

# MAPPING CSR IN BRAZIL: THE CONTEXT FOR EMERGENCE AND PROMOTING INSTITUTIONS

**Jose Antonio Sanchez-Rodriguez**

Universidad Nacional de Educación a Distancia – U.N.E.D. (Spain) Assistant Lecturer  
E-mail: [jasanchez@cee.uned.es](mailto:jasanchez@cee.uned.es)

## Resumo

O desenvolvimento sustentável tem se constituído como um assunto principal na agenda brasileira. A Responsabilidade Social Corporativa (CSR) tem ganhado importância durante os últimos anos quando um grupo de empresários nacionais tem ajudado a dar forma ao papel das empresas como atores principais de desenvolvimento social.

A literatura tem evidenciado que os 'fatores contextuais' moldam a definição de Responsabilidade Social Corporativa e 'fatores motivacionais das empresas' moldam o escopo. Aceitando esse padrão, a compreensão da RSC no Brasil será analisada.

Em particular, a categorização das teorias de RSC sob quatro enfoques (teorias econômicas, políticas, integradoras e éticas), enunciada pela academia para definir o relacionamento entre empresa e sociedade, será utilizada para descrever o surgimento da RSC no Brasil na década dos 1960s e sua evolução até hoje.

**PALAVRAS-CHAVE:** Responsabilidade Social Corporativa; surgimento; Brasil.

---

## Abstract

Sustainable development has become a major topic in the Brazilian agenda. Corporate social responsibility (CSR) has gained ground in Brazil during the last years and a group of Brazilian managers have helped to shape the paper of businesses as key players in social development.

Literature has evidenced that 'contextual factors' shape the definition of CSR in a given environment and 'company motivational factors' shape its scope. Following this pattern, the understanding of CSR in Brazil will be analyzed.

In particular, the categorization of CSR theories under four approaches (economic, political, integrative and ethical theories) enunciated by academia to define the relationship between enterprise and society will be used in order to describe the emergence of CSR in Brazil in the 1960s and its evolution until today.

**KEY WORDS:** Corporate social responsibility; emergence; Brazil.

## INTRODUCTION

Sustainable development has become a major topic in the Brazilian agenda. Corporate social responsibility (CSR) has gained ground in Brazil during the last years and a group of Brazilian managers have helped to shape the paper of businesses as key players in social development.

International community expects an active role from businesses, and especially from multinational corporations, to address economic development assuming a reinforced social role. How multinationals are facing this global challenge, how they have adapted to the Brazilian expectations and how they are participating in social development is largely unknown.

Previous literature has emphasized that context is a decisive factor for how CSR is perceived (Epstein 1987). In particular it is argued that understanding

of CSR varies from developed countries to developing countries. Findings have proved that contextual factors – country specific- determine how CSR is understood and motivational factors – company specific- determine the scope of CSR (Stolz 2010).

In this article some light will be shed on the issue. Some questions will be explored, in particular: When did CSR emerge in Brazil and under what circumstances? Which were its historical determinants? Which were the theories that influenced most the origins of CSR? Who are the key players of CSR in Brazil? How did the two previous shape the definition and scope of the context? Some of these questions will find answers during this study. Others will be addressed for future research.

Notwithstanding, the knowledge here exposed will help multinationals and other actors better understand the

reality they are facing, which specificities of the country they should tackle and consequently which CSR groups and activities should be prioritized.

This paper is structured in 5 parts. Following the introduction a literature review is conducted on the concept of CSR, its evolution, the main theories that have contributed to the area and the evidence for differences in CSR in developing countries. In the third part, an overview to the Brazilian socioeconomic context is offered in order to understand the historical determinants of CSR in the country.

In the fourth part, it is analyzed how CSR emerged in Brazil during the 1960s and evolved until today. In the last part the conclusions of the study are presented. The fifth part presents the conclusions and final remarks.

## LITERATURE REVIEW

The concept of CSR has amassed profuse literature since the 1950s, the decade that Carroll, one of the most influential scholars of the topic, designated to mark the 'modern era of social responsibility'. Along the 1960s and 1970 definitions expanded and in the 1980s alternative themes matured and expanded the concept (Carroll 1999)<sup>1</sup>.

Although it can be presumed that social concerns date to the very

beginning of the history of businesses, in recent decades increasing worries have been placed as social problems and environmental issues have intensified. The increasing power of businesses has moved many authors to demand greater responsibilities and thus they have enlarged the traditional paradigm of stockholder value maximization to a more comprehensive paradigm which includes responsibilities towards their stakeholders.

