



The Public Role of Private Enterprise

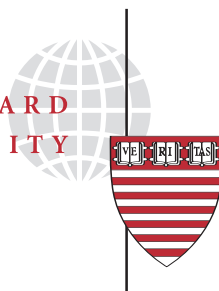
EVALUATING WHAT WORKS – DEVELOPING LEADERS – SUPPORTING POLICY AND PRACTICE

2ND ANNIVERSARY REVIEW 2004–2006

THE CORPORATE SOCIAL RESPONSIBILITY INITIATIVE

**KENNEDY SCHOOL OF GOVERNMENT
HARVARD UNIVERSITY**

HARVARD
UNIVERSITY



JOHN F. KENNEDY
SCHOOL OF GOVERNMENT



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LETTER TO OUR STAKEHOLDERS

As we mark the second anniversary of the Corporate Social Responsibility Initiative, we look back with immense gratitude to the hundreds of people who have inspired us, challenged us, and supported our efforts in building this new program at the Kennedy School – our founders, Walter H. Shorenstein and executives of Chevron, The Coca-Cola Company, and General Motors; our other program partners, ranging from the United Nations Industrial Development Organization and World Bank to global business networks and other leading corporations; our students; our Senior Fellows and visiting practitioners; our alumni; and our colleagues at Harvard and beyond, in both the academic and practitioner communities.

We look to the future with high hopes and a commitment to continue strengthening the existing relationships that have made our success possible to date, and to building new ones, both in the United States and internationally.

From the outset, the CSR Initiative has been an interdisciplinary team effort governed by a multi-center Faculty Steering Committee (page 7). We are grateful to our Kennedy School colleagues David Gergen, Director of the Center for Public Leadership; Alex Jones, Director of the Joan Shorenstein Center on Press, Politics and Public Policy; and Mark Moore, Director of the Hauser Center for Nonprofit Organizations who have advised and guided us on strategy and priorities. The Initiative is managed by a small core team (page 31) that has leveraged its impact by working with a wider network of scholars and practitioners active in the fields of corporate responsibility, corporate citizenship, social enterprise, environmental management, sustainable development, public policy, the media, and international development.

At all times we have aimed to adhere to four core principles:

- **Combining academic rigor with practical experience** – The CSR Initiative draws on some of the best scholarship and learning that Harvard has to offer across our different research centers, schools, and student networks, while also being actively engaged with leading practitioners in the corporate, nonprofit and public sectors;
- **Combining analysis of individual company practices with a strong focus on collective and collaborative initiatives** – The Initiative studies the governance, accountability and leadership challenges that individual companies face in today's world, but focuses most of its efforts on collective initiatives among companies and collaborative initiatives between companies and other key actors in society. It aims to understand and share lessons on how these initiatives help to solve complex public problems in a manner that serves the public interest and also makes sound business sense;
- **Combining classroom-based education with experiential learning opportunities for our students** – Our faculty and staff teach in a number of courses, but also support student internships, research projects, and a Visiting Practitioners Program through which our students engage directly with business executives and policy makers to discuss social, economic, and environmental challenges (page 19);
- **Combining research with active outreach efforts aimed to impact policy and practice** – The Initiative reaches decision-makers in different sectors through an active public speaking agenda (page 23) and a variety of strategic partnerships with organizations such as the World Economic Forum, United Nations Industrial Development

Organization, World Bank Institute, International Business Leaders Forum, and Conference Board. John Ruggie's appointment as the UN Secretary-General's Special Representative on Business and Human Rights in July 2005, marked the first time in the history of the United Nations that such a mandate has focused explicitly on the role of business and it addresses an issue that many of our partners in the academic and practitioner community consider to be central to defining corporate responsibility.

We have set five key performance indicators to evaluate our progress (pages 4 and 33). During the past two years the Initiative has produced over 40 publications, including a book, several book chapters, and over 30 reports and working papers. We have hosted over 60 events, ranging from conferences and workshops, to a series of **Leadership Dialogues** with the Conference Board and International Business Leaders Forum, to lectures, panels and seminars as part of our **Visiting Practitioners Program and Faculty Seminar Series**. At the same time, members of our team have been invited to give speeches, chair panels, facilitate workshops, or serve as advisers to over 50 external organizations, ranging from the United Nations and World Bank, to other universities, major corporations, and think-tanks. We are especially proud of and grateful to our student-led **Corporate Responsibility Council**, which has demonstrated student leadership and commitment at its very best. In less than two years it has become one of the most active and largest student clubs on campus, and was one of the first in the nation from a school of public policy to join the Net Impact network.

Our CSR Initiative has come a long way since it was launched on March 4th, 2004, but we recognize we are only at the beginning. We face an immense responsibility to:

- Respond to the high levels of interest from our students;
- Contribute further to scholarship in this field;
- Continue to engage in external efforts that mobilize private sector resources, skills, and competencies to work with governments and other actors in tackling some of the most pressing public challenges of our time, both in the United States and internationally.

We thank all of you who have supported us and look forward to your ongoing collegiality and partnership.



Professor John G. Ruggie

Kirkpatrick Professor of International Affairs; Weil Director, Mossavar-Rahmani Center for Business and Government; and Faculty Chair, CSR Initiative



Jane Nelson

Senior Fellow and Director, CSR Initiative

1 OUR MISSION

In the war of economic ideas, markets have clearly emerged as the most effective and durable mechanisms for economic growth. But markets are not flourishing everywhere – and where they fail, people are often very poor. Moreover, even in mature markets, there is a question of how and where the public interest enters. Markets are often efficient but myopic, so questions of transparency, environmental impacts and corporate social responsibility need to be addressed – but addressed in ways that are embedded in, and take advantage of, the power of markets. And increasingly private-sector solutions are being found for public problems in the form of collaborative governance or even privatization.

Dean David Ellwood, John F. Kennedy School of Government, Dean's Report 2005-2006

The Corporate Social Responsibility Initiative (CSRI) seeks to study and enhance the public role of private enterprise and to develop future leaders who can operate across the boundaries of the public, private, and civil society sectors.

Through an integrated and multi-disciplinary program of research, education, and outreach activities, the Initiative explores the intersection of corporate responsibility, governance, public policy, and the media. In particular, the program explores ways in which companies can work collectively with each other or in partnership with governments and civil society organizations to help solve complex public problems, both in the United States and internationally.

In all of its activities, the Initiative aims to bring together academics, students, and practitioners, with the goal of bridging theory and practice, building cross-boundary leadership skills, and supporting dialogue and collaboration among different sectors. Our vision is to become a globally recognized center of excellence and source of reference.



The Public Role of Private Enterprise:

A cross-sector debate hosted by the CSR Initiative in the John F. Kennedy Jr. Forum – chaired by David Gergen, Director of the Center for Public Leadership, with Gro Harlem Brundtland, former Prime Minister of Norway and former Director of the World Health Organization; Richard Cavanagh, President and CEO of the Conference Board; Professor Rosabeth Moss Kanter, Ernest L. Arbuckle Professor at Harvard Business School; and Vernon Ellis, International Chairman of Accenture and Chairman of the International Business Leaders Forum. March 4th 2004.

(MARTHA STEWART)

OUR KEY PERFORMANCE INDICATORS We measure our impact (page 33) by our performance in five key areas:

1 Production of books, reports, working papers, and articles that are both academically rigorous and useful to practitioners (pages 37-39).

2 Development of the next generation of leaders through experiential learning opportunities, curriculum development, and internships (pages 16-21).

3 Interaction with faculty at Harvard and other universities in the research and teaching of corporate social responsibility and cross-sector partnerships (pages 14, 34-35).

4 Provision of mutually beneficial learning opportunities for the companies and other external partners that support our Initiative (pages 19, 25 and 42-44).

5 Engagement with decision-makers in business, government, and civil society (pages 23-31 and 40-44).

2 OUR FOUNDERS AND SUPPORTERS

FOUNDERS

The CSR Initiative was launched in March 2004 with the support of a group of four founding donors composed of Walter H. Shorenstein, Chevron, The Coca-Cola Company, and General Motors. Our founders have worked closely with program staff on defining the challenges faced by companies seeking to work with other sectors to address complex public problems and to embed corporate responsibility within the mainstream of corporate strategy. They have shared insights into their successes, failures, and lessons-learned, helping to inform some of the key questions addressed by the CSR Initiative, and have offered a variety of valuable learning opportunities for our students. We appreciate their generosity and commitment to deepen our collective understanding of the changing public role of private enterprise.

OTHER SUPPORTERS

Since its launch, the CSR Initiative has also received support from the **United Nations Industrial Development Organization (UNIDO)**, which has funded and provided valuable technical advice on a research program that explores the effectiveness of different public-private partnership models aimed at supporting competitive and responsible enterprise development in developing countries (see page 12).

Abbott Laboratories, Booz Allen Hamilton, InBev, and Pfizer have provided further funding, intellectual input, and experiential learning opportunities for the CSR Initiative's research, education, and outreach activities. This support has been essential not only to our program sustainability, but also to our efforts to combine the best of practitioner experience with academic analysis and experiential learning.



Chevron is one of the largest integrated energy companies in the world, conducting business in approximately 180 countries and employing 47,000 people worldwide.



The Coca-Cola Company is the world's largest beverage company, producing nearly 400 beverage brands and providing more than 1 billion servings each day in over 200 countries.



General Motors is the world's largest automaker, employing about 327,000 people around the world, selling more than 9 million cars and trucks in 2005, in 200 countries.

Reflections on corporate responsibility

by Walter H. Shorenstein

Founder, Shorenstein Properties LLC

Founder, Joan Shorenstein Center on Press, Politics and Public Policy, Kennedy School, Harvard, 1986

Chair, United Nations 50th Anniversary Charter Commemorative Celebration, San Francisco, 1995

Co-founder, CSR Initiative, Kennedy School, Harvard, 2004

“ This topic of corporate responsibility is so broad and so profound in its implications that I would like to suggest three simple ideas which may serve as a helpful foundation for further discussion. The first is that people matter. Second: There is value in doing good. Third: More progress can be made through cooperation than through conflict. I have followed these basic principles in my own career and consider them essential to success. As a Jewish person in a city named for a Catholic saint, populated by Muslims, Buddhists, Hindus and Christians, these principles have not only allowed me to succeed, but also to build a stronger community. Regardless of our differences, these fundamental ideas should represent something we can all agree on. I believe they apply just as readily in a global marketplace as they do locally or nationally.

The emergence of global markets and the growing influence of private industry represents a significant transformation from the world we once knew. Corporations and capital markets are increasingly autonomous and unconstrained by national governments. But with this autonomy also comes responsibility. Without losing sight of the competitive nature of business, we must identify those areas that demand our cooperation. As trade and technology continue to erase borders, the private sector will increasingly need to take on responsibilities once reserved to governments – particularly in terms of providing opportunity and social mobility for workers and their families.

By committing just a fraction of our time, energy and resources to causes and issues of importance, I believe we can create new opportunities and enable people to broaden their ambitions. Prosperity is not a zero-sum game. We can and must extend the reach of wealth and opportunity ever further. We must inspire dreams and encourage innovation, and then we must provide the opportunity for individuals to realize those dreams. In doing so, we not only create opportunities for individuals, we build a more stable and prosperous community for all. The bottom line is that as people are enabled to participate in and benefit from the global economy, the pool of prosperity grows ever wider. And increasing numbers of educated, financially-stable consumers can only be good for all our businesses.”

Walter H. Shorenstein



Roderick Gillum, Vice President, Corporate Responsibility and Diversity, General Motors, with Walter Shorenstein, and Holly Taylor-Sargent, Senior Associate Dean Advancement and Senior Director for University Women's Initiatives, Harvard University, at the CSR Initiative launch event, March 2004. (MARTHA STEWART)

3 OUR GOVERNANCE STRUCTURE

AND LEADERSHIP

The CSR Initiative is a cooperative effort between four research centers at the Kennedy School of Government: the Mossavar-Rahmani Center for Business and Government; the Center for Public Leadership; the Hauser Center for Nonprofit Organizations; and the Joan Shorenstein Center on the Press, Politics, and Public Policy.

