental/social responsibility is becoming a glamorous luxury in the States, led by celebrities and large corporations. It's becoming a requirement rather than a market positioning or added benefit. The concept of "glamorous green" has yet to reach China; however, with the growing luxury market and the increasing wealth, coupled with educational awareness, I am optimistic that environmental/social awareness will be a trend in the future for China.

I think before they move on to that they will have to get some other ethical standards. There are no intellectual property rights in China and my boss takes full advantage of that, taking anything from everybody.

It has been driven too much as a compliance issue by corporate codes of conduct. Not enough has been done to promote productivity and good management as the drivers of CSR and vice versa.
China. Since it is not known how many people were sent the link to the survey, it is not possible to gauge the response rate.

1.2. Online Survey Respondent Profile

Thirty-six respondents completed the online survey. The majority of survey respondents (47%) were from multinational corporations operating in China.

- 14% were from Chinese private corporations and joint-venture corporations respectively;
- 3% were from Chinese State Owned Enterprises; and,
- The remaining 22% were from a variety of types of organizations including the following: Manufacturing Wholly Owned Foreign Enterprise (WOFE), foreign private company, foreign government, business association, social enterprise, and foreign non-profit organization.

![Respondent profile](image)

**Figure 1.1** Respondent profile
Questions probing number of employees and annual financial turnover (in $USD) were asked in the survey to gauge the size of respondents’ organizations. The majority of respondents (63%) were from relatively small organizations with less than 100 employees working in China.

- 25% of respondents were from organizations with 100-500 employees; and,
- 6% respectively were from organizations with 1001-5000 employees and 5001 or more employees working in China.

![Respondent profile - Number of employees working in China](image)

Figure 1.2  Respondent profile – Number of employees working in China
Half of respondents were from organizations whose annual financial turnover in 2006 was less than US$ 2 million.

- 21% of survey respondents were from organizations with a financial turnover in 2006 of US$ 2-5 million;
- 29% were from organizations with an annual financial turnover of over US$ 15 million in 2006.

![Figure 1.3 Respondent profile – Financial turnover ($USD – 2006)](image)

Effort was made to collect survey responses from both Chinese National and expatriate respondents. As could be expected, however, given that the research was conducted from Canada and the researcher's network consists primarily of expatriates, a relatively small number of Chinese Nationals completed the survey.
- 78% of survey responses were from expatriates working in China;
- 22% of survey respondents were Chinese Nationals. Of these, half had worked overseas and the remainder had only worked in China.

**Figure 1.4 Respondent profile - Expatriate vs Chinese National**

The ability to isolate the responses from Chinese Nationals versus expatriates allows for cross-tabulation and comparison of the responses between the two groups. This comparison is particularly interesting, since, as has been mentioned, to date the field of CSR has been largely dominated by Western values and business models.

The survey included other identifying questions, including one to ensure survey respondents were representative of the population of ‘senior business
people working in China'. The majority of respondents (42%) identified themselves as a 'Manager', while 33% indicated they hold the title of 'Senior Manager'. Eight per cent of respondents described their title as 'President', and 6% indicated they are the CEO of their organization.

![Respondent profile - Job title](image)

**Figure 1.5  Respondent profile – Job title**