UNITED Nations Role in entrenching Corporate Social Responsibilities on Multinational Corporations

Orok Offiong
The Robert Gordon University Aberdeen

Fabamwo Adepero
The Robert Gordon University Aberdeen

Olike Chinwuba
The Robert Gordon University Aberdeen

Bakare Aderoju
The Robert Gordon University Aberdeen

Olajide Olumuyiwa
The Robert Gordon University Aberdeen

Onwuaduegbo Ogadima
The Robert Gordon University Aberdeen

Abstract

This paper focused on the norms of Corporate Social Responsibility (CSR) towards achieving a sustainable development and the role of United Nations in developing new human rights orientated in entrenching CSR particularly on Multinational Corporations (MNCs). With an increasing interest in Corporate Social Responsibility Issues, the pertinent question to ask is “Is Corporate Social Responsibility within the least developed countries a mere farce or fallacy? This paper analyzed the social and environmental aspects of CSR by the multinational oil corporations which operate in Nigeria, Africa’s most populous nation and it was seen that the MNCs which operate in Nigeria function below internationally recognized and acceptable standards of operation. In addition, it also identified the issue of corrupt governments which the MNCs may have to face assuming their pursuit of CSR policies. It was seen that the social unrest as evidenced by the increase in oil pipeline sabotage, kidnappings and other such vices are mere symptoms, the cause being the flagrant abuse of CSR by MNCs and the corruption and complacency of the government in ignoring the enforcement of the rule of law. Furthermore, the role of the UN was highlighted by showing some initiatives put in place to ensure all round sustainability such as the Global Compact and the Millennium Development Goals. Finally, the paper concluded by showing that the responsibility of entrenching CSR within MNCs does not entirely lie on the UN, but on the management of the MNCs and the host countries within which they operate.

KEYWORDS
Human Rights, Multinational Enterprises, Social Dimension, Social Responsibility, Standard Settings
INTRODUCTION

Corporate social responsibility although recently rising to lime light has been in existence for a long time. On many instances it may be referred to in various contexts as social performance (excluding microfinance) or corporate citizenship, corporate ethics, sustainable development, sustainability or social enterprise. These terms highlight the commitment of a corporate entity to the accountability of all its stakeholders via its operations and activities and comprise issues ranging from health, safety, diversity, gender equity, human resource policies, human rights, supply chain, the environment, and sustainable development which draw strategic repercussions for business and policymakers.

Today’s view of the term CSR has appropriately grouped these issues in three broad dimensions termed the “triple bottom line” whereby it may be understood in terms of its Social, Environmental and Economic effects independently. The drive is thus to ensure that corporate entities are set up to comply with social responsibilities, environmental protection and economic viability to its stakeholders. This is monitored by the way profit is made by these corporations and how they are utilised to effect these regulations.

In order to cover all aspects of CSR, there are two main approaches to it; the Harm avoidance approach which deals with negative economic impacts, bad labour conditions, corruption, human rights abuses, and environmental degradations requires acquiescence to control and set regulations. The Proactive approach is a secondary application of CSR with a humanitarian objective to provide trading equity such as is enforced by the Fair Trade labelling organisations international in labelling goods to meet international standards and giving disadvantaged producers an edge in a thriving economy. The Ethical Trading Initiative also covers the adherence of supply chain industry to core labour practices, human right violations and environmental standards and forces organisations to draft up code of conducts set to guide them in this respect.

However, Multinational Corporations (MNCs) which operate in the Least Developed Countries (LDCs) have a reputation for double standards and a code of conduct which is only on paper and is not enforced. This paper will therefore look at some oil MNCs which operate in some LDCs- namely Nigeria, and will seek to ascertain if they have been fulfilling their social and environmental responsibilities to the communities in which they operate and the possible challenges they may be facing which makes it indeed difficult for them to do so.
STATES AND HUMAN RIGHT

Misguided corporate operations have from ages past, 1000’s of years ago, emerged from simple codes and laws deployed to manage infidelity of workers to the now prevalent principles and codes of corporate citizenship. It is argued by some that social responsibility of a corporation does not translate to compliance with laws, but could be described as corporate social responsibility (CSR). This is elevated primarily where companies exceed basic compliance and deploys resources to enthusiastically maintain sustainable development. It may be subject to branding purposes or creating a competitive edge but this does not satisfactorily describe CSR as a major part relates to treatment of stakeholders and the environment.