The Initiative is governed by a Faculty Steering Group chaired by Professor John Ruggie, and comprised of:

- **David Gergen:** Professor of Public Service; and Director, Center for Public Leadership.
- **Alex S. Jones:** Lecturer in Public Policy; and Director, Joan Shorenstein Center on the Press, Politics and Public Policy.
- **Mark Moore:** Hauser Professor of Nonprofit Organizations; and Director, Hauser Center for Nonprofit Organizations.

The Faculty Chair for the CSR Initiative is John Gerard Ruggie, Kirkpatrick Professor of International Affairs and Weil Director, Mossavar-Rahmani Center for Business and Government, and an Affiliated Faculty member of Harvard Law School. Professor Ruggie also serves as the UN Secretary-General's Special Representative for Business and Human Rights. From 1997-2001, Ruggie was Assistant Secretary-General and chief adviser for strategic planning to United Nations Secretary-General Kofi Annan and was responsible for the creation of the UN Global Compact. Prior to joining the UN, he was Dean of Columbia University's School of International and Public Affairs. He has published six books and authored nearly seventy articles in academic journals and books. An elected fellow of the American Academy of Arts and Sciences, Ruggie is recipient of the International Studies Association's Distinguished Scholar Award and the American Political Science Association's Hubert H. Humphrey Award for 'outstanding public service by a political scientist.' A 2005 survey published in Foreign Policy magazine named him one of America's 25 most influential academics in the field of international relations.



Faculty Chair of the CSR Initiative, John Ruggie, at the launch of the Initiative in March 2004 (MARTHA STEWART)



Director of the CSR Initiative, Jane Nelson, receives the Keystone Center's 2005 Leadership in Education Award from Beth Lowery, Vice-President, General Motors. (GREG GIBSON)

The Director of the CSR Initiative is Jane Nelson, a Senior Fellow at the Mossavar-Rahmani Center for Business and Government, and a Director of the International Business Leaders Forum. A former Vice President at Citibank; she has worked in the office of the UN Secretary-General preparing a report for the General Assembly on cooperation between the UN and the private sector; for the World Business Council for Sustainable Development in preparation for the Rio Earth Summit; and co-authored the World Economic Forum's four global corporate citizenship reports since 2002. She has lived and worked in Africa, Asia, Europe, the United States, and Latin America and served on a variety of boards and advisory groups for companies, non-governmental organizations and government bodies. A former Rhodes Scholar, 21st Century Trust Fellow, and Aspen Institute Fellow, she has written and lectured extensively on corporate responsibility, cross-sector partnerships and the role of business in international development, having published three books and over forty reports, papers and articles.

4 OUR ACTIVITIES



The CSR Initiative carries out three main types of activities:

- (i) **EVALUATING WHAT WORKS** – through research and faculty engagement aimed at advancing scholarship and assessing what works and what doesn't in the areas of private sector governance and accountability, and the role of business as a partner in international development.
- (ii) **DEVELOPING LEADERS** – through active student engagement, education and experiential learning aimed at inspiring and developing the next generation of leaders.
- (iii) **SUPPORTING POLICY AND PRACTICE** – through outreach to external audiences in the public, private, academic, and civil society sectors aimed at making a contribution to and having an impact on the decision-making of practitioners.

Graduation Day
(KENNEDY SCHOOL OF GOVERNMENT)

CSR Initiative debate in Kennedy School Forum
(MARTHA STEWART)

CSR Initiative workshop
(MARTHA STEWART)

(j) EVALUATING WHAT WORKS



The CSR Initiative's research agenda seeks to answer the following two questions:

“What is the enabling role of government, the media, investment fiduciaries, private self-regulatory or voluntary mechanisms, and corporate boards of directors in fostering responsible business practices?”

Research in this area is conducted under our **Governance and Accountability Program** and focuses on assessing impact and effectiveness in three areas:

- Private self-regulatory or voluntary mechanisms for improving corporate social and environmental performance;
- Global governance frameworks, international legal regimes and voluntary mechanisms to define and govern the role of business; and
- Firm-level corporate governance and social risk management mechanisms to manage corporate responsibility issues.

“What role can the private sector play, in partnership with other development actors, to build public capacity and support more systemic and scalable solutions to key international development challenges?”

Research in this area is conducted under our **Business as Partners in International Development Program** and focuses on two areas:

- Partnerships to promote enterprise development – with an emphasis on small, medium, and micro-enterprise development, women's economic empowerment and youth enterprise, supported by the United Nations Industrial Development Organization (UNIDO).
- Partnerships to strengthen public health systems capacity and infrastructure – with a current emphasis on initiatives aimed at combating HIV/AIDS in Africa and Asia, improving global road safety, and tackling nutritional deficiencies.

Abbott Laboratory Specialist training staff in the newly renovated Muhimbili National Hospital Central Laboratory in Dar es Salaam, Tanzania Care Initiative (CRAIG BENDER)

Ngoc Ha Shoes Company, one of the pilot factories of the Viet Nam Business Links Initiative, one of the case studies in the joint research project with UNIDO (IBLF)

Tamara Bekefi, CSR Initiative research manager attending a meeting on small business development in Tanzania

Governance and Accountability Program

By Jennifer Nash, Senior Research Associate, Governance and Accountability

In the global arena, no formal system of law or regulation governs the activities of multinational firms. While formal regulation is largely absent, private sector institutions, investment fiduciaries, and the news media play important roles in shaping the actions of firms. Our research aims to describe and assess how these non-regulatory actors affect firms' practices, focusing particularly on what role, if any, governments are playing – and should play – to encourage or constrain these actors.

The role of voluntary private governance mechanisms

Acting on their own or in groups, firms have initiated codes of conduct, management systems, standards, certification schemes, and reporting requirements. We are studying the growth of such private initiatives over time and the changing requirements they place on companies. We are mapping the uptake of different disclosure systems to determine the size, sector, and country of origin of the firms that tend to participate, and exploring the degree to which these initiatives foster social auditing and non-financial reporting and the related proliferation of indexes and consulting services. In some countries, governments are encouraging or requiring firms to adopt certain management and disclosure practices, and in these cases we are documenting governments' changing roles. Critics sometimes assert that private-sector initiatives detract from or take the steam out of efforts to develop more robust government regulations, so we are also exploring the relationship between voluntary

initiatives and direct regulation. One voluntary program we are studying is the U.S. Environmental Protection Agency's *National Environmental Performance Track*, which encourages facilities to reduce unregulated environmental impacts such as energy and water use and waste production. Our research is exploring why facilities choose to participate and the characteristics of members, how EPA determines eligibility, and how members value the regulatory and non-regulatory benefits of participation.

Firm-level governance and social risk management

In 2004 Booz Allen Hamilton (BAH) and the CSR Initiative established a joint research project to explore the emergence and management of new risks to business. Global companies face a new reality that has changed the nature of risk and risk management: networked operations and global value chains, empowered stakeholders, and the dynamic tension among sectors. These new forms of social risk cannot be mitigated through traditional means and require innovations by companies to understand and to manage them. Joint work between BAH and the CSR Initiative has included a co-authored paper, *Corporate Social Responsibility as Risk Management*, and a risk simulation exercise exploring water scarcity as a source of strategic risk. We are also reviewing the role and different approaches of corporate boards of directors in addressing non-traditional social and environmental risks and opportunities.

Corporate social responsibility is not only a business challenge. Even more important, it concerns the relationship between business and society, the respective rights and obligations of different social sectors and actors – government, the media, and civil society organizations, as well as business – and the relative efficacy of voluntary versus regulatory approaches to meeting social needs. Questions of governance are involved at every step of the way.

Professor John G. Ruggie, Faculty Chair CSR Initiative, Speech at CSR Initiative launch, March 4th 2004

Business as Partners in International Development Program

By Tamara Bekefi, Research Manager, Business and International Development

People living in many parts of the world have yet to experience the economic benefits from globalization, often due to market failures, governance gaps, or public capacity constraints. There is a growing recognition that the private sector has a role to play in addressing some of these challenges, either individually or in partnership with others, but there is little clarity or agreement on the appropriate boundaries of such a role. Engagement is taking place through core business activities, new forms of strategic philanthropy, and new types of business-to-business or multi-stakeholder alliances.

These alliances have emerged because of a realization that many of today's social, economic, and environmental challenges are too complex for one institution, sector, or even nation to tackle alone. They require new models of dialogue, consultation, and cooperation among: nation-states; local, state, and national governments within countries; civil society organizations; and private sector enterprises. To date, relatively few of these alliances have been subject to rigorous empirical analysis and evaluation. The CSR Initiative researches alliances that aim to build public capacity and support the achievement of development objectives through systemic interventions. Through case studies and other methods, we are examining their structures, functions, and effectiveness, with the aim of identifying and sharing lessons from these partnerships. Our research currently focuses on two areas:

Enterprise Development: Working with the United Nations Industrial Development Organization (UNIDO), the CSR Initiative is studying cross-sector partnerships that support small and medium enterprise development and facilitate the adoption of responsible and competitive business practices by these enterprises in developing countries. Such partnerships have received little attention, yet may offer sound solutions to reducing poverty in the developing world (page12).

Health: Identifying and examining cases in which public and private sector institutions are working collaboratively to strengthen public health systems capacity and infrastructure to address HIV/AIDS, micronutrient deficiency, and road safety. We have chosen these three areas on the basis of:

- The heavy and growing health burden they impose on countries, communities, families, and individuals;
- The deleterious impacts they have on economic growth and poverty alleviation;
- Their importance to the private sector and its potential role as part of the solution;
- The opportunities to address these challenges and the potential cost-benefit advantages presented by new types of partnership between business and other actors (page13).

I want to address what I think is perhaps the defining development of our time... I refer to the growing integration between the developing world and the developed world, and the rising importance of the developing world in shaping human history. My guess is that when the history of our time is written 300 years from now, what is happening in the developing world and how the United States responds to it will be the most important story.

Lawrence H. Summers, President, Harvard University, Harvard Commencement Address, June 9th 2005

UNIDO research project on building linkages for responsible & competitive entrepreneurship

In 2004, the United Nations Industrial Development Organisation (UNIDO) and the Kennedy School of Government established a joint research project, *Building Linkages for Competitive and Responsible Entrepreneurship*. This project analyzes emerging partnership models aimed to address the market failures, governance gaps, and institutional constraints that currently exclude or disadvantage most small entrepreneurs from accessing public goods and business opportunities in developing countries. To date, the joint research project has produced three reports: a conceptual overview and country studies on Viet Nam and Tanzania. These reports:

- Review some of the major challenges to competitive and responsible entrepreneurship in developing countries;
- Assess different ways in which public policy, corporate social responsibility practices by large domestic and foreign companies, and new models of partnership among companies, business associations, governments, donors, academic institutions, and non-governmental organizations

can help to overcome these challenges;

- Provide a conceptual framework for categorizing some of these different models of multi-sector partnership and collective corporate action and investigate these models in more detail by undertaking field research in selected developing countries; and
- Draw lessons and recommendations from these existing practices for business leaders, policy makers, and donors.

The research has focused on six core types of **multi-sector partnership** or **collective corporate action** as outlined below:

- i) Individual company value chains and 'hybrid' business models
- ii) Collective business linkage initiatives
- iii) Enhanced trade and industry associations
- iv) 'Blended value' financing mechanisms
- v) Institutionalised enterprise support services
- vi) Multi-stakeholder public policy structures.



The role of industry in fighting poverty and achieving progress towards the Millennium Development Goals (MDGs) is of critical importance. I am convinced that a key path to sustained poverty reduction is to create wealth by empowering the private sector. ...The challenge presents itself at two levels: first the need to dynamise economic development in a bottom-up process, especially through small enterprise development, and secondly, the need to engage global business players in effective linkages and broader partnerships for development.