Some main contribution to the topic were the model of four responsibilities introduced by Carrol (1979), the conceptualization of CSR at the peak of a Maslow-like need hierarchy pyramid (Tuzzolino and Armandi 1981) and the articulation of the stakeholder theory (Freeman 1984).

During the 1980s and 1990s an extraordinary proliferation of 'side-theories' made literature become entangled. The great number of new authors and contributions came predominantly from US and Europe.

Garriga and Melé (2004) helped untangle the advances and categorized the main contributions to CSR in 4 groups of theories. Each group had a common view on the type of the relation that a company holds with society and consequently the nature of its responsibility. These approaches can be understood as not mutually exclusive but rather

<sup>1</sup> Seminal paper by Carroll, which describes the evolution of the concept CSR during the 2nd half of the 20th century.

complementary. The four groups of theories were the following<sup>2</sup>:

1) Instrumental theories: focus on pursuing economic objectives through social activities

2) Political theories: focus on exerting a responsible use of business power

3) Integrative theories: focus on integrating social demands into business

4) Ethical theories: focus on right behavior in order to achieve a good society

Instrumental theories conceive corporations as an instrument of wealth creation and only the economic aspects of the interaction are considered. This group of theories promotes CSR although only as a means for economic purposes. Inside this group we may include 'stakeholder value maximization theory' (Friedman 1970)<sup>3</sup>; 'competitive advantage theory' (Porter and Kramer 2002); 'base of the economic pyramid aka BOP theories' (Prahalad and Hammond 2002); and 'cause related marketing'.

Political theories conceptualize that the relation between company and

<sup>2</sup> They based their classification in the model enunciated by American sociologist Talcott Parsons (1961) for any action system and in particular as regards to the four imperatives for the maintenance of a social system: goal attainment (G), adaptation (A), Integration (I) and pattern maintenance or latency (L).

<sup>3</sup> Friedman is neither the only author nor the first to fervently contend for this approach. Professor T. Levitt, from Harvard Business School had been at least as radical some years before: 'Corporate welfare makes good sense if it makes good economic sense – and not infrequently it does. But if something does not make economic sense, sentiment or idealism ought not to let it in the door' (Levitt 1958).

society is an inherent consequence of power. Although economic theories see enterprises as pure economic entities practice proves that they concentrate social and political power (as a result of initiative, assets and knowledge). This power must be used responsibly. If it is not managed responsibly, it will be lost as other groups will occupy it. In line with this approach we may understand 'corporate constitutionalism' (Davis 1973); 'Integrative Social Contract Theory' (Donaldson and Dunfee 1999); and Corporate Citizenship (Wood and Logsdon 2002).

Integrative theories argue that firms depend on society for its existence, continuity and growth. Thus companies are expected to respond to social demands and integrate them into its behavior as a means to achieve social legitimacy. Some of the most prominent theories focused on recognizing and dealing with social demands are the 'issue management' (Vogel 1986); the 'stakeholder management theory' (Mitchell, Agle and Wood 1997); and 'corporate social performance' (Wood 1991).

Ethical theories are based on ethical requirements over which to base the relationship between business and society. Thus they put the stress on principles that define the right thing to do in order to move towards a good society. Some theories that may be understood to belong to this approach

are the 'normative stakeholder theory' (Phillips, Freeman and Wicks 2003), 'sustainable development' (Brutland Report), the 'common good approach theory' (Alford and Naughton 2002); and the 'universal rights'.

It is interesting to point out that in addition to a classification these four groups may be understood as four explanatory motivational forces of CSR. Behind each group, there lies an explanation for 4 different origins that converged into CSR. These four cornerstones, despite being in some cases irreconcilable theoretical approaches, work together towards the existence of CSR. Profit, social pact, reputational assets, social legitimacy and ethic convictions are ultimately based in natural tendencies or instincts that emerge in society and consequently in corporations when they are understood as social environments.

Strictly in practice these views rather than appearing separated in each context, they happen simultaneously. Usually one view does not eliminate but overcast the others, tipping the balance towards a higher weight of one of the motivations of CSR. This idea could be represented like a pendulum-like movement of opposing forces. Thus different actors relevant to CSR would try to tip the balance toward their adopted approach.

Some authors have emphasized that context is a decisive factor

for how CSR is perceived (Epstein 1987). In particular it is argued that understanding of CSR varies from developed countries to developing countries. Findings have proved that environmental factors determine how CSR is understood and motivational factors determine the scope of CSR (Stolz 2010). Environmental factors are country specific, motivational factors are company specific. More concrete, prevalent values, intercultural predispositions, degree of globalization and social system are four main environmental drivers. Regarding the last one, it is generally agreed that corporations have found a gap to close when social systems in place are insufficient to address society needs (like education, health care, poverty infrastructure, social equity, and so on).