Corporate Social Responsibility (CSR) is stipulated as a conservative international structure put in place to edify primarily the protection of human rights in the state. However, multinational corporations (MNCs) have been rigid towards changes being incorporated. It is also seemingly observed that with imposed conformity, MNCs oblige to these adaptation of corporate citizenship specifically at locations where they are firmly imposed and upheld.

In this stead, the impartations by State, of CSR primarily as regards Human Right on MNCs are observed. Traditionally, the rights of most proponents feels that the state has been the primary actor responsible for human rights but there are numerous ways for states to provide such rights. Individual state government are expected to comply with international obligations regarding treatment of individuals and groups living within the state’s boundaries.

“One of the most tangible effects of a globalized world economy is the weakening barriers with which transnational corporations were faced in broadening their fields of activity in foreign states. Consequently, the role of state has changed as a result of these weakening barriers”. (Dickerson 2001)

States are required to provide effective remedies to those who claim that their human rights and fundamental freedoms have been violated. Participating States have recognized this as their primary responsibility to promote and protect human rights and fundamental freedoms. (Shinsato 2005)

It can be argued that instead of states protecting the rights of corporations and individuals, the reverse is often the case. A review into the case of Ken Saro Wiwa vs. Shell petroleum Development Company reveals exploitations and abuse of human rights of Ogoni community in the Niger delta region of Nigeria as the degradation of their land resulted, due to oil spills and deforestation depriving the people of basic livelihood.

CORPORATION/BUSINESS ENTITY AND HUMAN RIGHTS

This era of globalization raises concern of victimized people over the motives of multinational corporations and has resulted in their resistance to corporate led globalization. This created the opportunity for human right development in business. Real progress has been made on the “why” question: Very few businesses would state: “human rights are not our concern,” and a growing number are actively engaging the issue. Over 100 companies now have human rights-based on policies, and this number rises significantly if labour rights are included.

Based on De Brabandere (2009) argument, Human rights cannot be isolated from international law or laws of the land. But as evident from growing trends the signing up to
human rights agreements by corporations is still faced with lack of commitment. Hence, these same corporations are becoming increasingly powerful and profit making still standing as their most important goal, with individual’s rights violation lagging as secondary or omissive goals. Despite the rhetoric of some corporations signing up to human rights agreements, lack of commitment is still apparent and these same corporations are becoming increasingly powerful as profits are naturally their most important goal, thus making damaging result to rise such as the violation of individual’s rights.

Human rights should be the watchdog of every corporation but the reverse is the case as responsibility for the implementations and enforcements of international rights norms against corporations’ lies at the national level. Human right standards are applied indirectly to corporations through the state in which they are incorporated (home state) or through the state in which they are operating (host state). A look into a case study of Global Witness v. Afrimex (UK) Ltd where Global Witness alleged that Afrimex paid taxes to rebel forces in the Democratic Republic of Congo and did not carry out due diligence check on its supply chain which utilised child and forced labour in sourcing minerals from mines. It further maintained that Afrimex Ltd violated Chapter II (General Policies), Chapter IV (Employment and Industrial Relations) and Chapter VI (Combating bribery) of the Guidelines. The UK NCP concurred, noting that Afrimex did not fulfil the requirements of paragraph 10 of the human rights guidelines. This decision represents a seminal development in the field of corporate responsibility for human rights. In turn, it also points at striking inefficiency of the enforcement system of NCPs, namely that national authorities cannot produce binding decision with a proper sanctions or compensation to the benefit of victims.