Dr. Kandeh K. Yumkella, Director-General, UNIDO, Towards Pro-Poor Industrial Development: A Shared Vision for UNIDO

Strengthening public health systems capacity and infrastructure

While much needed attention has been focused on the development, pricing, and delivery of essential medicines to low-income countries and communities, there has been less focus on ways that business can help to improve the health infrastructure and systems capacity in these countries, which are essential to delivering accessible and affordable public health services. Although government has to take the leadership role, there are some encouraging examples of companies – in both the pharmaceutical sector and other industries – working together with others to help improve the administrative, technical, managerial, and physical infrastructure of over-burdened health systems.

As outlined on page 11, the CSR Initiative has chosen to focus on the following three health burdens where there is both a great need and potential for more effective private sector engagement in partnership with governments and other development actors:

- **HIV/AIDS** – In addition to posing an unprecedented public health challenge, this pandemic is reversing improved standards of living, employment, and economic growth in many developing countries.
- **Micronutrient deficiency** – In its recent report *Repositioning Nutrition as Central to Development*, the World Bank argues that, "...malnutrition remains the world's most serious health problem. ...[it] contributes not only to widespread failure to meet the first Millennium Development Goal – to halve poverty and hunger – but also to meet other goals related to maternal and child health, HIV/AIDS, education and gender equity."
- **Road safety** – According to the World Bank and WHO, road accidents will likely become the third leading cause of death and injury in developing countries by 2020 – outpacing HIV/AIDS, malaria, and war – if current trends continue unabated and un-addressed.

Over the past two years the CSR Initiative has undertaken research and supported a series of workshops, leadership dialogues and student activities focused on raising awareness and identifying promising new partnerships, where business is playing a leading role to help strengthen the necessary systems capacity and infrastructure to address these three health challenges. Activities have included:

Research and Publications – Reports on business as a partner in addressing micronutrient deficiency and global road safety. Several working papers and support for a report by the Center for Business and Government, Harvard Business School, World Economic Forum and UNAIDS entitled: *HIV/AIDS and Business in Africa and Asia: A Guide to Partnerships*. A field visit and forthcoming case study on Abbott Laboratories' Tanzania Care Program and a forthcoming case study on Pfizer's *Infectious Diseases Institute* and *Global Health Fellows* program.

Workshops – An event with leading companies and intermediary organizations in April 2005 entitled: *Building Public Sector Capacity to Tackle HIV/AIDS in Africa and Asia: The Role of the Private Sector*.

Raising Awareness – Hosted several screenings for students, faculty and the wider Boston community of *A Closer Walk* – a documentary on HIV/AIDS by award-winning director Robert Bilheimer, supported by one of our founders, General Motors.

Leadership Dialogues – Working with Pfizer, the World Bank Institute, USAID's Global Development Alliance, the Global Alliance for Improved Nutrition, and the Global Road Safety Partnership to host a series of leadership dialogues on the role of the private sector in helping to address these global health issues (pages 29-30).

The Faculty Seminar Series

The CSR Initiative hosts a *Faculty Seminar Series* to share the work of leading scholars at Harvard and other universities dedicated to exploring the fields of corporate social responsibility, governance and accountability, and public-private partnerships. The faculty seminars we have hosted in the past academic year are listed in Appendix II. They have included leading scholars from: Harvard Business School; the Kennedy School of Government; Harvard College; MIT's Sloan School of Business; Duke University's Fuqua School of Business; Boston University's School of Law and School of Management; University of Pennsylvania Law School; University of California, Berkeley; and Georgetown University. Topics have ranged from business and human rights, to regulating nonprofits, to lessons from self-regulatory mechanisms and monitoring of social and environmental impacts along global supply chains.



Professor Pietra Rivoli, Associate Professor, McDonough School of Business, Georgetown University, discusses her best-selling book, *The Travels of a T-Shirt in the Global Economy: An economist examines the markets, power and politics of world trade*, with Harvard Professors John Ruggie, Sven Beckert, and Richard Cooper, offering their perspectives from the disciplines of international relations, economic history and international economics respectively. The event was organized by the CSR Initiative and student Corporate Responsibility Council and illustrates the Initiative's ongoing efforts to bring together different academic disciplines to explore the role of business in society – April 20, 2006. (CSRI)

Professor Lynn Sharp Paine, John G. McLean Professor of Business Administration at Harvard Business School; faculty chair of the MBA course *Leadership and Corporate Accountability*; and author of *Values Shift: Why companies must merge social and financial imperatives to achieve superior performance*, speaks about *Global Standards of Corporate Conduct: What are the Prospects?* at a CSR Initiative Faculty Seminar – April 27, 2006. (CSRI)

The Visiting Scholars Program

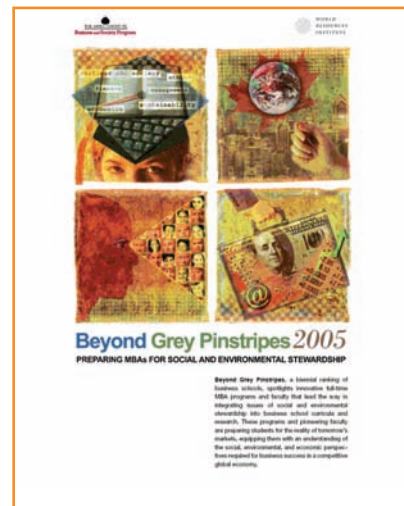
In September 2006 we will be launching a new program to bring some of the world's leading scholars in the fields of corporate responsibility, governance and accountability, and public-private partnerships to the Kennedy School as visiting scholars during their sabbaticals or other periods when they are on leave from their own universities.

Visiting Scholars for the 2006-2007 Academic Year

Our first two Visiting Scholars will be:

- **Richard Locke**, Alvin J. Siteman Professor of Entrepreneurship and Political Science, Sloan School of Management, MIT; and Director of the Sloan School's Global Entrepreneurship Laboratory; and
- **Sandra Waddock**, Professor of Management, Wallace E. Carroll School of Management, Boston College; founding faculty member, Leadership for Change Program, Boston College; Senior Research Fellow and Advisory Board member, Boston College Center for Corporate Citizenship; and Co-Founder, Institute for Responsible Investing.

Beyond Grey Pinstripes: Preparing MBAs for Social and Environmental Stewardship is a biennial survey and ranking of business schools in the United States and globally, which spotlights innovative fulltime MBA programs and faculty that lead the way in integrating social and environmental issues into business school curricula and research. It is a joint initiative of the Aspen Institute's Business and Society Program and the World Resources Institute. In the 2005 survey, both Rick Locke and Sandra Waddock were recognized along with six other Faculty Pioneers – Richard earning the Academic Leadership Award, and Sandra, the External Impact Award.



www.BeyondGreyPinstripes.org

(ii) DEVELOPING LEADERS



The CSR Initiative aims to train leaders for a world in which it is crucial to understand the changing role and expectations of private sector enterprises, as well as the evolving relationship between the public sector, civil society, business, and the media.

People who lead companies, particularly multinational enterprises and influential business organizations and trade associations, will need to be able to identify new business risks and opportunities created by changing societal expectations of business and by growing demands for greater corporate accountability and transparency. Likewise, leaders in the public sector, the media, or civil society will need to understand the impact of business on society, and the shifting drivers, roles, and responsibilities of the private sector. Equally, effective public and private sector leadership require the ability to operate across boundaries and to build alliances between different sectors – public, private and civic – as well as between different nationalities, cultures, religions, races, and genders.

The CSR Initiative aims to build such leadership skills among our students and other partners through:

- **Our Corporate Responsibility Council** – supporting our students in the creation and ongoing direction of this student-led network and its affiliated alumni network;
- **Our Visiting Practitioners Program** – hosting dialogues and experiential learning opportunities that enable our students to meet with leading practitioners who are spanning the boundaries of the private, public and civic sectors;
- **Other student engagement** – support for student research projects, lecturing in student courses, supporting internships related to CSR, and providing career guidance.

Classroom debate
(MARTHA STEWART/Kennedy School of Government)

Campus
(MARTHA STEWART/Kennedy School of Government)

Graduate and executive education programs
(MARTHA STEWART/Kennedy School of Government)

The student Corporate Responsibility Council

By Nick Grudin and Mark Linton, Co-Presidents, CRC, 2005-2006



The Corporate Responsibility Council (CRC), founded by Kennedy School students just two years ago, has quickly become one of the most visible and active student organizations in the Harvard community. Maintaining a membership of more than 150 students from the Harvard and wider Boston community, the CRC serves as a lively forum for dialogue on CSR as well as a barometer of the growing student interest in corporate citizenship. It is also one of the first student networks at a school of public policy to become a member of Net Impact, one of the nation's most active graduate student-run organizations focused on corporate responsibility.

The Council's success is grounded in its student leadership. Since its inception in 2004, the CRC has attracted an impressive collection of Kennedy School and Harvard Business School students from an array of professional, educational, and geographic backgrounds, with an equally diverse set of ambitions and goals. The 2005-06 CRC leadership team included students from Brazil, Japan, Sri Lanka, Romania, China, Canada, Australia, and the United States. These students' professional backgrounds are equally diverse. The leadership team this year includes a lawyer, a pharmacist, two investment bankers, a fair trade advocate, a journalist, a social worker, four MBA students, and representatives from the fields of healthcare, international development, philanthropy, education, and national security.

The CRC has served as a sounding board for Fortune 500 executives interested in fresh perspectives from tomorrow's leaders. This has included participating in reviews of draft company sustainability reports and forming focus group panels to provide input to leading companies on CSR issues, ranging from human rights to responsible drinking on college campuses. The CRC has also hosted a variety of lectures and discussions with top practitioners in the field from major companies, international development agencies and non-profit organizations (page 19). In 2005-2006 these activities drew attention from students and faculty across Harvard's graduate schools.

A few highlights from the past year included frank dialogues with: Doug Daft, the former CEO of Coca-Cola; John Brock, the former CEO of InBev; Bill Valentino, the head of Bayer China's CSR activities; Marianne Voss, manager of Reebok's international human rights program; and Kevin Callahan, manager of Abbott Laboratories corporate citizenship program; as well as focus groups with General Motors and Coca-Cola on reporting and accountability issues. CRC members have co-organized cross-sector panels with students at Harvard Business School and hosted multi-disciplinary faculty panels to address global issues. A number of CRC alumni have also returned to campus to discuss their work with organizations such as Cemex, Coca-Cola, and the Global Business Coalition on HIV/AIDS. CRC student leaders have

When we say 'public leadership' we mean all acts, great and small, of individuals and groups as they mobilize others to tackle challenges that affect the common good. ...the idea of leadership is not limited to what occurs under circumstances of extreme duress. It also encompasses the actions of those who operate in less dramatic ways and in less challenging times: neighborhood leaders and grassroots organizers; international peace activists; founders of charities and nonprofits; the superintendents of schools; and the business leaders who act in partnership with them.

David Gergen, Director Center for Public Leadership and member of the CSR Initiative faculty steering committee



Leadership team of the 2005-2006 student Corporate Responsibility Council, consisting of students from the Kennedy School of Government and Harvard Business School, with CSR Initiative Director, Jane Nelson: Heather Franzese (KSG); Stéphane de Messières (KSG); Annie Fishman (HBS); Alexandra Moyer (HBS); Pip Murphy (KSG); Mark Linton (KSG); Nick Grudin (KSG); Marcela Sabino (KSG); Sherman Zemler Wu (KSG)

represented the university in a number of public forums, including a conference with leading media executives in New York, a dialogue on the role of business in responding to natural disasters, and a film screening with an internationally known filmmaker who is supported by General Motors and others to mobilize companies in response to the HIV/AIDS epidemic. In March 2006, the CRC launched an affiliated alumni network for Kennedy School graduates interested in, or working in areas related to corporate responsibility. Members of the CRC have also contributed to a wide variety of faculty research efforts throughout the year.

That the Council has accomplished all of this on a purely voluntary basis while also hosting a series of high-profile events is an impressive accomplishment, especially for students whose full time jobs are in the classroom. Furthermore, the success and visibility of CRC alumni after just one year out of school is a testament to the group's engagement at the Kennedy School, and its members' drive to make a positive difference when they graduate.

