



CONCEPT NOTE FOR PUBLICATION TITLED

"UNDERSTANDING CORPORATE SOCIAL RESPONSIBILITY"

Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development. While corporate social responsibility is a component of ethical corporate governance, the real meaning and practice has not been actualized, respected and promoted by the stakeholders in Uganda. CSR is indeed at stake and there is an urgent call to rejuvenate it and make it real hence a contribution to social-economic development. Poor CSR has badly impacted on the realization of the United Nations Millennium Development Goals especially in Africa where the practice is poor.

The biggest strategic and tactical challenge that is impacting pessimistically to social-economic development of Uganda is the lack of real corporate social responsibility despite of success stories of the corporates as portrayed by the media and their rapid expansion. Uganda's corporates have done less as far as corporate social responsibility is concerned hence a blockade to sustainable development. The degree and commitment towards the fulfillment of CSR in Uganda is minimal and very negligible efforts are being applied to gear up the practice. The low commitment towards CSR by major corporates in the country defines the poor performance and ineffective engagement of civil society in development. The low CSR thus justifies the increase in corruption, corporate fraud, poor quality of goods and services amongst the corporates. Whilst the

public sector or government accounts to the people, private sector or corporates do not account to the people who are their consumers. There is no effective convergence between the private and public sectors in Uganda yet it is essential in facilitating growth of business at grassroots levels.

Major Corporates have invested heavily in advertisements and promotions, with less being done to support community development and ensure observance of CSR. Some corporates do promotions and define it as CSR. This is done deliberately by the corporates. Corporate Social responsibility can help in forging mergers and acquisition as well as innovative practices, public private partnerships, research and development, strategic advisory services, business dialogue, policy analysis, performance assessment, joint venturing, generating ideas, confidence building, opportunities, business outsourcing, brand reputation, among others.

Many businesses in emerging markets are realizing benefits from corporate social responsibility initiatives, with quantified improvements in revenue and market access, productivity, and risk-management among others. In Uganda and in developing countries in general, companies tend to focus more on short-term cost savings and revenue gains. However in industrialized nations, intangibles such as brand value and reputational issues are more significant for companies. The contemporary corporate social responsibility agenda however is relatively immature in Uganda. Despite pervasive rhetoric, its impact is still inconsistent. In practice, implementation of this agenda by many companies is trivial and fragmented.

The United Nations Global Compact was launched in 2000 as the largest corporate Citizenship initiative in the world bringing together governments, businesses/corporates, civil society organizations, academic institutions, labour unions, etc. As of May 2007 more than 3000 companies from 100 countries as well as over 700 civil society organisations, international labour organisations, and academic institutions are engaged in the Global Initiative and all are working to promote corporate social responsibility and corporate citizenship, ensure that business is part of the solution to the challenges of globalization.

The United Nations Global Compact which was developed in 1999-2000 as an initiative of United Nations Secretary-General Kofi Annan, calls on the private sector to embrace, support and enact a core set of values pertaining to human rights, labour, the environment, anti-competition and anti-corruption through 10 basic principles.

The principle indicator of corporate fraud in the business world can simply be articulated in the business growth index vis a vis the profits earned. Apparently, most businesses declare low profits and often declining returns from their business yet the same corporates/business continue to thrive and grow beyond expected limitations. In the same

vain, the lifestyles of almost all the Chief Executives Officers and senior managers of corporates in Uganda is not commensurate to the declared earnings and so one can directly appreciate the lavish lifestyles and wanton expenditures that these CEOs and Senior Managers practice. This is an inverse economic enigma that requires profound consideration by the communities and government as well. In Summary, the principles of the economies of scale in this situation is contrary to the norms where diminishing returns reflect a collapsing business. The same phenomena can be observed in the public sector where public servant lead luxurious lifestyles compared to their earnings and declared assets.

PUBLIC OPINIONS has therefore elected to promote and deepen corporate social responsibility through its five years initiative titled “Corporate Social Responsibility Development Program” 2009-2013 which will be implemented in stages beginning with printing and dissemination of a document titled; “**UNDERSTANDING CORPORATE SOCIAL RESPONSIBILITY**” which will be distributed to the three organs of government (Executive, Judiciary, and Parliament), political leaders, public servants, Chief Executive Officers, Business Owners and Managers, professional associations, diplomats, heads of NGOs and civil society organisations, university top management, religious and cultural leaders, etc.

The publication will among others give a clear understanding of CSR, its relevance, challenges and way forward as well as opinions or statements from selected key people within and outside Uganda.

We are humbled to request you to prepare brief statement/opinions on Corporate Social Responsibility, opportunities, limitations and wayforward and forward it to us together with your recent colored passport photo, which will be published in the publication. Public Opinions will appreciate your cooperation and support.

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Public Opinions is an African Institute for strategic studies, democracy and good governance, human rights, corporate social responsibility, sustainable peace and development and reform of the United Nations, World Bank and the International Monetary Fund.