CORPORATIONS: HUMAN RIGHTS AND CORPORATE SOCIAL RESPONSIBILITY

It is a booming notion that the success of an organisation prevails on its adaptability of corporate citizenship especially as related to human rights and its environmental consequences. This is displayed in their ability to compete and sustain business effectively without unnecessary massacre of their brands and reputation. This is heavily reliant on the sufficient upkeep of their trained workers being translated to their patrons. “How a company relates with its workers, its host communities, and the market place can greatly contribute to the sustainability of its business success”. (Robertson and Merrills 1996)

Corporate social responsibility (CSR) has since urbanized and over the last decade brought about the inception of charitable initiatives and code of conducts and thus fortifies the conformity of corporations to human rights and sustainable development. Notwithstanding these initiatives, “there are still some continuous reports of human rights violations from series of corporations that exploits third-world labour because they feel they feel exploitation is profitable” (Dickerson 2001). To buttress this, is the Nike industry example where it allegedly faced criticism for use of child labour and violation of human rights such as excess hours, harassment and abuse of workers. This took place in the East Asian countries in the bid to increase profit and cut cost but was not nipped in the bud causing further exploitation.

This example raises an eyebrow or two on the questions; are particular areas more susceptible to CSR adaptation than others? What are the definitive measures of its adherence? Do these differ from place to place? These questions have set up barriers to conformity as is seen under accountability below. It is inferred that CSR is a mere list of do’s and don’ts with no
stipulations as to how to govern the execution of these. Hence, some corporations are reluctant to its adaptation.

Similar responses caused the United Nation (UN) commission to introduce legally binding CSR principles on human rights.

Furthermore, it is argued that the notion of social responsibility in business shows fundamental misconception of the character of nature of a free economy. A business’ function is economic, not social and should hence be guided and judged by economic criteria alone. This argument against corporate social responsibility infers that as the government takes up a price from firms, it also entails a competitive advantage; consequently these works should either be deployed by governments or a legislated body in order to provide a uniform set of terms of requirements for all corporations (Macek 2002)

A deduced conclusion is that corporations only endeavour to protect the fundamental human rights of workers through the directive of labour conditions and avoidance of violations and critics. Nevertheless they are viewed to bare a perspective to utilize codes in reducing liability and justifying their corporate presence in countries with a high rate of human rights abuse and this does not remain here, but extends to their commitment to the environment.

**CSR AND THE ENVIRONMENT**

Amongst many other environmental defects occurring as a result of globalization and business operations, there has been a dire increase in the need for environmental protection given the rise in gas emissions and oil spillages especially in the developing nations. The adoption of programs which are intended to minimize the impact of human activity on the environment ensued. This includes programs such as the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) and the seventh goal of the United Nations Millennium Development Goals which is to Ensure Environmental Sustainability (UN MDG Report 2009).

This thrust by the United Nations was founded upon the need for a sustainable development which had been defined as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland 1987:43). This initiative is supported by Pearce who states that “the whole rationale of sustainable development therefore is to raise standard of living, especially the standard of living of the least advantaged societies- while at the same time avoiding uncompensated future costs” (Pearce 1993:7).

Consequently, the UN Global Compact was launched in July 2000 with the objective of mainstreaming the ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Furthermore, the environmental principles of the UN Global Compact states thus: Businesses are asked to support a precautionary approach to environmental challenges; Undertake initiatives to promote greater environmental responsibility; and Encourage the development and diffusion of environmentally friendly technologies. (UN Global Compact Office 2008).

In the light of the above therefore, multinational oil corporations are constantly on their toes to ensure that as much as possible, their activities have the least negative impact on the environment in which they operate. A most recent example is the strenuous efforts exhibited by BP in containing the mishap which was advertently caused. According to BBC, BP spent
approximately $11 billion dollars in clearing up the spill including compensations (BBC News 2010).

However, some pertinent questions remain to be asked: Could the desperate earnestness exhibited by BP in the western world in an effort to live up to their social responsibility be said to be the same as that of the multinational oil corporations which operate in the Least Developed Countries (LDCs) in Africa?

What could be the various reasons for the non-implementation or the flagrant disregard of CSR by the multinationals in the LDCs? Could it be attributed to the high incidence of corruption within the governments in the LDCs or are the MNCs driven purely by a desire for profit maximization and cost cutting that little attention is paid to the adverse effects caused by their actions- or inactions? To what degree can the UN exert influence over member states in ensuring the enforcement of CSR polices within their regions?