It is the view of the Council that corporate responsibility is a field where young and serious thinkers can make a major contribution, capable of thinking outside of the silos that too often organize – and limit – much of the global interaction between business and society. The CRC's diversity speaks to this strength, and its range of accomplishments proves the power and appeal of an interdisciplinary, multi-sector approach to solving some of the world's most pressing challenges.

The CRC Leadership (2006-2007)

The CRC have elected their core leadership group for the next academic year. The two co-Presidents will be Stéphane de Messières and Heather Franzese, supported by Jessica Droste Yagan and Sherman Zemler Wu. Between them, the core team for next year brings experience in local public-private partnership initiatives in the United States, in the areas of health, housing and inner-city economic development, as well as fair-trade and international development experience in Africa and Latin America, and corporate experience with some of the world's leading companies.

The Visiting Practitioners Program

Our *Visiting Practitioners Program* aims to bring together leaders in the public, private, and civil society sectors with students and other members of the Harvard community through dialogue and seminars around emerging trends and critical issues in corporate responsibility.

Over the past two years, our visiting practitioners have included CEOs, other senior executives and corporate responsibility officers of large companies, small companies, international development agencies, and NGOs. They have spoken about a wide variety of issues ranging from restoring public trust in companies to climate change to the alleviation of poverty and human rights challenges. These visits have given students direct contact to decision-makers in major companies and international development organizations, offering the students practical insights and a better understanding of the pressures, strategies, and motivations of senior managers with respect to corporate responsibility and multi-stakeholder partnerships. At the same time, the visits have provided companies and other organizations with feedback on the views of student leaders from a range of different disciplines, nationalities and professional backgrounds.

Alphabetical list of organizations whose executives have participated in our Visiting Practitioners Program at Harvard (2004-2006)

Abbott Laboratories ■ AccountAbility ■ Bayer ■ Burson Marsteller ■ CERES (Coalition for Environmentally Responsible Economies) ■ Cemex ■ Coca-Cola ■ Chevron ■ Domini Social Investments ■ Foundation Strategy Group ■ General Electric ■ General Motors ■ Genzyme ■ Global Business Coalition on HIV/AIDs ■ Heineken ■ InBev ■ Institute for Responsible Investment ■ Instituto Ethos do Brasil ■ Microsoft ■ Novartis ■ Pfizer ■ Reebok ■ Starbucks ■ Unilever ■ USAID ■ Verite ■ World Bank Institute ■ World Resources Institute



Students and faculty meet with the former CEO of InBev, John Brock, to discuss the corporate responsibility issues associated with leading the world's largest brewer – November 18, 2005 (MIDYA SIVAN)



Students discuss the challenges of corporate responsibility in developing countries, with Ricardo Young Silva, the Executive Director of UniEthos, which is part of the Brazilian Instituto Ethos network composed of several hundred of Brazil's leading companies – March 10, 2006 (MARCELO TAKAOKA)

Supporting student research, internships, and careers

Universities must give government and public policy students the opportunity to challenge their strongly held biases against the private sector in the classroom. With this type of preparation, they will be much better equipped to work constructively and imaginatively across sectors to generate solutions to society's most intractable problems.

Marika McCauley Sine (MPP Class of 2005 and co-founder of student CRC) – Research Analyst, The Coca-Cola Company

In addition to encouraging classroom-based learning and direct engagement with practitioners through our *Visiting Practitioners Program*, the CSR Initiative aims to support our students in identifying research projects, internships, and career opportunities in areas related to corporate responsibility, social enterprise, corporate citizenship, sustainable development, international development, and public-private partnerships. We are grateful to our initiative's founders, partners, and the growing number of Kennedy School alumni who are supporting these efforts through sponsoring students' accredited research projects, offering internships, and providing career advice and contacts, and in some cases offering job. Our aim is to build a mutually reinforcing cycle of learning and networking that is of benefit to our students, to our alumni, and to the nonprofit organizations, companies, and government entities with which they work. The brief examples below illustrate how this cycle is beginning to function.

Student research projects

The CSR Initiative team has supported the efforts of a number of students undertaking research projects in the fields of business and human rights, microfinance, public-private partnerships, corporate governance, CSR and the media, and business strategies for embedding CSR into core operations.

In 2004–2005, for example, the two co-founders of the student Corporate Responsibility Council, Beth Jenkins and Marika McCauley Sine, worked on a Policy Analysis Exercise (a course requirement for all Masters in Public Policy students) with the Global

Development Alliance (GDA) at the United States Agency for International Development (USAID). Established in 2001, GDA is an innovative new program seeking to make greater use of public-private partnerships for development. The current director of GDA, Daniel Runde, is himself an MPP graduate from the class of 1999.

Beth Jenkins came to Harvard from the World Resources Institute, where she managed a project linking multinational firms and developing country entrepreneurs to serve “bottom of the pyramid” markets in the information technology sector. After graduation she led a project for Ashoka, a global social entrepreneurship organization, developing “bottom of the pyramid” strategy tools for a multinational cement company. Now at Booz Allen Hamilton, she is part of a team helping clients raise social, environmental, and reputation risk management to a strategic level. In February 2006, she co-led an enterprise risk simulation exercise with senior colleagues from Booz Allen Hamilton and the CSR Initiative for InBev, the world's largest brewing company.

Marika McCauley Sine, worked on sustainable development for Oxfam America, The Asia Foundation and the Congressional Hunger Center prior to coming to the Kennedy School. After a summer internship with The Coca-Cola Company in 2004, she now works for their Global Labor Relations & Workplace Accountability group, focusing on human rights in the workplace, stakeholder engagement, and global supply chain issues. In this work, she draws heavily on her experience working

in the nonprofit sector on development issues to help build constructive relationships across sectors. She has also facilitated a dialogue between senior corporate executives and Harvard students on human rights in the company's global business system.

Student Internships

The CSR Initiative has worked with our student leaders to identify internship opportunities in the public, private, academic and nonprofit sectors. In the summer of 2005, for example, three of the Corporate Responsibility Council's leadership team – Mark Linton, Pip Murphy and Hiroshi Amemiya – worked as interns at the Center for Corporate Citizenship at Boston College. Steve Rochlin, the Center's Director of Research and Policy Development, is himself an MPP graduate from the class of 1994. He comments

that, “CSR issues are all encompassing – examining specific public policy issues from economic development to health care, to the broad philosophical expectations of the role of government, business, civil society and the structure of democratic market capitalism, to concrete organizational issues around strategy, management, and measurement.”

Other members of the student's Corporate Responsibility Council have undertaken internships with the Growing Sustainable Business initiative at the United Nations Development Programme, with the Institute for Responsible Investment, with business-led recovery efforts in New Orleans and Tsunami-devastated parts of Asia, with the think-tank SustainAbility, and with a variety of individual companies.

Finding CSR-related careers in the public, non-profit and private sectors

Since the CSR Initiative was launched in 2004, a number of the students who have been active in the Corporate Responsibility Council have taken jobs after graduation that relate to corporate responsibility. Some, but not all of these jobs are in companies. Roseann Casey (MPA-Mid Career 2004), for example, has worked on projects for the Clinton Global Initiative, and with the International Rescue Committee in Indonesia and the U.S.A. to encourage public-private partnerships; Celina Gorre (MPA 2004), is a Technical Manager at the non-profit, but corporate-funded Global Business Coalition on HIV/AIDS;

Lance Pierce (MPA-Mid Career 2005) has been working as a senior consultant on CSR-related projects for the World Bank; Arturo Franco Hernandez (MPA-International Development 2005) is working as Corporate Adviser for CSR at CEMEX in Mexico; Elizabeth Carr (MPA-Mid Career 2004) is working on public-private partnerships and international relations at Macquarie Bank in Australia, giving input into the bank's corporate responsibility strategy; Melissa Lenk (MPP 2005) is working with Cargill's Organizational Effectiveness department, looking at internal leadership development and corporate

responsibility issues; Eva Wong (MPA – International Development 2005) is working at Maple Leaf Global Foods in Toronto, focused on developing new markets especially in Asia and Latin America and aiming to create opportunities that bring both social and economic benefit to people in developing countries; and Tania Baron (MPP 2005) is brokering partnerships between non-governmental organizations and companies, writing sustainability reports, and doing social impact assessments for ERM, the world's largest environmental consulting company.

Harvard, and particularly its professional schools, should do more to cultivate leaders that understand the increasing interdependence of issues and actors in the global environment they operate in. Research that generates practical insight into how to manage these complex interdependencies to achieve the specific organizational results desired – whether they be profits or public goods – would make an invaluable contribution.

Beth Jenkins (MPP Class of 2005 and co-founder of CRC) – Senior Consultant, Booz Allen Hamilton

(iii) SUPPORTING POLICY and PRACTICE



One of the key determinants of success of the CSR Initiative is how we engage with and support the work of decision-makers in business, government, and civil society. In doing so, we must stand on the quality, integrity and relevance of our research and on our ability to credibly convene and communicate to practitioners as well as academics.

In addition to producing reports, working papers, and other publications, the key strategies we have used in 2004-2006 to increase our external outreach and impact have been:

- Supporting the individual leadership roles of key CSR Initiative team members – for example the appointment of our Faculty Chair, Professor John Ruggie, as the UN Secretary-General’s Special Representative on ‘Business and Human Rights’
- Earning invitations to make keynote speeches, participate on panels and/or serve as facilitators or chairs of relevant events and conferences
- Forming strategic alliances with business-led organizations and donor agencies that have high credibility and excellent research and outreach capacity in their own right

CSR Initiative faculty Chair, Professor John Ruggie, addressing over 500 leaders from business, government, trade unions, and nongovernmental organizations at the UN Global Compact Leaders Summit, hosted at the United Nations headquarters in NY – June 24, 2004
(THE GLOBAL COMPACT)

CSR Initiative Director, Jane Nelson, on a panel with The Honorable Paula Dobriansky, U.S. State Department; and Christina Jones Janssen, Chevron Corporation, at the U.S. Chamber of Commerce’s Business Civic Leadership Conference “Corporate Citizenship and the Global Economy” – May 19, 2005
(IAN WAGREICH, U.S. CHAMBER OF COMMERCE)

United Nations Secretary-General, Kofi Annan with Professor John Ruggie at the UN Global Compact Leaders Summit, hosted at the United Nations headquarters in NY – June 24, 2004
(THE GLOBAL COMPACT)

During 2004-2006, team members of the CSR Initiative have made speeches, presented papers, chaired panels, facilitated workshops or served on advisory boards for the following external organizations

Academy of Management – AccountAbility – Alcoa Foundation
American Chemistry Council – Aspen Institute
Association of Chartered Certified Accountants (ACCA) –
Association for Public Policy and Management – BP North America
Brookings Institution – Business and Human Rights Resource Centre
Business as an Agent for World Benefit, Case Western Reserve University
Business for Social Responsibility – Business Women’s Initiative on HIV/AIDs
Carnegie Council on Ethics and International Affairs
Center for Corporate Citizenship, Boston College
CERES (Coalition for Environmentally Responsible Economies)
The Coca-Cola Company – Conference Board – Deutsche Bank
Environment Foundation, UK – Ford Foundation
Forum for Corporate Conscience – Georgetown University
Georgia Center for Nonprofits – Global Alliance for Improved Nutrition
Global Public Policy Institute – Herrhausen Society – ImagineNations Group
Imperial College, UK – Institute for Responsible Investment – Insituto Ethos
International Association of Students in Economics and Commerce (AIESEC)
International Business Leaders Forum – International Council of Mining and Metals
International Council of Toy Industries Care Process
International Finance Corporation – Law and Society Association – Microsoft
Middle East Summit on CSR – OECD
Office of the United Nations High Commissioner on Human Rights – Oxfam
Partnership for Quality Medical Donations
Royal Institute of International Affairs, Chatham House
SustainAbility – 21st Century Trust – United Nations Global Compact
United Nations Development Programme – United Nations Staff College
US Chamber of Commerce – US Social Investment Forum
United States Council for International Business
United States Environmental Protection Agency (EPA)
United States Military Academy, West Point – Wilton Park, UK – World Bank Institute
World Business Council for Sustainable Development – World Economic Forum

Engaging with the public sector

Given the international focus of the CSR Initiative, most of our public sector engagement activities have been with inter-governmental agencies in the United Nations system and World Bank. We are also working with the United States Agency for International (USAID) and its Global Development Alliance on several activities, and our Senior Research Associate, Jennifer Nash, serves on the U.S. Environmental Protection Agency's National Advisory Council for Environmental Policy and Technology.