Some scholars have gone beyond and stated that some firms have begun to assume state-like roles fulfilling functions of protecting, enabling and implementing citizenship rights. This new role for business is particularly present in less developed and developing countries, but CSR literature has not yet integrated all business responsibilities into a coherent paradigm (Scherer and Palazzo 2011) so the advances are uncertain.

Following, the article will try to cast some light into one of the two main issues that shape CSR to better understand the proposed case: the

Brazilian context. To measure firms' motivations additional ad hoc research should be conducted.

## **BRAZIL: UNDERSTANDING THE CONTEXT**

As stated before, literature has proved that the term CSR means different things to different actors and in different contexts. Historical traditions, cultural context, institutional framework and theoretical perspective are some of the factors that influence the definition of the concept (Assumpção et al. 2008).

Particularly it has been acknowledged that relevance of stakeholder groups and the materiality of social issues present specificities in developing countries. As a consequence looking at the Brazilian context is relevant to understand how it influenced the emergence of the concept CSR and how it influences current practices.

Brazil is more than a developing country. We would rather qualify it as an emerging country full of dualities: the rich and the poor, the north and the south, the landowners and the non-landers, the underdevelopment and the industrialization, the past as a colony, the slavery and so forth. These multiple realities are contained within the same boundaries and give rise to many relevant contextual factors of how CSR is shaped in Brazil.

Following an overview of the country context is offered.

### **History**

Historical factors rooting to the colony and the structure of power dominated by landowners, the influxes of African slaves, the process of independence (finally declared in 1822), the unstructured abolition of slavery (culminated in 1888), added to more recent facts as the 20 year period of military dictatorship (1964-1985) and the re-democratization process and new Republic (1985-today), explain how the real power has remained within a consortium of elites.

### **Demographics**

In the latest estimates the country's population reaches 200 million inhabitants, this makes Brazil the largest country in Latin America and the fifth in the world. Its age-pyramid shows prominently young although it has started the transition towards a 'bulb shaped' pattern what reflects population is expected to shift progressively older. In this process, the country is already encountering an advantageous 'demographic window' in which the working-age population is disproportionately large. This period of advantageous demographic profile is expected to last for decades and with an appropriate policy framework it can provide a boost to growth (Goldman Sachs 2011).

Source: IBGE, Census 2010 (National Statistics Bureau)

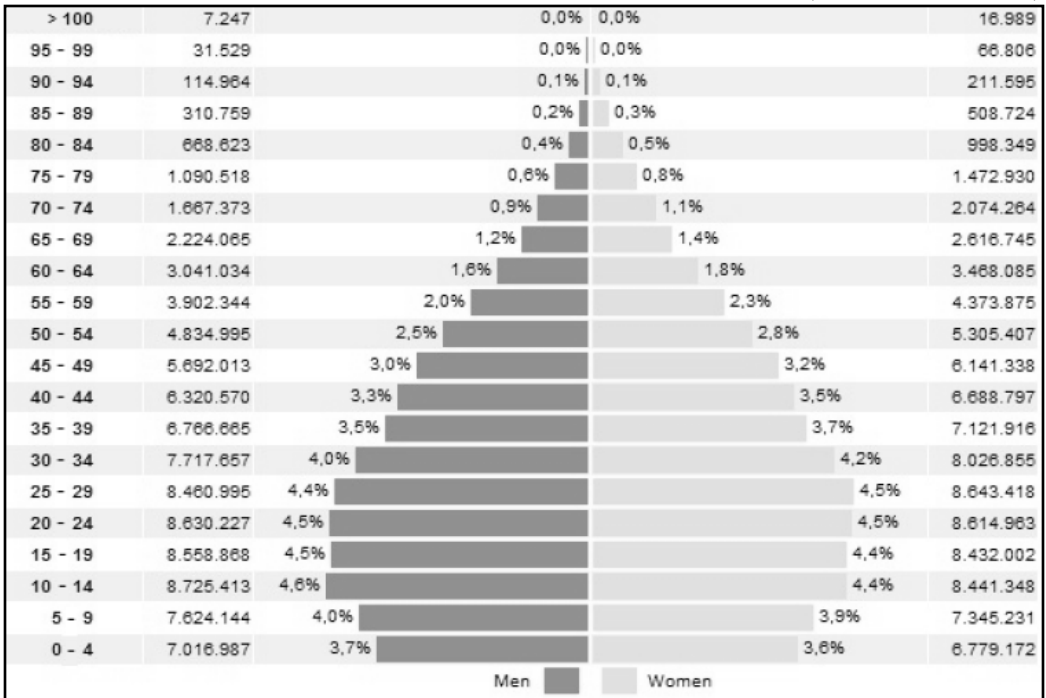


Figure 1: Population by age groups and sex -Brazil (2010)

**Economy**

In terms of GDP the country became recently the 6th economy in the world overtaking the United Kingdom, however per capita levels remain far from developed countries, around the 75th position. Brazil scores one of the highest Gini Indexes (54’7), what indicates enormous income differences in the country. In fact some of the richest men in the world coexist with a large percentage of population under the extreme poverty line.

