

The Role of the Corporate Social Responsibility in Poverty Reduction

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Abstract : The paper examines the connection between corporate social responsibility (CSR), capability approach and poverty reduction; in particular, the local employment development (LED) by way of CSR initiatives. The joint action of LED/CSR results in a win-win situation, not only for the enterprises but also for all the stakeholders involved; in this regard, subsidiarity and coordination between national and regional/local authorities are central to a socially-oriented market economy. In the first section, the CSR is analysed on the basis of its social function in the fight against poverty, as a 'capabilities deprivation'. In the central part, the attention is focused on the relationship between CSR and LED; ergo, on the role of the enterprises in fostering capabilities development (the employment). Besides, all the potential solutions are presented, stressing the possible combinations, in the last part. The benchmark is the enterprise as an economic and a social institution: the business should not be combined with profit merely, paying more attention to its sustainable impact and social contribution. In which way could it be possible? The answer is the CSR. The impact of CSR on poverty reduction is still little explored. The companies help to reduce poverty through economic contribution, human rights and social inclusion; hence, the business becomes an 'agent of development' in order to fight against 'inequality'. The starting point is the pyramid of social responsibility, where ethic and philanthropic responsibilities involve programmes and actions aimed at personal development of the individuals, improving human standard of living in all forms, including poverty, when people do not have a choice between different 'life options', ranging from level of education to employment. At this point, CSR comes into play and works on two dimensions: poverty reduction and poverty prevention, by means of a series of initiatives: first of all, job creation and precarious work reduction. Empowerment of the local actors, financial support and combination of top down and bottom up initiatives are some of CSR areas of activity. Several positive effects occur on individual levels of educations, access to capital, individual health status, empowerment of youth and woman, access to social networks and it was observed that these effects depend on the type of CSR strategy. Indeed, CSR programmes should take into account fundamental criteria, such as the transparency, the information about benefits, a coordination unit among institutions and more clear guidelines. In this way, the advantages to the corporate reputation and to the community translate into a better job matching on the labour market, inter alia. It is important to underline that the success depends on the specific measures of the areas in question, by adapting them to the local needs, in light of general principles and index; therefore, the concrete commitment of the all stakeholders involved is decisive in order to achieve the goals. The enterprise would represent a concrete contribution for the pursuit of sustainable development and for the dissemination of a social and well being awareness.

Keywords : capability approach, local employment development, poverty, social inclusion

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