Our key relationships during 2004 – 2006 have been with:

- **The United Nations Industrial Development Organization (UNIDO)** – see page 12.
- **The World Bank Institute** – with whom we are working on joint research and a workshop focused on the role of the private sector in tackling micronutrient deficiencies, and exploring a variety of joint learning programs.
- **The United Nations Global Compact and UN Staff College** – for the past two years, CSR Initiative Director, Jane Nelson has been invited to chair a workshop for staff throughout the United Nations system who are responsible for co-ordinating relationships and building partnerships with the private sector, covering over 40 UN programmes, funds, and specialized agencies.

Special Representative to the UN Secretary-General

In July 2005, United Nations Secretary-General Kofi Annan appointed John G. Ruggie, faculty chair of the CSR Initiative, as his Special Representative for Business and Human Rights. The creation of this unprecedented post was requested by the UN Commission on Human Rights and endorsed by the UN Economic and Social Council. It is the first time that a Special Representative of the UN Secretary-General has been appointed in the area of business. The initial appointment is for a two-year period. His Special Representative mandate is intended to “identify and clarify” standards of corporate responsibility and accountability in relation to human rights, thereby providing a more

predictable framework for businesses wherever they operate.

Professor Ruggie has held numerous consultations with governments; civil society organizations; individual firms, and business associations; has conducted a survey of the Fortune Global 500 firms focused on their business practices around human rights; is making site visits to the overseas operations of companies; and is convening regional consultations in South Africa, Asia, and Latin America. In November 2005, he participated in a consultation between extractive industry companies, human rights organizations and academics, hosted by the Office of the High

Commission on Human Rights in Geneva and chaired by CSR Initiative director Jane Nelson.

In early March he issued his first report, outlining his overall strategy work plan. It was acknowledged by stakeholders for its innovative approach to dealing with business and human rights dilemmas; Aron Cramer, CEO of Business for Social Responsibility, described it as “...a remarkable feat” providing, “...a useful service to those wishing to understand complex questions at the heart of business and human rights.” The final report will be presented in 2007.

Engaging with companies

One of the core principles and goals of our CSR Initiative has been a commitment to engage in a two-way process with leading companies who serve not only as funders of the initiative, but also as active learning partners. On the one hand we have attempted to bring some of the world's leading corporate responsibility practitioners to the Kennedy School to meet with our students and in some cases to actively consult with our students and get their feedback on CSR challenges and reports. On the other, we've organized learning visits to company operations and spoken at a number of corporate conferences for their own employees. Examples of this engagement over the past two years include:

Student and research team feedback on corporate sustainability reports and policies

Our corporate partners are invited to submit their sustainability reports and other CSR policies, in draft or final form, for review and comment by students and researchers. The review process offers opportunities to both the companies and students. Companies gain insights about how their materials are perceived by an important demographic segment, and students deepen their understanding of the 'real world' challenges and opportunities faced by those who have to implement and communicate CSR policies and actions. Usually students review written materials in advance and then discuss their reactions in a closed-door meeting with representatives of the company. To date, General Motors, Coca-Cola, and InBev have sought CSR Initiative review of various corporate responsibility publications.

Company learning visits

The CSR Initiative has undertaken several learning visits to the companies we work with, usually accompanied by other companies in our network to benchmark CSR practices and test our research and theories on-the-ground:

- In June 2004 and February 2005, for example, General Motors hosted learning visits to its headquarters in Detroit. These were focused on the company's occupational and product safety programs, in particular how safety policies, standards and practices can be implemented on a global basis. In addition to extensive briefings by the company's

leading road and vehicle safety experts, the visitors from other companies and academia were hosted at the General Motors Proving Grounds providing them a unique opportunity to learn first-hand about the origins and activities of the company's safety programs and to observe three crash tests. The CSR Initiative has subsequently produced a report looking at the Global Road Safety Partnership, which is based in Geneva, and is working with USAID and others to explore ways that the private sector can play more of a role in partnership with government and others to improve road safety in developing countries.

- In November 2005, the CSR Initiative director participated in a learning program for Coca-Cola's public affairs and communications directors around the world and worked with colleagues in the company to explore different strategies for and challenges of effective stakeholder engagement.
- In February 2006, the CSR Initiative team, working with colleagues from Booz Allen Hamilton and the International Business Leaders Forum, carried out a strategic risk simulation exercise, based on water, with the risk management, legal, audit, public affairs, government relations and corporate responsibility teams at InBev, the world's largest brewer by volume.

These and similar experiential learning opportunities enable a two-way learning process between the CSR Initiative and its partners, that we believe is of benefit both to our research and to on-the-ground practices.

Engaging with investors

Climate Change poses a significant threat to the long-term financial health of corporations, but it also presents them with unique opportunities to earn higher rates of return by investing in eco-friendly capital projects and responsible environmental governance.

Henry Lee, Lecturer in Public Policy and Director, Environment and Natural Resources Program, Belfer Center for Science and International Affairs



September 23, 2004 – A multi-disciplinary dialogue offering views from the financial sector, academia, government and environmental NGOs, and bringing together different research centers across Harvard:

Left – Right: Dale McCormick, Treasurer, State of Maine and Duncan Marsh, United Nations Foundation; Professors John Holdren, Belfer Center and Dan Schrage, Director, Harvard University Center for the Environment; Howard Rifkin, Deputy Treasurer, State of Connecticut listens to Ted Roosevelt of Lehman Brothers; William Reilly, Former Administrator EPA (1989–1992) and board member of several major corporations; Chris Fox, CERES, and Chris Walker, Managing Director of Greenhouse Gas Risk Solutions, Financial Services at SwissRe; and Alan Brown, Group Chief Investment Officer at State Street Global Advisers with John Ruggie, Center for Business and Government, Henry Lee, Belfer Center for Science and International Affairs, and Jane Nelson, Director CSR Initiative.

(MARTHA STEWART)

Investors are starting to identify and integrate a variety of new social and environmental risks into their investment decisions and to identify new investment opportunities in the areas of environmental technology and cleaner production.

In September 2004, the CSR Initiative worked in partnership with the Coalition for Environmentally Responsible Economies (CERES) and the Energy Technology Innovation Project at the Kennedy School's Belfer Center for Science and International Affairs, to convene a group of public pension fund trustees, financial sector leaders and environmental organizations. The aim of the dialogue was to discuss the links between environmental sustainability, risk, and fiduciary responsibility, with a focus on climate change. This workshop illustrates the type of cross-sector and multi-disciplinary approach that the CSR Initiative takes to raising awareness, exploring research questions and encouraging practical action on complex public problems that no one sector or nation can solve on their own. After an intense one-day workshop the group participated in a public Kennedy School Forum event entitled: **“Climate Change Hits Wall Street: What are the risks of inaction?”** aimed at raising awareness and debate among Harvard students and the general public.

Engaging with the media

Corporate social responsibility needs to be seen not only in terms of corporate accountability and transparency, although these are undoubtedly important, but also in the context of government, NGO and media accountability and transparency.

Alex Jones, Director, Joan Shorenstein Center on the Press, Politics and Public Policy, and member of the CSR Initiative faculty steering committee.

In September 2005, the CSR Initiative and the Shorenstein Center co-hosted with some 30 journalists and business leaders at the Harvard Club of New York for a discussion on corporate social responsibility and the media. Participants came from the following organizations: Fortune magazine; the Wall Street Journal; BusinessWeek; General Motors; Forbes; The New York Times; the Financial Times; Pfizer; Chevron; the Conference Board; Burson-Marsteller; the Aspen Institute; Edelman; ABC News; InBev; FAST Company; and the Kennedy School's Center for Public Leadership; Shorenstein Center on Press, Politics and Public Policy; Center for Business and Government; and CSR Initiative. Participants shared their views on what comprises CSR, how corporate behavior should be covered, and why American media coverage of CSR issues isn't more informative.

Among the comments:

- Most business reporters and editors often have only a superficial understanding of CSR. Better education is needed to assure that coverage is integrated and balanced.
- Journalists are often skeptical of motive when businesses approach them with a CSR story, worried that they might be used for a company's public relations purposes.
- Business executives often fear discussing issues related to CSR with reporters because a slip of the tongue could result in a negative headline.
- Many of the nuances related to CSR are difficult to explore in the confines of traditional news stories. A company's track record on corporate citizenship may include commendable contributions to the Hurricane Katrina relief effort while simultaneously cutting its employee's health

benefits, or reductions in one kind of greenhouse gas emissions offset by increases in others. Getting a balanced, well-researched piece which describes the competing interests and trade-offs of doing business successfully and responsibly in a global economy requires a significant commitment of reporting resources.

There was considerable discussion on choosing an appropriate label that invites public interest, instead of 'CSR' which many find unwieldy. Suggestions for alternative labels included: Corporate Governance, Business and Society, Responsible Business, and Corporate Citizenship. Some felt that journalists should strike CSR terminology from stories altogether and instead focus on specific issues like HIV-AIDS, the environment, disaster relief, and microfinance in order to generate reader interest.

Despite the stumbling blocks, all agreed that corporate responsibility issues need greater coverage in the news. One benefit of such coverage is the counterbalance it provides to the often negative focus of the press when reporting on the role of business in society. Conversely, CSR stories also provide a means of holding corporations accountable for their larger social, environmental, and economic impacts. Participants also raised the point that the non-profit sector should be held to the same standards of accountability and responsible citizenship by the media and, finally, that the government's role in addressing social issues and the provision of public goods must be addressed to the same standard.

Engaging with other CSR organizations and networks

The CSR Initiative is part of a growing international network of non-profit, business-led, governmental, media and academic organizations and initiatives that are focused on studying, mobilizing, and challenging the changing role of business in society. As a newcomer in this dynamic and experienced network, we have made every effort to work in a collegial manner with similar programs, both in other universities and practitioner-based CSR organizations. Three examples of how this has worked in practice are illustrated below:



The International Business Leaders Forum (IBLF) and Conference Board

– our three organizations are working on a joint initiative to convene a series of leadership dialogues on ‘Building Capacity for Development’ looking at new models for business engagement in key international development challenges (see page 29 to 30). The CSR Initiative has also worked with the IBLF and Conference Board on several research publications and with the IBLF and Edelman to undertake a survey of the views of global opinion leaders on ‘*Business and International Development*’. IBLF, together with **Business for Social Responsibility** has also helped us undertake a survey of the Global 500 companies to assess their policies and practices in the area of human rights.



The World Economic Forum

– the CSR Initiative works closely with the Forum’s *Center for Public-Private Partnership and its Global Corporate Citizenship Initiative*. We have co-authored several reports over the past two years, together with the International Business Leaders Forum: *Partnering for Success*, providing business examples and perspectives on multi-stakeholder partnerships in developing countries; and *Values and Value*, which surveyed different ways corporate chief executive officers and chief financial officers are communicating to investors about the strategic importance of corporate citizenship. The CSR Initiative Director has also served on a task group for WEF’s *Global Governance Initiative* and we are developing a joint research agenda around business and the Millennium Development Goals with a number of other partners.



The Center for Corporate Citizenship, Boston College

– The CSR Initiative works with our Boston-based neighbors, one of the pioneers in this field who celebrated their 20th anniversary in 2005. We provide speakers for each other’s conferences and workshops; we have supported each other’s internships programs and each summer host joint sessions on corporate responsibility for our interns; and we’ve co-hosted a meeting for the Harvard Humanitarian Initiative. In July 2006, we will co-host at Harvard, together with **Business for Social Responsibility**, an annual gathering of the CEOs and Executive Directors of major CSR organizations and networks from around the world.