To narrow down answers to these questions; emphasis would be lain on the goings on in West Africa (Nigeria to be precise) where a high rate and effect of these occurrences have been established.

In the Niger Delta region of Nigeria, West Africa for instance, there has been immense environmental degradation resulting from oil and gas production (UNDP Nigeria 2006). Nossiter and Vidal, both editors of the New York Times and the Observer respectively, point out that the oil spill at the Mexican gulf made headlines around the world whereas the people of Niger Delta have had to live with it for decades whilst the international community completely ignore their plight (Nossiter 2010, Vidal 2010). According to the New York Times, the Niger Delta region is the source of 10 percent of American oil imports and contributes nearly 80 percent of the revenue of the Nigerian government, they have not benefited in any way from it and their life expectancy is the lowest in Nigeria (Nossiter 2010). This is further supported by the World Rainforest Movement (WRM) which confirms “an appalling low life expectancy in the Niger Delta-41- is the result of environmental pollution…” (WRM 2009). Orubu, Odusola and Ehwarie (2004) also pointed out that of the cumulative volume of spilled crude oil from 1976-1996, only 15.91 percent was recovered, implying that around 84.09 percent was lost to the environment.

Furthermore, reports from the Federal Government of Nigeria have attributed more than 90 percent of these spillages to oil pipeline sabotages (FGN 2000), which is supported by reports from some of the oil companies (Wittgen in N,Y Times 2010). However, reports have shown that most of these oil pipelines are around 40 years old (Vidal 2010) and thus are long overdue for replacement (Nwankwo et al 1998 in Orubu, Odusola and Ehwarie 2004). In addition, in a study conducted by Steiner (2008) in which he measured the performance of Shell Nigeria against internationally recognized standards with regard to pipeline oil spill prevention and response such as the American Petroleum Institute (API), American Society of Mechanical Engineers (ASME), US Integrity Management (IM) for High Consequence Areas (HCAs), and the Alaska Best Available Technology (BAT) industry standards, he came to the conclusion that Shell Nigeria “continues to operate well below internationally recognized standards to prevent and control oil pipeline spills, and thus is out of compliance with Nigerian law”, for reasons such as:

Lack of implementing ‘good oil field practise’ with regard to pipeline integrity management (particularly the U.S. IM regulations, API standards, and Alaska’s Best Available Technology requirements);

Delay in initiating an Asset Integrity Review and Pipeline Integrity Management System (PIMS) for Shell Nigeria. Shell Nigeria admits it has a backlog in its asset integrity program;
Questionable adequacy of Shell Nigeria’s Asset Integrity Review and PIMS, and lack of independent oversight; Lack of reference to and attention by Shell Nigeria to the Niger Delta as a High Consequence Area for oil spills, Lack of adequate attention by Shell Nigeria to the Niger Delta as an area in which oil facilities are susceptible to Intentional Third Party Damage, requiring enhanced pipeline integrity and monitoring procedures; Exceptionally high number, extent, and severity of oil pipeline spills in the Niger Delta before, during, and after their Asset Integrity Review and PIMS (Steiner 2008).

However, the MNCs are not to be blamed more than the national government. According to Ikein and Briggs-Anigboh (1998) cited in Adler (2009), despite the oil revenues, more people live in poverty today than before oil was found especially in the rural and oil producing areas. Shaxson (2007) cited in Adler (2009) pointed out that the lack of accountability and corruption among the leadership of Nigeria has exacerbated the situation. Most oil operations in Nigeria is a direct violation of the Nigerian constitution yet such operations are ignored by the Nigerian government because they are more interested in “filling their own pockets with the oil revenues” (Adler 2009), without caring about the poor masses.