During the last decade the country has experienced one of best periods of

economic growth and development in its recent history. This came after the so called Lost Decade in the 1980sand its socioeconomic repercussions, the stabilization of the macroeconomic context after the implementation of the so-called Washington Consensus and the control of hyperinflation thanks to the Plan Real during the government of Fernando H. Cardoso.

**Social development**

Regarding the Human Development Index Brazil ranked position 84 in 2011 with an index value of 0,718 over 1,

(UNDP 2011). The country classifies in the high-human-development group. Among the subcomponents that make up the index education constitutes the main shortcoming. On the other hand, poverty level has undergone one of the most remarkable positive evolutions in decades, partly due to the favorable economic situation and fostered by conditioned income transfer programs promoted by recent governments.

Source: Various sources as indicated above

<b>Socioeconomic indicators</b>	
Population (2010) <sup>1</sup>	190.732.694
% growth (2010-2000) <sup>1</sup>	12,30%
% population under 30 <sup>1</sup>	51,00%
% of urban population <sup>1</sup>	84,35%
% of White <sup>1</sup>	47,73%
% of Brown <sup>1</sup>	43,17%
% of Black <sup>1</sup>	7,61%
% of Asian <sup>1</sup>	1,09%
% of Amerindian <sup>1</sup>	0,43%
HDI rank (2011) <sup>2</sup>	84
GDP (2011 estimate) US\$ <sup>3</sup>	2.449 trill. (6th)
GDP per capita (PPP) US\$ <sup>3</sup>	12.181
Gini Index (2009) <sup>4</sup>	54,7
<sup>1</sup> IBGE, census 2010 (National Statistics Bureau)	
<sup>2</sup> UNDP, Human Development Index 2011	
<sup>3</sup> IMF	
<sup>4</sup> World Bank	

**Figure 2: Socioeconomic indicators - Brazil**

## Recent politics

Continuing macroeconomic policies introduced by government of Fernando Henrique Cardoso (1995-

2002; PSDB – Partido da Social Democracia Brasileira; center-right political inclination), his charismatic successor Luis I. Lula da Silva (2003-2010; PT – Partido dos Trabalhadores; center-left political inclination) gained international projection for the country and turned, at the same time, best valued politician in Brazilian history.

Currently first woman president Dilma Rousseff (PT) has continued the lines set by her predecessor and has decidedly started a fight against one of the country's main weaknesses: corruption.

## CSR in Brazil: promoting institutions and theoretical approaches

Historically philanthropy was not a prominent characteristic in Brazilian managerial culture. Until the beginning of the industrialization process and during it social concerns showed by businesses were occasional, erratic, heterogeneous and dependent on the State. It mostly presented an “assistencialist approach<sup>4</sup>” used to tackle immediate problems.

Philanthropy was a concept nearly restricted to the State due to the traditional role of Brazilian bourgeoisie, characterized by clientelism and not interested in contributing

<sup>4</sup> ‘Assistencialismo’ is a term usually understood as a pejorative concept form of assistance, in the sense that assistance offered would not be enough to help proper long term development and rather it is a minimum help short term based, that actually creates a dependency trap tending to perpetuate the situation.



to economic, political and social development (Rico 2004).

However during the 1960s views of CSR started to appear and they increased during the re-democratization period as a result of social movements and civil society organization. Among the 4 motivational forces of CSR presented earlier, the ethical approaches had an early impact. Later CSR views were pushed by political and social approaches. A historical evolution is presented below.

### **Ethical approaches: ADCE and FIDES**

We could agree that modern history of CSR in Brazil starts in the 1960s, when some pioneering companies started to organize around the issue. This came after a higher conceptualization of CSR during the 1950s at international level. In Brazil, the original motivations included Catholic commitment, good trade relations and pressures to comply with international standards.