Co-hosting multistakeholder dialogues



In September 2005, the CSR Initiative made a joint commitment with the Conference Board and International Business Leaders Forum to organize a series of *Leadership Dialogues* for corporate executives, development experts, policy makers and academics in support of the goals of the Clinton Global Initiative. These dialogues aim to identify, share, and promote *models of collective corporate action aimed at finding systemic solutions to selected global challenges*.

Held in collaboration with international development agencies and companies, with support from Walter H. Shorenstein, these leadership dialogues are taking place between February and September 2006. They are profiling specific partnership examples where business is working *collectively* with others to support international development goals, ranging from efforts to build public health capacity and tackle micronutrient deficiency in developing countries, to youth enterprise programs in the Middle East, to post-disaster relief and recovery efforts. They aim to identify and promote practical, feasible, and scalable models that others can emulate.

The nature of these leadership dialogues varies depending on the hosts and the development challenge being discussed. Most are in the form of a short event followed or preceded by a dinner, luncheon or breakfast, with numbers ranging from 20 to 150 senior-level decision-makers from different sectors.

Dialogue #1 Business action to combat youth disaffection and extremism

Attended by over 40 chairmen and CEOs of companies and non-profit organizations, and hosted by the International Business Leaders Forum (IBLF) in London on February 2nd, this dialogue explored different ways that companies are supporting efforts to combat youth disaffection and extremism, with a particular focus on youth enterprise projects and dialogues between Islamic and Western youth.

Paul Bulcke, Nestlé's Executive Vice President for the Americas, discusses the challenges and opportunities of creating both social and shareholder value in developing countries with: Daniel Graymore, Director, Business Alliances and Global AIDS Policy Team, U.K. Department for International Development; Marc Pfitzer, Director, Foundation Strategy Group, Switzerland; Constantino Casasbuenas, Trade Policy Advisor for Latin America, Oxfam UK; and Craig Smith, Senior Associate Dean for MBA Programmes, London Business School. This leadership dialogue also explored partnership models for engaging Business as a Partner in Conflict Prevention and Resolution. It was moderated by CSR Initiative Director, Jane Nelson, and hosted by the International Business Leaders Forum, Nestlé, and London Business School – March 16, 2006. (STEVE METCALFE)

Business executives, civic leaders, government officials and academics explore the growing role of the private sector as a partner in Responding to Natural Disasters at a leadership dialogue hosted by Walter H. Shorenstein at the University Club of San Francisco – April 11, 2006. (SCOTT WALL)

Dialogue #2 Business as a partner in conflict prevention and resolution

Hosted by Nestlé, IBLF and London Business School in London on March 16th this event consisted of a panel discussion followed by a dinner. The panel was composed of: Nestlé's Executive Vice President for the Americas; Oxfam's Trade Policy Advisor; London Business School's Senior Associate Dean; the UK Department for International Development's director of business alliances; and the European Director of the Foundation Strategy Group (FSG). The dinner identified a number of specific projects where the private sector is engaged in systemic efforts to prevent or resolve conflict, and where opportunities exist for increased business leadership through initiatives such as Business Action for Africa.

Dialogue #3 Responding to natural disasters:

New models of business and community partnership

Held a week before the 100th Anniversary of the 1906 California Earthquake and Fire, this leadership dialogue was hosted by Walter Shorenstein in San Francisco on April 11th. Participants included business executives, civic leaders, government officials and academics who have been working together on collective business-led efforts to support relief and recovery efforts in New Orleans and parts of Asia after the Tsunami, as well as leaders from California working on cross-sector partnerships to improve disaster preparedness. The dialogue brought together for the first time some of the key national and international business networks working in the areas of disaster planning, relief and recovery including: the Business Roundtable's *Partnership for Disaster Relief*; the Fritz Institute's *Corporations for Humanity*; the US Chamber's *Business Disaster Response and Recovery Initiative*; the International Business Leaders Forum *Tsunami Business Recovery Task Force*, and the Conference Board.

Future dialogues will include:

■ Building public health capacity in developing countries:

Innovative solutions to mobilize business engagement – to be hosted by Jeffrey B. Kindler, Vice Chairman and General Counsel of Pfizer in New York on May 10, 2006;

■ Business as a partner in improving global road safety – to be hosted by USAID's Global Development Alliance in Washington DC on May 16, 2006; and

■ Taking joint action on malnutrition: Business as a partner – to be hosted by the World Bank with the Global Alliance for Improved Nutrition in Washington DC on June 22, 2006.

Summaries of the dialogues, including effective models of partnership, examples of good practice, specific outcomes and recommendations, as well as a series of papers offering individual CEO perspectives, will be compiled by the CSR Initiative, Conference Board and International Business Leaders Forum for the Clinton Global Initiative meeting in NY in September 2006.

Our staff and fellows

CSR Initiative Team

The CSR Initiative is managed by a small team consisting of Professor John Ruggie, Faculty Chair and Principal Investigator, Jane Nelson, Director, and Jennifer Nash, Tamara Bekefi and Vidya Sivan, with support from the Associate Director of the Mossavar-Rahmani Center for Business and Government, Scott Leland.



Jennifer Nash is Senior Research Associate with the CSR Initiative and Director of the Regulatory Policy Program at the John F. Kennedy School of Government. She conducts empirical research on international codes of conduct, industry self-

regulation, and government regulation. She has published in a variety of management and policy journals such as: *Administrative Law Review*; *Business, Strategy and the Environment*; *Environment*; *Annual Review of Energy and the Environment*; and the *California Management Review*. Her two books, *Leveraging the Private Sector: Management-Based Strategies for Improving Environmental Performance* (forthcoming 2006) and *Regulating from the Inside: Can Environmental Management Systems Achieve Policy Goals?* (2001), both co-edited with Cary Coglianese, examine ways to improve private sector environmental management. Prior to joining the Kennedy School, she was Acting Director and Associate Director of the MIT Technology, Business and Environment Program and Executive Director of the leading clean air advocacy group in the Philadelphia area, the Clean Air Council.



Tamara Bekefi, is the Research Manager of the CSR Initiative's business and international development research program. She analyzes the intersection of business and international development issues including risk management, small

and medium enterprise development and competitiveness, and multi-sector partnerships. Previous to the Kennedy School, Tamara worked for the oil industry group IPIECA, ExxonMobil, Phillips-Van Heusen, KLD – a social investment research and analysis firm, and Orientation Global Networks – an international telecommunications firm.



Vidya Sivan is the Program Coordinator for the Corporate Social Responsibility Initiative. She supports the logistical, communication and event planning needs for the Initiative, and serves as the liaison between students, the

larger community and the Initiative. One of Vidya's other voluntary roles is to ensure that the CSR Initiative "walks its talk." To that end, she has initiated ways to improve our environmental impact: shifting all the coffee, cocoa, and tea served in the office to being fair trade-approved and creating more opportunities for sustainable travel for the team. Vidya comes to the Kennedy School after teaching high school history for two years at the Academy of the Pacific Rim Charter School and serving in the AmeriCorps program City Year from 2003-2004.



Scott Leland is the Associate Director for Strategy, Finance, and Program Development at the Mossavar-Rahmani Center for Business & Government, supporting the Center's research programs, general administration, strategic

planning, and the Kennedy School's public finance reform project in Ethiopia. Previously, Scott was the Administrative Director of the Center for International Development at Harvard and manager of a major USAID-funded development project on workforce development at the Education Development Center. He spent three years as a Project Assistant with the Harvard Institute for International Development in Singapore where he taught courses in economics and policy analysis at the National University of Singapore. He has been a Research Fellow with the EPA in Seattle, a Program Coordinator for Vision Health International in Costa Rica, and a Regional Director for the Amigos de las Americas organization, travelling extensively through Latin America.

CSR Initiative Senior Fellows

The CSR Initiative also supports up to four non-resident Senior Fellows each year who are leaders in the fields of corporate responsibility, accountability, sustainable development or public-private partnerships. Their senior fellowship involves a commitment to produce at least two working papers for the initiative, participate in a series of practitioner dialogues and panels with our students, and provide input and advice to selected research projects of the initiative. Our current Senior Fellows are Simon Zadek and Mark Kramer.



Simon Zadek is Chief Executive of the non-profit organization, AccountAbility, the leading organisation internationally advancing accountability innovations that support sustainable development. In addition to his senior fellowship with

the CSR Initiative, he holds an honorary professorship at the University of South Africa's School of Management Sciences. He sits on the International Advisory Board of Instituto Ethos, the Advisory Board of Generation Investment Management, as well as co-Chairing the British Standard Institute's Technical Committee responsible for developing its Sustainability Standard. In 2003 he was named one the World Economic Forum's 'Global Leaders for Tomorrow'. Simon's previous roles include Visiting Professor at the Copenhagen Business School, the Development Director of the New Economics Foundation, and founding Chair of the Ethical Trading Initiative.



Mark R. Kramer is a Founder and Managing Director of the Foundation Strategy Group, where he consults to corporations, private foundations, and community foundations on developing strategies and measuring impact for corporate social

responsibility and philanthropic initiatives. Mr. Kramer is also a Founder of the Center for Effective Philanthropy, a nonprofit research organization in Cambridge. Mr. Kramer has published extensively on the development of effective practices in CSR and philanthropy, and he is co-author, with Professor Michael E. Porter, of two Harvard Business Review articles entitled "Philanthropy's New Agenda: Creating Value" (1999) and "The Competitive Advantage of Corporate Philanthropy" (2002). Previously Kramer spent 12 years as a venture capital investor.

6 OUR KEY PERFORMANCE INDICATORS

We measure our success based on our performance and impact in the following five areas:

KEY PERFORMANCE INDICATORS (2004 – 2006)

1 Production of books, reports, working papers and articles that are both academically rigorous and useful to practitioners

- 1 book
- 5 book chapters
- 12 CSR Initiative reports
- 24 CSR Initiative working papers

2 Development of the next generation of leaders through experiential learning opportunities, curriculum development, internships and career advice

- CRC – established the Corporate Responsibility Council – one of the largest student clubs on KSG campus
- Hosted over 30 events for students with ‘Visiting Practitioners’ from companies, NGOs and international agencies
- Establishment of a corporate responsibility alumni network and over 15 recent graduates working in CSR-related jobs in business, government and non-profit organizations.

3 Engagement of faculty at Harvard and other universities in the research and teaching of corporate social responsibility and cross-sector partnerships

- Hosted 10 leading academics from Harvard and elsewhere through our Faculty Seminar Series
- Launched a Visiting Scholars program, with two leading scholars spending their sabbatical with us from Sept 2006

4 Provision of mutually beneficial learning opportunities for the companies and other external partners that support our initiative

- Over 30 ‘Visiting Practitioners’ have come to Harvard
- 3 intensive stakeholder dialogue/ focus group sessions between students, faculty and companies
- Hosted or co-hosted 7 workshops and conferences
- 3 company learning visits to corporate sites
- Tailored engagement with 6 companies

5 Engagement with decision-makers in business, government and civil society

- CSR Faculty Chair, John Ruggie, appointed Special Representative to the UN Secretary-General on Business and Human Rights, first of its kind mandate
- Made speeches, presented papers, facilitated workshops, chaired panels or served as advisors for over 50 leading organizations in the US and abroad
- Co-hosting a series of 7 ‘Leadership Dialogues’ with Conference Board, IBLF and others on ‘Building Capacity for Development’
- Established joint research projects with UNIDO; World Economic Forum; IBLF; Edelman and Booz Allen Hamilton
- Media coverage in Financial Times; International Herald Tribune; Fortune; BusinessWeek; Arab News; Straits Times.

7 CSR – RELATED RESEARCH

AND PROGRAMS AT HARVARD

In addition to the Kennedy School's CSR Initiative, there are a number of related programs, research initiatives, courses, and student clubs at Harvard that focus on issues directly related to corporate responsibility, social enterprise, corporate environmental management, philanthropy, private sector governance and accountability, and public-private partnerships. Some of these have a long track-record, others have recently been established in response to growing student interest, alumni feedback, and evolving global trends.