According to Omiyi (2005), gas flaring is carried out in Nigeria than elsewhere in the world causing an annual loss to the nation of about $2.5 billion, affecting the health and livelihood of the local communities, increasing premature deaths, child respiratory illness and cancer. Inspite of this, gas flaring is still being carried out by MNCs such as Shell, Exxonmobil, ChevronTexaco, Agip and TotalFinaElf in conjunction with the Nigerian National Petroleum Corporation (NNPC), while the benefits of the oil production have been kept exclusively to the MNCs and the corrupt leaders. Even the efforts that were made under the administration of President Olusegun Obasanjo were slack in its implementation, rather, the production of crude oil rose to 2.5 million barrels a day in 2004 and with a projected increase of up to 4 million a day by 2010 (Omiyi 2005). Therefore, the corruption that is at the root of the Nigerian government encourages the use of double standards and a flagrant disregard of their CSR by the MNCs. Thus, in the words of Shakespeare, “the name of Cassius honours this corruption. Chastisement doth therefore hide its head”.

Are all these activities being carried out by the MNCs and the host governments so surreptitious that the international community has made little or no effort to intervene? Could it be that some countries among the developed nations deliberately ignore the plight of the poor whose means of livelihood are taken away and whose human rights are being violated because they stand to gain more from the cheap purchase of crude oil from Africa’s biggest producer, or does it mean that the UN’s level of influence over member states is so insignificant that the policies which support human rights and environmental sustainability cannot be enforced?

Furthermore, the damage caused to the environment by these spills cannot be quantified as is rightly pointed out by the UNDP Report on the Niger Delta which stated that “The environment is important to people living in poverty not only because their existence to a large extent relies on subsistence endeavours, which depend on natural resources, but also because they perceive their well-being as tied to their environment in terms of livelihoods, health, vulnerability and the ability to control their lives” (UNDP Nigeria 2006).

Thus, the increase in the rate of oil pipeline sabotage and some other societal vices by the Niger Delta youths could be attributed to the loss of their right to exist as a result of the environmental degradation. The growing dissatisfaction at the acute poverty in which they live causes them to be more restless.
lived despite the immense wealth upon which they live led to a call to arms which has aggravated to unbelievable extents, with staggering economic implications. According to World Investment Report (2010), Nigeria’s Foreign Direct Investment (FDI) dropped to $6 billion in 2009 as against $20 billion in 2008. It was not mentioned that it was as a result of the activities of dissatisfied Nigerian youths. However, it could be assumed that the 60 percent reduction in FDI in 2009 is as a result of the increased lack of security of lives and property which made Nigeria a high risk investment country.

Finally, the disregard of CSR by MNCs in Nigeria and the corruption in the Nigerian government are not justifiable grounds for all the kidnappings, theft and destruction of lives and property by the agitated youths. However, in carrying out a proper diagnosis, it is imperative that the cause is dealt with rather than the effects.

**ECONOMIC EFFECT OF CSR ON MNC’s**

In the words of Cynthia Carroll, CEO, Anglo American Plc “Companies are major economic actors who can play a significant role in areas like poverty alleviation, climate change, trade liberalisation, supporting good governance, technology transfer and capacity-building. Indeed, without the involvement of the private sector, it is difficult to see progress on many of these fronts.” (IBFL 2010)

This statement forms a summary of the economic importance of MNCs to both their immediate environment and global economy. Based on this view many have created offices in their establishments for the role of corporate responsibility to act as a face of the corporation on social issues which affect their economic performance, acceptance and growth through channels. Jane Nelson-Director, Corporate Social Responsibility Initiative, Harvard Kennedy School further argues “social investment, volunteering and strategic philanthropy activities that harness corporate competencies and are aligned with business and community interests, engaging in public policy dialogue and advocacy and also institution strengthening to help improve the overall enabling environment for development”. (IBFL 2010)

However, as much as the need for CSR is clamored for in every society, contributions will depend on factors such as the industry sector and the company’s size and business model, not excluding their local context and the type of development intervention required in their immediate locality such as increasing access to jobs, education, health, energy, water, technology and markets or improving accountability and public capacity. While the areas of focus and the scale of impact will vary between different industry sectors and companies. (IBLF 2010)

From an economics perspective, companies would only be expected to engage in the above mentioned activities if the perceived (measured or unmeasured) benefits exceeded the associated costs in the view of the decision-making entity.

