



Dutch economist Marleen Janssen Groesbeek:

“Consumers should realise that companies themselves benefit from corporate social responsibility”

Corporate social responsibility, corporate ethics, corporate citizenship: these concepts all express companies' social behaviour, and there are a few other similar concepts as well. But how do companies actually interpret these? And, more importantly, do companies behave in a socially responsible manner in practice? In other words, do they assume responsibility for their surroundings, our planet and the people who live on it?

During the past six years, Dutch economist Marleen Janssen Groesbeek (37) has invested in 'a few hundred interviews' in order to find out how companies themselves contribute to corporate social responsibility. The result is a well-grounded book that is easy to read and that contains a lot of practice-based examples; a sample card of the state of affairs regarding sustainability in the Netherlands. In addition, Janssen Groesbeek describes developments in global thinking concerning our communal 'stewardship' of the earth, from the oil crisis 30 years ago up to the present day.

The way in which Marleen Janssen Groesbeek talks and reasons is typical of the generation which grew up during the 1970s: practical and no-nonsense, straight to the point, and without any trace of the woolly thinking which characterised social critics in the 1960s. Nevertheless, her chief motive for examining corporate social responsibility can be traced back to the ideals prevailing in the sixties.

“I've always been a back-to-nature idealist,” she explains. “Economics is a social science, just like sociology and psychology. Although a group of economists did decide to class economics as an exact science before the Second World War, I don't share their opinion. Human behaviour can't be compartmentalised. But as far as I'm concerned, the point is how we can ensure that wealth is distributed more fairly, and how we can organise the economy so that the world doesn't get used up so quickly.”

She developed an interest in this issue in the mid-1990s while working as editor for *Source*, a magazine on corporate social responsibility which has meanwhile ceased to exist. “It was too much in advance of its time,” says Janssen Groesbeek. She became convinced that companies can very well take responsibility themselves with regard to socially responsible behaviour. What's more, it is in their own interests, since everyone benefits from it and profits eventually increase as well.

Triple bottom line

Janssen Groesbeek's starting-point is the 'triple bottom line', devised by the Briton John Elkington and comprising the trinity of 'people, profit, planet'. Janssen Groesbeek: “The 'bottom line' is the information underneath the line. In traditional management, this information merely consists of profit or loss statements, but Elkington added 'people' and 'planet' to this. There is a bottom line for each of these three, and you can assess a company's performance in these three areas. In the Netherlands and Belgium, the 'triple

bottom line' could be captured by publishing an annual report, a socio-ethical report and an environmental report."

No company can become sustainable overnight. It is a step-by-step process that finally results in fulfilment of the 'triple bottom line'. As Janssen Groesbeek says: "The best way for companies to achieve corporate social responsibility is to start with the core activity. For instance, suppose a company decides to make the entire production process eco-effective. In other words, manufacturing an environmentally friendly product using as little energy and raw materials as possible in the most economical way possible. Philips succeeded in doing this with the aid of an outside expert. But although it is an incredibly 'green' company, this doesn't mean it's actually sustainable yet. There's still the 'people' factor to consider."

Generally speaking, the Dutch labour market still needs extra efforts on the part of companies with regard to the 'people' factor, she adds: "There is a clear dichotomy in our society. On the one hand, there's a tremendous demand for staff, but on the other hand we see the long-term unemployed, almost one million occupationally disabled, and the underprivileged immigrant community. It's in companies' own interests to play an active part in improving the position of these three groups. Involving those who are currently unemployed has a positive effect on social stability. In addition, this will increase purchasing power for large numbers of people, which in turn is good for sales of products. And bit by bit, companies are already taking initiatives in this regard."

Janssen Groesbeek points out that consumers only consider corporate social responsibility to be credible if the company makes it clear that it itself is benefiting with regard to profits, efficient personnel and increasing status: "In the consumer's view, a telecommunications company which helps China to save the giant panda from extinction is only able to do so provided that it intends to sweep the Chinese market. Unilever can dedicate itself to cleaning up fishing grounds, since it's obvious that the company will still want to sell fish in ten years' time. Consumers are very critical of combinations; the same goes for sponsoring. A cigarette manufacturer that sponsors a sports club has absolutely no credibility."

From Janssen Groesbeek's research, it transpires that corporate social responsibility in the Netherlands is still in the larval stage. Nevertheless, there is a great deal of interest in it at the present moment, because politicians have started concerning themselves with the issue. The cabinet had toyed with the idea of implementing regulations governing companies' behaviour, particularly those overseas and especially with regard to corruption and human rights. But Prime Minister Wim Kok announced at the beginning of this week that the cabinet has decided against imposing such regulations. Kok will nevertheless request the Council for Annual Reporting (CAR) to draw up recommendations for social reporting.

Government

According to Janssen Groesbeek, the fact that the government will not be implementing any regulations is a positive development: "First of all, in view of Dutch political relations, the ultimate regulations would be a watered-down compromise that companies would not be able to use. Secondly, it is not in the government's power to supervise the observance of regulations. This was made painfully clear by the fireworks disaster in Enschede and the fire in the Volendam disco. And thirdly, formal legislation governing corporate social responsibility would put companies on the defensive; they would only comply with the minimum requirements and then broadcast it about that they are a perfect example of a socially responsible enterprise. In my opinion, the only rule which should be introduced is that companies are obliged to publish a socio-ethical report and an environmental report in addition to the annual financial report."

The economist is also of the opinion that the government can actually play a considerable part in the development of corporate social responsibility. She says that government authorities at all levels can be regarded as a 'company': "These authorities should undergo a thorough investigation as far as socially responsible functioning is concerned. At the present moment they are doing very badly on all counts: inefficient energy consumption, ramshackle employment conditions, and a high rate of absenteeism. In short, the government is a bad entrepreneur. And the government could use the knowledge and experience gained from an investigation as an example to the business community. Setting a good example is also essential to corporate social responsibility."

In her book, Janssen Groesbeek observes that we will wipe ourselves out if we carry on exploiting the earth as we are doing. Is she a pessimistic economist? "No! Not in the least. I wrote that because I am so terribly shocked at the disastrous consequences of what we are all doing. We're devouring and polluting the earth, and if we go on like this then there won't be anything left in the end. Despite this, I strongly believe in people's ability to make the right decisions when it comes to the crunch. I'm still the old back-to-nature idealist and I keep on saying that it's in all our interests to look to the future, not just today and tomorrow."



'Maatschappelijk ondernemen – theorie, praktijk, instrumenten'
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