These include the following programs:

1) The Social Enterprise Initiative at Harvard Business School – Formed in 1993, this initiative aims to generate and share knowledge that helps individuals and organizations create social value in the nonprofit, private and public sectors. Faculty members engage in social enterprise research and course development that encompass four interrelated intellectual domains – governance; strategy and management; social and financial resources; and business involvement. In December 2005, the Social Enterprise Initiative hosted a major conference on *Global Poverty: Business Solutions and Approaches*, which brought together leading academics and practitioners from around the world. www.hbs.edu/socialenterprise

2) Corporate Social Responsibility: Strategies to create business and social value – Launched in 2005, this is a Harvard Business School executive education program designed for senior executives in charge of socially responsible corporate programs or who oversee areas such as public affairs, philanthropy, environmental health and safety, or community affairs. The program is also designed to benefit managers with business unit responsibility, who manage CSR-related dimensions as part of their core operations. The director of the CSR Initiative serves on the course faculty for this program. www.exed.hbs.edu

3) The Environmental Economics Program at Harvard University – Jointly sponsored by the Mossavar-Rahmani Center for Business and Government and the Harvard University Center for the Environment, this program brings together faculty and graduate students from across the university engaged in research, teaching, and outreach in environmental and natural resource economics and related public policy. www.ksg.harvard.edu/cbg

Harvard Faculty members Bruce L. Hay, Professor of Law, Harvard Law School, Robert N. Stavins, Albert Pratt professor of Business and Government, Kennedy School of Government, and Richard H. K. Vietor, Senator John Heinz Professor of Environmental Management, Harvard Business School, have edited: *Environmental Protection and the Social Responsibility of Firms: Perspectives from Law, Economics and Business* (Resources of the Future Press, 2005). In this book, some of the nation's leading scholars in law, economics and business examine commonly accepted assumptions at the heart of current debates on corporate social responsibility, and provide a foundation for future research and policymaking.

4) The Weil Collaborative Governance Program – This program aims to facilitate more effective national policy and decision making in the public, private, and not-for-profit sectors on matters relating to capital markets and the economy at large. It does so by helping all sectors understand each other, coordinate

We are no longer sure which institutions and processes we can rely on to help us collectively meet the economic, social and political conditions we face. Instead of seeing government as the only place where collective action to deal with important social problems can be constructed, we now see the responsibility and opportunity for defining and acting on social problems as spread across the public, private and voluntary sectors. When we talk about “public private partnerships,” or “collaborative governance,” we are talking about defining and achieving public purposes through fashioning workable coalitions among organizations from several different sectors. This heralds an important change in the way that citizens throughout the world are thinking about and acting on social problems. It also calls upon us to understand concepts like “corporate social responsibility,” more thoroughly, and part of a set of critical resources for social problem-solving.

Mark Moore, Hauser Professor of Nonprofit Organizations, Director, Hauser Center for Nonprofit Organizations, and member CSR Initiative faculty steering committee

and recognize their differences, and focus on common goals. www.ksg.harvard.edu/cbg

5) The Nonprofit Governance and Accountability project – The Hauser Center and Harvard Law School are joint sponsors of this university-wide research initiative that aims to support research and develop intellectual frameworks and faculty collaboration in the field of nonprofit governance and accountability. www.ksg.harvard.edu/hauser

6) Program on philanthropy, civil society, and social change in the Americas – A joint initiative of the Hauser Center and David Rockefeller Center for Latin American Studies, this program focuses on the emerging role of social movements, grassroots civic organizations, foundations, corporate philanthropy and voluntary organizations in Latin America. www.ksg.harvard.edu/hauser

7) The Harvard University Center for the Environment – This is a university-wide program that encourages research and education about the environment and its many interactions with human society, with a focus on encouraging collaborative investigation by scholars versed in different disciplines. www.environment.harvard.edu

There are also a number of CSR-related student course offerings at the Kennedy School, such as:

- Business Leadership and Strategic Corporate Citizenship, jointly offered by Harvard Business School and the Kennedy School;
- Entrepreneurship for Social Value Creation;
- The Social Enterprise Collaboratory (SE Lab); and
- Public-Private Partnerships.

Student fellowship programs are also playing a crucial role in building students’ knowledge and skills related to public-private partnerships, corporate social responsibility and social enterprise. Two notable examples are: the Mason Fellows for leaders from developing countries, and the Reynolds Fellows to support students who have leadership experience and potential in the field of social enterprise.

8 OUR FUTURE PLANS

As the CSR Initiative plans for the future, we will focus on the following priority areas:

1. Ongoing research under the auspices of our **Governance and Accountability** program, and our **Business as Partners in International Development** program, supported by a range of publications and active outreach efforts. This will include studying credible accountability mechanisms in both the corporate and non-governmental sectors;
2. Ongoing support for our student-led **Corporate Responsibility Council**, especially in the areas of experiential learning, efforts to support students in their research, internships and career searches, and exploration of relevant curriculum and course development;
3. Establishment of our **Visiting Scholars Program** aimed at bringing leading scholars to the Kennedy School, and ongoing support for hosting **Senior Fellows**, aimed at bringing senior level practitioner expertise to the School;
4. Supporting ongoing engagement for students and faculty with other leading scholars and practitioners through our **Faculty Seminar Series** and **Visiting Practitioners Program**;
5. Investing in ongoing cooperation with our donors and other key external partners to undertake mutually beneficial research projects and learning visits, and to convene **Leadership Dialogues** of leaders in business, government and civil society to explore new approaches to solving specific public problems in the United States and internationally;
6. Creation of a leadership development program focused on training executives in business, government, and nonprofit organizations on **New Models of Cooperation to Achieve the Millennium Development Goals**, with workshops planned in 2007 for Asia, the Middle East, Africa, and the United States.

As we set out on the next stage of delivering on our mission and goals, we look forward to active engagement with our students, our founders, our other program partners, our senior fellows, visiting scholars and visiting practitioners, our alumni, and our colleagues at Harvard and beyond, in both the academic and practitioner communities.

For ongoing updates on the CSR Initiative and our research, education and outreach activities please refer to: www.ksg.harvard.edu/cbg/CSRI

APPENDIX I: CSR Initiative publications (2004-2006)



(i) Books

Jackson, Ira and Nelson, Jane. **Profits with Principles: Seven strategies for delivering value with values.** Currency/ Doubleday, 2004.

(ii) Reports

Leadership, Accountability, and Partnership: Critical Trends and Issues in Corporate Social Responsibility. Report of the CSR Initiative Launch Event

Jane Nelson | CSRI-2004-01

HIV/AIDS and Business in Africa and Asia: A Guide to Partnerships

The Center for Business and Government, Social Enterprise Initiative, World Economic Forum and UNAIDS | CSRI – 2004-02

Sustainability and Risk: Climate Change and Fiduciary Duty for the Twenty-First Century Trustee

Coalition for Environmentally Responsible Economies (CERES), Corporate Social Responsibility Initiative, and Energy Technology Innovation Project | CSRI-2004-03

Partnering for Success: Business Perspectives on Multistakeholder Partnerships

Corporate Social Responsibility Initiative, International Business Leaders Forum, and World Economic Forum | CSRI-2005-04

Business and International Development: Opportunities, Responsibilities, and Expectations

Corporate Social Responsibility Initiative, International Business Leaders Forum, and Edelman | CSRI-2005-05

The Global Road Safety Partnership and Lessons in Multisectoral Collaboration

Tamara Bekefi | CSRI-2006-06

Business as a Partner in Tackling Micronutrient Deficiency: Lessons in Multisector Partnerships

Tamara Bekefi | CSRI-2006-07

Building Linkages for Competitive and Responsible Entrepreneurship: Innovative Partnerships to Foster Small Enterprise, Promote Economic Growth, and Reduce Poverty in Developing Countries

Jane Nelson. Corporate Social Responsibility Initiative and United Nations Industrial Development Organisation (UNIDO) | CSRI-2006-08

Tanzania: Building Linkages for Competitive and Responsible Entrepreneurship

Tamara Bekefi. Corporate Social Responsibility Initiative and United Nations Industrial Development Organisation (UNIDO) | CSRI-2006-09

Vietnam: Building Linkages for Competitive and Responsible Entrepreneurship

Tamara Bekefi. Corporate Social Responsibility Initiative and United Nations Industrial Development Organisation (UNIDO) | CSRI-2006-10

Corporate Responsibility and the Media. Report of CSR and media dialogue

Corporate Social Responsibility Initiative and Shorenstein Center on Press, Politics and Public Policy | CSRI-2006-11

The Public Role of Private Enterprise: Evaluating What Works, Developing Leaders, Impacting Policy and Practice. Second Anniversary Review of CSR Initiative (2004-2006)

Corporate Social Responsibility Initiative | CSRI-2006-12

(iii) Working Papers

The Public Role of Private Enterprise: Risks, Opportunities and New Models of Engagement

Jane Nelson | February 2004, Working Paper No. 1

On Collaborative Governance

John Donahue | March 2004, Working Paper No. 2

On Creating Public Value: What Business Might Learn from Government about Strategic Management

Mark Moore and Sanjeev Khagram | March 2004, Working Paper No. 3

Turning Ethical Values into Business Value

Jane Nelson | March 2004, Working Paper No. 4

American Exceptionalism and Global Governance: A Tale of Two Worlds?

John Gerard Ruggie | April 2004, Working Paper No. 5

Reconstituting the Global Public Domain: Issues, Actors and Practices

John Gerard Ruggie | December 2004, Working Paper No. 6

Values-Based Performance: Seven Strategies for Delivering Profits with Principles

Ira Jackson and Jane Nelson | December 2004, Working Paper No. 7

Building Public Sector Capacity to Address HIV/AIDS: The Role of the Private Sector

Jane Nelson | January 2005, Working Paper No. 8

The Role of the Private Sector in Global Governance

Jane Nelson | January 2005, Working Paper No. 9

Corporate Social Responsibility as Risk Management

Beth Kytly and John Gerard Ruggie | March 2005, Working Paper No. 10

Legitimacy and Corporate Governance

Cary Coglianese | March 2005, Working Paper No. 11

Public Sector Capacity, Corporate Responsibility, and Corporate Profitability in Africa

Malcolm F. McPherson | April 2005, Working Paper No. 12

Corporate Citizenship in a Global Context

Jane Nelson | May 2005, Working Paper No. 13

Signalling Social Responsibility

Jason Scott Johnston | November 2005, Working Paper No. 14

**The Strategic Use of Decentralized Institutions:
Exploring Certification with the ISO 14001
Management Standard**

Andrew A. King, Michael J. Lenox, and Ann Terlaak
| December 2005, Working Paper No. 15

**Doctrinal Unilateralism and its Limits:
America and Global Governance in the New
Century**

John Gerard Ruggie | January 2006, Working Paper
No. 16

**The Logic of Collaborative Governance:
Corporate Responsibility, Accountability, and
the Social Contract**

Simon Zadek | January 2006, Working Paper No.
17

Game Changing CSR

Mark Kramer and John Kania | February 2006,
Working Paper No. 18

Business Ethics: The Law of Rules

Michael L. Michael | March 2006, Working Paper
No. 19

**Investing in Social Innovation: Harnessing the
Potential of Partnership between
Corporations and Social Entrepreneurs**

Jane Nelson and Beth Jenkins | March 2006,
Working Paper No. 20

**Uncommon Partners: The Power of
Foundation and Corporation Collaboration**

Mark Kramer and Marc Pfizer | March 2006,
Working Paper No. 21

**Leveraging the Development Impact of
Business in the Fight against Global Poverty**

Jane Nelson | April 2006, Working Paper No. 22

**Partnership Governance and Accountability:
Enhancing development Outcomes by
Improving Partnership Governance and
Accountability**

Simon Zadek | April 2006, Working Paper No. 23

**Coalitions for Change: Building Non-
Traditional Alliances to Tackle Global
Challenges**

Jane Nelson | May 2006, Working Paper No. 24

APPENDIX II: Events hosted by the CSR Initiative (2004–2006)



(MARTHA STEWART)

(CSRI)

(SCOTT WALL)

(i) WORKSHOPS AND CONFERENCES

1. March 4, 2004: *Critical Trends and Issues in Corporate Social Responsibility*. Corporate Social Responsibility Initiative Launch Event and public forum, Kennedy School of Government, Harvard.
2. September 23, 2004: *Sustainability and Risk: Climate change and fiduciary duty for the twenty-first century trustee*. Workshop and public forum hosted in cooperation with CERES and the Energy Technology Innovation Project, Belfer Center for Science and International Affairs, Kennedy School of Government, Harvard.
3. May 19–20, 2004: *The Role of Government in Corporate Governance*. Conference hosted by Regulatory Policy program with support from CSR Initiative, Kennedy School of Government, Harvard.
4. October 22, 2004: *Environmental Performance Agency Performance Track*. Dialogue co-hosted with Regulatory Policy Program, Kennedy School of Government, Harvard.
5. April 27–28, 2005: *Building Public Sector Capacity to Tackle HIV/AIDS in Africa and Asia: The role of the private sector*. Workshop hosted by CSR Initiative with support from Harvard Initiative for Global Health.
6. September 26, 2005: *Corporate Social Responsibility and the Media*. Workshop co-hosted by CSR Initiative and Joan Shorenstein Center on Press, Politics and Public Policy, Harvard Club of New York, NY.
7. May 8–9, 2006: *Business and the Millennium Development Goals: New models of leadership and partnership*. Corporate Social Responsibility 2nd Anniversary event, Kennedy School of Government, Harvard.