For managers, information on such relationships is useful because it helps to inform resource allocation decisions regarding CSR activities.

In recent years, academics in fields of several business administration and management have studied the economic and managerial implications of corporate social responsibility (CSR) and a definition of CSR by McWilliams and Siegel (2001) sees it “as actions on the part of a firm that appear to advance the promotion of some social good beyond the immediate interests of the firm/shareholders and beyond legal requirements.”

The question being put forward thus is “Do socially responsible firms achieve higher, lower, or similar levels of financial performance than comparable firms that do not meet the same CSR criteria?”
Recent theories of CSR postulated by Baron (2001); McWilliams and Siegel (2001); Bagnoli and Watts (2003), speculate that companies engage in “profit-maximizing” CSR, based on expected benefits from related activities. Some examples of such benefits might include reputation improvement, the potential to charge a premium price for its product(s), or the enhanced ability to recruit and retain high quality workers.

For a CSR action to be undertaken by a company, the benefits, according to Baron (2001) of engaging in this activity must offset the higher costs associated with the additional resources that would be allocated for the firm to achieve an acceptable CSR status.

Due to rising pressures for, and the visibility of CSR activities in developed countries, there has been a substantial increase in investment in such activities in most Organisation for Economic Co-operation and Development (OECD) nations.

THE ROLE OF UNITED NATIONS IN ENFORCING CSR

The clear distinction between CSR in the past and its present connotation is the fact that requests for it became more generalised, materialising from general business associations and governmental organisations in addition to activists who were the proprietors (Social Performance map 2010). It became a focus of interest not only for corporate managers but also for development practitioners within NGO’s and multilateral and bilateral development agencies.

This aroused the interest and United Nations Participation in recommendations and general CSR management. Prior sections of this report highlight the resolution of corporate social responsibility in the triple bottom sectionalisation comprising its groupings under Environmental, Social and Economic effects as well as highlighting the roles played by the UN in some instances to mitigate violations in this respect. Furthermore, a more centralistic view of the set-up framework established by the UN and responses obtained to these from the business and managerial perspectives would be relayed here.

The late 1960s and 1970s, in the developing world witnessed increased efforts to regulate foreign investor activities which became an international issue causing numerous attempts by the UN to establish codes of conduct for the activity of conglomerate companies. This was aimed to support developing-country governments in regulating these companies nationally. Ensuing from a realisation of the intimidation posed to the independence of small, poor states a balance between the growing power of conglomerates and the vulnerable nation-state was sort. The establishment of guidelines and code of conducts was thus prompted by the International Chamber of Commerce in 1972. (Jenkins 2005)

The involvement of the United Nations in the course of time further developed introducing the Social Compact of relating the social and business sides to this initiative. This was introduced in 1999 by the UN Secretary General (Kofi Anan) in order to reconcile efforts towards effective implementation of statutes (Social Performance Map 2010).

Jenkins (2005), quoting from the UK’s Department for International Development (DFID) portrayed their intentions of adopting socially responsible practices to a growth in the private sector which should be equitable with an overall motive to reduce poverty. He goes on to highlight the illustration by personnel in the Inter-American Development Bank (IDB); Antonio Vivos, denoting that CSR is, on its own a form of development boosting the efforts of the governments and multilateral development institutions.

Even with such positive responses from institutions, evidences of desolation of rights and privileges and the undermining of social responsibility codes of conduct drove the United Nations to take stricter actions towards CSR implementation. The establishment of the Global compact ten principles was automated in 2000.
The Global Compact

These Principles were set up to cover the “triple bottom” perspective of CSR ensuring a radial protection of stakeholders concerned. These principles as defined by the United Nations Global Compact Office indulges companies “to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption”. They comprise and cover; the violation of Human rights, Labour in view of freedom on association and elimination of forced labour, child labour and employment discrimination, Environment with respect to precautionary approaches and development of environmentally friendly technologies, and Anti-Corruption extending to bribery and extortion (Global Compact Office 2010).

