

***Alliances for Development:
Public and Private Capital
Working Together Towards a
new Frontier in CSR***

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**Presentation to The Americas
Conference**

September 23-24, 2002, Miami

CONTEXT: SCALE

- **Local economic development**
- **Micro-credit**
- **Small and micro enterprises (small is usually ugly but can be beautiful).**
- **Economic growth, taxes, and trickle down.**
- **Poverty statistics-global, Africa, Asia, Americas**

PREMISE

- **Business of business is business**
- **Most important social contribution of business in developing countries is its contribution to sustainable livelihoods especially of the poor**
- **Not by charitable donations but by investment in the costs of doing business and staying in business**
- **By investment in human, social, natural and physical capital**

ROLE OF GOVTS

- **Provide policy and institutional framework and incentives that encourage business in this direction.**
- **Help to build human, social, natural and physical capital base by public investments**
- **Undertake investment led structural adjustment**
- **Release dead capital into market transaction**

DEVELOPED COUNTRY GOVERNMENTS

- **Debt relief**
- **Market access**
- **Removal of farm subsidies**
- **Make ODA responsive to partner priorities**
- **Policy coherence**
- **Foreign policy as guide to TNC behaviour**

DEVELOPING COUNTRY GOVTS

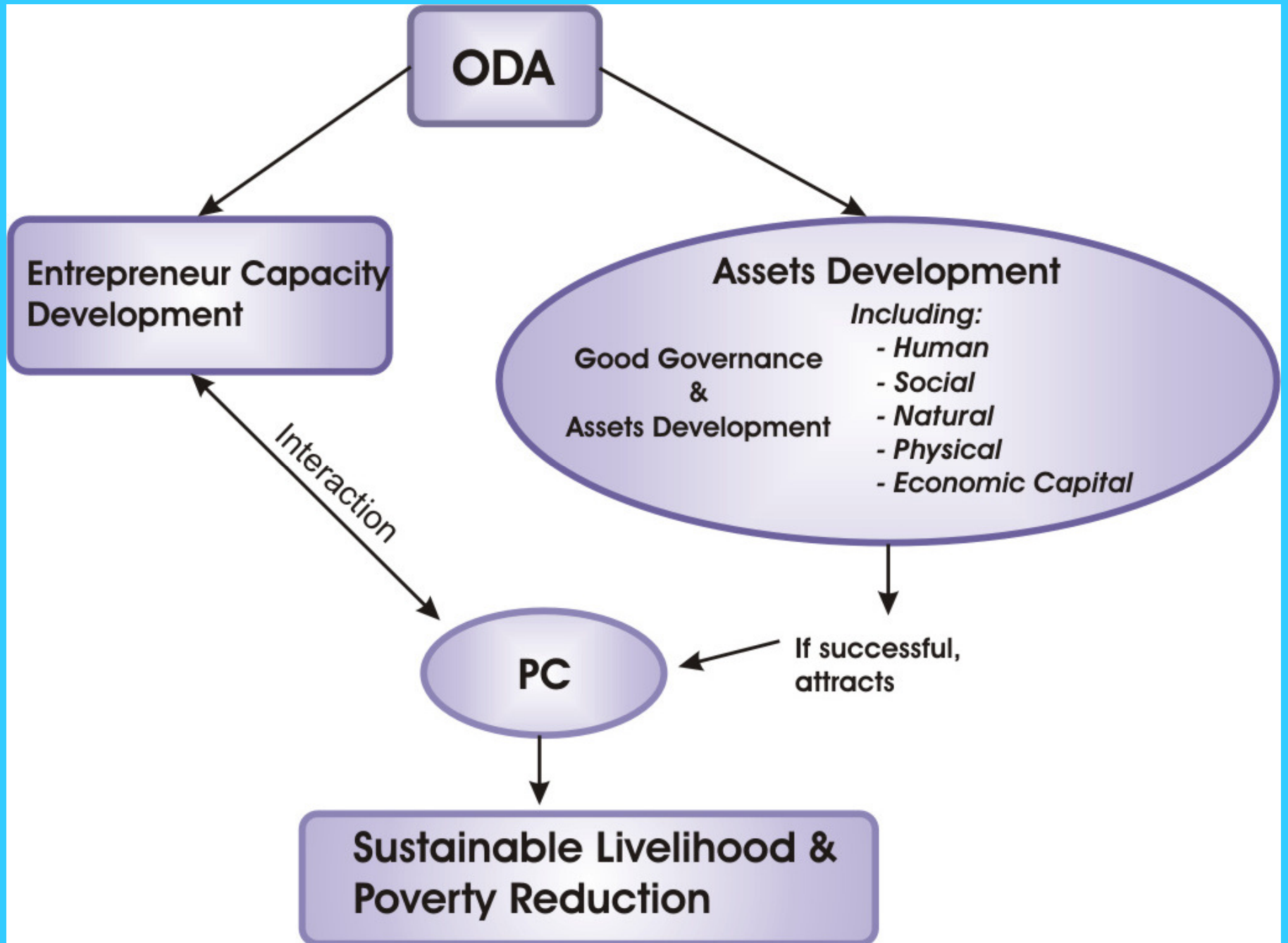
- **Good governance- democracy, human rights, rule of law, participation, access to justice and information etc.**
- **Build market institutions**
- **Macro-economic fundamentals**
- **Business incentives**
- **Peace, security, stability**
- **Public sector investments**
- **Investment led structural adjustment.**

Developed-developing country government partnerships

- **Treaties on harmonization of standards: environment, labour, rights, entitlements etc**
- **Monitoring and enforcement protocols**
- **Anti-corruption principles and practices**
- **International security, crime, terrorism and related issues**

South-South Govt Partnerships

- **Harmonization among themselves of various standards .**
- **Including harmonization of incentives for foreign business**
- **Peer review mechanism such as proposed by NEPAD**



Old Alliance: New Working Model

- **Focussing on Assets means business while focussing on needs means government.**

The new alliance requires that

- **Governments ensure and enhance the enabling environment (market institutions, governance and entrepreneurial capacity)**
- **Visionary corporations are early partners in the process (advice, commitment, demonstration effect and finance)**

Old Alliance: New Working Model Implications

- **Business, governments and civil society establish the synergetic structures to bring the poor in the mainstream economy and promote sustainable livelihoods**
- **Use core competencies in tri-sector partnerships**

IMPLICATIONS

- **Distinguish between CSR (rhetoric) and Corporate citizenship (action)-Gap (importance of monitoring and measuring CSR impact against baseline)**
- **Understand the link of corporate citizenship with the case for business success**
- **Take into consideration the market of the poor “the bottom of the pyramid offers unprecedented opportunities”**

MAKING IT HAPPEN: USING CHAMPIONS

- **CIDA prepared to initiate**
- **Champion corporations and academia in Canada**
- **Champion corporations and academia in US .**
- **Select interested champion developing countries in the Americas (govts, business, etc.)**
- **Look for other interested partners**
- **Hold first planning meeting in 6 months**