(ii) FACULTY SEMINAR SERIES

1. November 29, 2004: David Vogel, George Quist Professor of Business Ethics and Professor of Political Science, Haas School of Business, University of California, Berkeley. “*The Market for Virtue: The Potential and Limits of Corporate Social Responsibility.*”
2. September 29, 2005: Richard Locke, Alvin Siteman Professor of Entrepreneurship and Political Science, Sloan School of Business, MIT. “*Does Monitoring Work?: Lessons from Nike.*”
3. October 13, 2005: Michael Lenox, Professor of Management, The Fuqua School of Business, Duke University. “*Prospects for Industry Self-Regulation: The Case of ISO 14001.*”
4. November 17, 2005: Jason Scott Johnston, Professor of Law, University of Pennsylvania Law School. “*Signalling Social Responsibility.*”

5. February 2, 2006: Tamar Frankel, Professor of Law, Boston University School of Law. “*Trust and Honesty: America’s Business Culture at a Crossroad?*”
6. March 9, 2006: Marion Fremont-Smith, Senior Research Fellow, Hauser Center for Nonprofit Organizations, Kennedy School of Government, Harvard University. “*New Directions in Regulating Nonprofits.*”
7. March 16, 2006: Jennifer Howard-Grenville, Assistant Professor, Boston University School of Management. “*Getting In and Gaining Influence: How Less Powerful Groups within a Firm Can Advance a Socially Responsible Agenda.*”
8. April 13, 2006: John Ruggie, Frank & Denie Weil Director of the Mossavar-Rahmani Center for Business & Government, Kennedy School of Government, Harvard University. “*Transnational Corporations and Human Rights: An Interim Report.*”
9. April 20, 2006: Pietra Rivoli, Associate Professor, McDonough School of Business Georgetown University. “*The Travels of a T-Shirt in the Global Economy: An Economist Examines the Markets, Power and Politics of World Trade.*”
With responses from Harvard professors: John Ruggie, Kirkpatrick Professor of International Affairs; Richard Cooper, Maurits C. Boas Professor of International Economics; and Sven Beckert, Professor of American History.
10. April 27, 2006: Lynn Sharp Paine, Professor, Harvard Business School. “*Global Standards of Corporate Conduct: What are the Prospects?*”

(iii) LEADERSHIP DIALOGUES ON ‘BUILDING CAPACITY FOR DEVELOPMENT’ CO-ORGANIZED WITH THE CONFERENCE BOARD AND INTERNATIONAL BUSINESS LEADERS FORUM

1. February 2, 2006: *Business action to combat youth disaffection and extremism*, co-hosted by the International Business Leaders Forum in London.
 2. March 16, 2006: *Business as a partner in conflict prevention and resolution*, co-hosted by Nestlé, London Business School and the International Business Leaders Forum in London.
 3. April 11, 2006: *Responding to natural disasters: New models of business and community partnership*, co-hosted by Walter H. Shorenstein in San Francisco.
- Forthcoming:**
4. May 8, 2006: *Business and the Millennium Development Goals*, co-hosted by the Kennedy School of Government in Harvard.
 5. May 10, 2006: *Building public health capacity in developing countries: Innovative solutions to mobilize business engagement*, co-hosted by Pfizer in New York.
 6. May 16, 2006: *Business as a partner in improving global road safety*, co-hosted by United States Agency for International Development (USAID) in Washington DC.
 7. June 22, 2006: *Taking joint action on micronutrient deficiency: Business as a partner*, co-hosted by the World Bank and the Global Alliance for Improved Nutrition in Washington DC.

(iv) VISITING PRACTITIONERS PROGRAM and OTHER LECTURES, PANELS AND SEMINARS SUPPORTED BY THE CSR INITIATIVE

1. March 5, 2004: *Corporate Social Responsibility: New Trends and Challenges*. Panel at the annual Harvard Business School and Kennedy School of Government, *Social Enterprise Conference*, chaired by Jane Nelson, CSR Initiative, with David Jerome, VP for Corporate Responsibility, General Motors, Valerie Crissey, Manager, Corporate Responsibility, Chevron, and Bennett Freeman, VP Corporate Responsibility, Burson Marsteller.
2. March 25, 2004: *Another World Is Possible: The Role of the Private Sector* with Oded Grajew, Founder, Instituto Ethos.
3. May 4, 2004. *The role of the World Bank in Corporate Social Responsibility* with Djordjija Petkoski, Lead Specialist and head of Private Sector Team, World Bank Institute.
4. September 30, 2004: *Building a career in CSR* with Lori Collins, Chief Ethics and Compliance Officer and Carol Martel, Director of Public Policy, The Coca-Cola Company.
5. October 7, 2004: *Private Enterprise in the Public Domain*. Panel moderated by Jane Nelson at Kennedy School Alumni event in San Francisco, with Judy Wade, Partner McKinsey & Company.
6. October 8, 2004: *Business Opportunities at the 'Bottom of the Pyramid'* with Allen Hammond, VP Special Projects and Innovation, World Resources Institute.
7. November 2, 2004: *Restoring Trust in Business: A Conversation on Corporate Responsibility* with Ben Heinemen, Jr Senior Vice President for Law and Public Affairs, General Electric.
8. November 6, 2004: *Corporate Responsibility: New models of accountability and partnership*. Roundtable convened by CSR Initiative and led by Jane Nelson for the Kennedy School of Government's Women's Leadership Board meeting.
9. November 17, 2004: *Corporate Social Responsibility and the Media* Richard Lambert, Bank of England and former editor of the Financial Times, with Alex Jones, Shorenstein Center on Press, Politics and Public Policy, John Ruggie, Mossavar-Rahmani Center for Business and Government.
10. December 7, 2004: *Responsible Investment: Key Trends and Future Directions in the United States and Globally* with Amy Domini, Founder and CEO, Domini Social Investments, and Simon Zadek, Founder and CEO, AccountAbility.
11. December 9, 2004: *Climate Change and the Financial Sector: Understanding Risks and Opportunities* with Henry Lee, Kennedy School of Government, Mindy Lubber, CEO, CERES.
12. February 14, 2005: *Critical Issues in Corporate Social Responsibility* with Mark Kramer, Founder and CEO, Foundation Strategy Group; Jane Nelson, Director, CSR Initiative; and Simon Zadek, Founder and CEO, AccountAbility.
13. February 24, 2005: *Business and Human Rights: Challenges for the Pharmaceutical Corporation* with Klaus M. Leisinger, CEO, Novartis Foundation for Sustainable Development.

14. March 5, 2005: *Multinational Corporations in Developing Markets*. Workshop session organized by CSR Initiative and CRC for the annual HBS and Kennedy School Social Enterprise Conference with Jane Nelson, Director CSR Initiative; Manish Bapna, Executive Director, Bank Information Center; and Allison Devore, Director of Development, Verite.
15. March 10, 2005: *Legitimacy and the Corporation*. Panel organized by CSR Initiative for the Center for Public Leadership 2005 Conference with John Ruggie, faculty Chair CSR Initiative; Cary Coglianesi, Associate Professor of Public Policy; and Sanjeev Khagram, Assistant Professor of Public Policy.
16. March 24, 2005: *From Access to Innovation and Creativity: Harnessing ICT for Development* with Akhtar Badshah, Senior Director Community Affairs, Microsoft.
17. April 4, 2005: *Managing Corporate Responsibility along a Global Supply Chain* with Sandra Taylor, Senior Vice President for Corporate Responsibility, Starbucks.
18. April 5, 2005: Student focus groups giving feedback on General Motors' sustainability report.
19. April 6, 2005: *Global Health Fellows as Corporate Change Agents* with Nancy Nielsen, Senior Director, Corporate Citizenship, Pfizer.
20. April 9, 2005: *The business role in tackling HIV/AIDS. A panel for the annual Harvard International Development Conference*, chaired by Jane Nelson, with Holly Wise, Director, the Global Development Alliance, USAID and Sabine Durier, Director, HIV/AIDS Program, International Finance Corporation, World Bank Group.
21. April 27, 2005: "A Closer Walk" – Public screening of the internationally acclaimed documentary on HIV/AIDS with award-winning director Robert Bilheimer.
22. September 29, 2005: *CSR and the global health agenda* with Kevin Callahan, Director, Global Citizenship and Policy, Abbott Laboratories.
23. October 6, 2005: *Implementing a global human rights policy* with Marianne Voss, Senior Manager, Human Rights Programs, Reebok.
24. October 7, 2005: *CSR in an Interconnected World: Responding to HIV/AIDS in China* with Bill Valentino, General Manager, Corporate Communications, Bayer China.
25. October 18, 2005: *Leadership and CSR*. A Discussion with Doug Daft, Former CEO of Coca-Cola and Anthony Ruys, Former CEO of Heineken HV.
26. November 18, 2005: Town Hall Meeting with students with John Brock, CEO, InBev.
27. November 21, 2005: Focus Group with The Coca-Cola Company's labor practices and stakeholder engagement team.
28. November 30, 2005: *Key trends and challenges in CSR and responsible investment* with Steven Lydenberg, Chief Investment Officer, Domini Social Investments.
29. December 16, 2005: Dialogue with Arturo Franco, corporate adviser for CSR, Cemex, Mexico.
30. February 6, 2006: Dialogue with Celina Gorre, Global Business Coalition on HIV/AIDS.

31. February 6, 2006: Dialogue with Mandy Cormack, former head corporate responsibility, Unilever.
32. March 4, 2006: *Business as a Partner in Addressing Global Health Challenges*. A workshop session organized by the Corporate Responsibility Council and CSR Initiative, chaired by Jane Nelson, CSR Initiative, with Judy Ozbun, Associate Director, Community Affairs, Genzyme, Michael Jarvis, Corporate Responsibility Specialist, Business, Competitiveness and Development Program, World Bank Institute, and Tamara Bekefi, Research Manager, CSR Initiative.
33. March 10, 2006: *CSR in Brazil: Key Trends and Leadership Practices* with Ricardo Young Silva, Director, UniEthos, Instituto Ethos.
34. April 8, 2006: *Fair Trade: Turning the Pyramid Upside Down*. A panel organized by the Corporate Responsibility Council for the annual *Harvard International Development Conference*, chaired by Jennifer Nash, Senior Research Associate, CSR Initiative, with Rodney North, Equal Exchange, Martha Jimenez, VP for Policy and Development, TransFair USA, Simon Cutts, Bulk Foods Manager, Wild Oats Markets, and Michael Hiscox, Professor of Government, Harvard University.



Fish sellers on the banks of the Niger River.
Mali, West Africa.
(TAMARA BEKEFI) www.tamarabekefi.com

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