Williams (2004) referencing Annan’s speech at the Davos World Economic Forum in 1999 stated his intentions to put a face to globalisation by providing a stable environment in world market in order to avoid rebounds from protectionism, populism, fanaticism and terrorism. The real question posed is how well have their impacts contributed to achieving this? Have their methods contributed to accomplishing compliance that would otherwise not be imminent? Are there effects beyond the rhetoric of annual business reports? How does this new global dialogue of CSR affect national governments capacity over Multinational Corporations in contouring implementation of these principles? Under what conditions do such global efforts strengthen or weaken democratic decision-making of the MNCs?

The Global Compact was designed as a voluntary initiative whereby participant companies were mandated to give rhetoric annual business reports on what processes and measures were being implemented to drive the cause. Failure to do this informed firm judgement. The establishment of Key points of contacts, regionally or via NGO’s and Multi Nationals aided the accomplishment of this.

CSR Accountability and Impact

Accountability was a crucial issue which dissuaded the United States Companies from adjoining this global move. It was their notion that if there was no strict structural mode of monitoring compliance, then its legitimacy in a work environment can be questioned (Williams 2004).

Bearing this in mind, it was necessary to define the areas which required strict monitoring and where the CSR impacts are to be formed. Although these were stipulated in the principles as defined by the UN, it was evident that emphases had been laid on the social and environmental dimensions as these were seen to suffer the most. These covered the rampant issues of human rights and gender discrimination whilst Corporate Governance was established to conform with businesses and their operations to environmental needs (EU 2005).

The Economic dimension is to correspond with CSR in view of the overall economy and not the business level as the later is considered as a foundation for corporate decisions and operations, especially relating to financial interests, not as an obligation to the cause (Schmitt 2004). Hence CSR can be distinguished either as a motive to build responsible attitudes into business products and process operations or as a relative display of corporate commitment to societal values and welfare (EU 2005).

In building in these values, efforts are made to make corporate processes more sustainable. This can be viewed in sustainable resource management and fair trade practice, improve the ecological and social properties of the products or services themselves e.g. through Research
Design and innovation, cover the promotion of sustainable consumption e.g. via pricing and marketing and co-operate in creating social-ecological framework conditions governing production e.g. via patterns of perception (Belz/Pobisch 2004)

When a corporation has resulted to a show of corporate commitment to CSR, their engagements in extra-activities such as fund-raisers for foundations, corporate volunteering, to name a few, are socially beneficial. Although these activities may initially seem as habitual tasks, they could be incorporated into the scope of the business in order to attain corporate citizenship in adherence to its fundamentals and policies. But in all this what has been the business perspective/corporate view of enforcing CSR? Has this been integrated into its societal perspective?

**The Business Perspective of CSR in relation to Societal Governance**

The European Union (2005), whilst embarking on the RARE project, argue that a company’s perspective towards CSR represents their resolution to the vagueness of tackling societal demands and is thus strongly bonded to their challenges of sustainable growth. Some of these challenges (CO₂ emission, workers accidents, gender equality), may arise dependent or independently of company actions. Their resolution is derived via either the “responsive approach” where challenges are handled as risks due to apprehension of dented status or the “strategic approach” which simply invokes government intervention by integrating management of challenges into their company processes. Whichever approach is adopted brews on the company’s expectation of future benefits which may either be lost or gained.

A vital role is played by the institutional framework of industry standards, conventional customs, cognitive prejudice and creating social rules to conform with and the reception of the company in peripheral environments also contributes greatly. Hoffman (1997: 7) states “Things that were considered unthinkable just a few years ago are now standard business practice. This is not the result of individual firms” getting smarter, nor does it suggest that firms were dumb.

Drawing from the literature above, an integrative perspective on CSR can be drawn by merging the societal governance perspective with the corporate perspective adopted by companies. With the realisation that organisations act in intricate social and natural environments, they prompt and engage in processes of economic and social barter, thereby attracting people as personnel and consumers, the society as a collective and deploying the environment (Midttun 2004, Hoffman 1997). In return, companies create economic and social assets, offer jobs and livelihood for people attributing to prospects for people’s social inclusion and self-realisation. Companies amongst themselves contend not only for assets and clients, but also for political supremacy and institutional legitimacy in order to attain both social and economic fitness (Aldrich 1979, DiMaggio/Powell 1983).

**CSR & Management: CSR Instruments**

These are gears deployed to methodically aid the incorporation of the strategic approach but this report focuses on the management aspect. The instruments include;

**Codes of Conduct**

These are strict statements of principles that define certain values which specify company behaviour. Codes are usually deployed by internal management to guide subsidiaries, contractors or suppliers, and enlighten customers. They are either developed by the companies themselves or by external bodies (sector associations, Jenkins 2001). Other codes are generated by external stakeholders; NGO’s or even by the government. This is where the United Nations comes in. These codes are designed to cover all issues. The enforcement of the
codes is relative with different laws applicable to different codes. Some are handled via measures and tasks while others are enforced to contractual penalties or private sanctions as in the case of the UN.

**Management Systems**
The Management systems (MS) are used to integrate adopted values into daily practices of the organisation. They comprise a set of procedures, practice steps and specifications that an organisation uses to run a process (European Commission 2004a). Frequently, national or industry standardisation bodies, such as the UN, develop management systems standards that serve as models for individual companies.

**Accounting and Reporting**
These are modes of communicating the impacts of CSR on stakeholders but possess different formats. They aid organisations have a more organized approach and thus measure progress and development and define targets more easily (European Commission 2004a).

**Stakeholder Engagement**
Interaction between companies and their societal stakeholders is described here. It can between 2 or more parties and may be formal or informal, issue-specific or more comprehensive forms. An intermediary may be used here (usually the State) to convey communication or act as participants of co-operations with companies and other stakeholders, or plainly define the rules to which certain organisations are required to conform. They are usually grouped geographically in their operations.

**Corporate Citizenship Activities**
This involves participation in social and environmental events that portray social cohesion alongside other activities such as donations, sponsoring and corporate volunteering. It could also comprise more subtle methods such as relating charity logos with products or service advertising with the aim of indirectly raising funds.
CONCLUSION

The mainstream is notably absent from most accounts and are the responsibilities that corporations have with respect to their business activities and political realm.

Of particular concern here is the whole issue of corporate profit strategies. However, neoclassical economic theory tells us that corporations can only generate profits on the basis of innovation.

International rights law doesn’t effectively protect against human rights violations because it has not evolved to keep pace with the rapid advance of economic globalization and the privatization of resources. As a result, human rights violations stemming in by corporations are not addressed in the current international human rights law.

The radical profit maximisation perspective portrayed by some MNCs give them an appearance of nonchalance, sacrificing human rights and environmental sustainability on the altar of profits. This creates a problem for which no easy solution can be proffered.

However, the solutions to these common problems will either be common solutions or they won't be solutions. Recognising CSR as a business framework by the MNCs will enable the common solution of wealth creation to the people and environmental sustainability as a whole. In addition, the consequence of poverty, environmental degradation and social unrest in Nigeria should not be blamed only on the MNCs, but also on the government as they have the responsibility of enforcing the rule of law- a responsibility which cannot be shifted to the international community.

Thus, apart from the principles of the Global Compact, the Millennium Development Goals and various other initiatives put in place by the UN, there is little or nothing they can do to enforce CSR policies in MNCs- the responsibility entirely lies with the MNCs and the government of the host nations. However, they can use persuasion, a political 'moral suasion' on the member states to ensure that they actively enforce the policies which make for a sustainable development.

Amidst bringing to the forefront the role of the United Nations in entrenching CSR in Multi National Corporations, this work forms bases for further research into Multi National Corporations’ social face and CSR compliance. Finally, since the global economy cannot strive without the participation of MNCs, this work further aims at awakening MNCs to the clarion call for CSR embrace.
REFERENCES


EUROPEAN COMMISSION, 2004a, ABC of the main instruments of Corporate Social Responsibility, Brussels.

FRIEDMAN, M., 1970. The social responsibility of business is to increase its profit. The new York times magazine.