The first organization to get involved with CSR in Brazil was the Associação de Dirigentes Cristãos de Empresas do Brasil (ADCE)<sup>5</sup> based in São Paulo. Its motivations were ethical with a focus on charity. It aimed at divulging a Christian vision of the business and at stressing the importance of personal and collective solidarity. In the same

ethical line worked Fundação Instituto de Desenvolvimento Empresarial e Social (FIDES)<sup>6</sup>, a business foundation created in 1986 very close to ADCE. Many of the founders were members of ADCE and thus they encouraged ethical principles (Griesse 2007).

### **Political approaches: AmCham and PNBE**

Following the two previous institutions, new entities entered the arena presenting pronounced political visions and claiming for a responsible use of power.

American Chamber of Commerce (AmCham) based in São Paulo promoted a vision of corporate citizenship, inspired by the enormous social inequality in Brazil. It intended to influence public policy by promoting private sector social actions in the local community<sup>7</sup> (Cappellin, Giuliani et al. 2004).

With the same political approach Pensamento Nacional das Bases Empresariais<sup>8</sup> (PNBE) was formed. PNBE has been an especially influential organization. It was created in 1987 during the re-democratization process and against the backdrop of the repressive power used by the military government. The PNBE was conceived in São Paulo by a group of young business leaders who wanted to contest the traditional view of

<sup>6</sup> Foundation Institute of Business and Social Development.

<sup>7</sup> For example, in 1982 AmCham-São Paulo instituted the 'Company in the Community Award' with the objective of encouraging and highlighting good practices.

<sup>8</sup> National Thinking of the Entrepreneurial Bases.

<sup>5</sup> Christian Business Executives Association. This organization is a branch of the International Christian Union of Business Executives (UNIAPAC).

the Federation of Industries in the State of Sao Paulo (FIESP). They recognized a conflict among social, economic and political interests and recommended a 'social pact' on the base of dialogue and bargaining, and proposed prioritizing national interest over entrepreneurial gains. They constituted the first attempt to mobilize business at national level (Cappellin, Giuliani et al. 2004).

### **Integrative approaches: GIFE, Fundação Abrinq, Instituto Ethos**

After the fall of the military dictatorship, the Constitution promulgated in 1988 moved towards the decentralization of responsibilities to municipalities and stimulated the cooperation between public and private to tackle the deficit in the welfare state. In this context the "S System" was ratified.

It would be in the 1990s when a new perspective took over and the attention turned to response to social claims. Understanding of 'collective welfare' changed from a state-only responsibility to a new perspective where business should complement. This new focus was partly a consequence of the social sequels of the lost decade in the 1980s.

During this period 'corporate community investments' increased and consolidated. Sporadic community actions started to leave way to further structured programs and company foundations proliferated and they professionalized practices.

United Nations Summit in Rio de Janeiro in 1992<sup>9</sup> and a government program under Cardoso's mandate named 'Mãos à Obra Brasil' in 1994 helped to enlarge the partnership between state and society. This program stimulated a joint work towards reduction of social inequalities and contributed strongly to the development of the Third Sector (Cappellin, Giuliani et al. 2004).

In this context, the Grupo de Institutos, Fundações e Empresas<sup>10</sup> (GIFE) was created in São Paulo in 1995. It rooted its origins to a philanthropy discussion group started in 1989<sup>11</sup>. GIFE spread a new perspective on business interests in promoting social practices and became the first association in Latin America to finance social projects. Ever since, GIFE objective has been to work with the state on programs to decrease social inequality (Cappellin, Giuliani et al. 2004). Today GIFE has become a main player in the conceptualization and implementation of 'Private Social Investment' (ISP)<sup>12</sup>.

Among all the new created foundations, Fundação ABRINQ<sup>13</sup> played

<sup>9</sup> The summit adopted the view of sustainable development and promoted, among many others, the Agenda 21 approach as a collaborative work between private and public actors as a way to development.

<sup>10</sup> Group of Institutes, Foundations and Enterprises.

<sup>11</sup> In this group was actively involved the Kellogg Foundation.

<sup>12</sup> By its Brazilian initials 'Investimento Social Privado'. It includes Corporate Social Investment.

<sup>13</sup> Foundation of the 'Associação Brasileira dos Fabricantes de Brinquedos', i.e. is the Brazilian Association of Toys Manufacturers. The Foundation has exceeded toy industry

a main role during this period. It was created in 1989 and took as its motto children's rights. It also promoted an early movement of ethical consumption, a theory that later literature has explored under the name of 'ethical consumers, political consumers and market citizens' (Micheletti 2003). The leading role played by ABRINQ was strongly influenced by its founder, Oded Grajew.

Oded Grajew was born in Tel Aviv and migrated to Brazil at the age of 12. He attended the best universities in Brazil and made success as a businessman building strong ties to political and the economic elites. During the re-democratization he was an active figure within the PNBE and the new vision of businessmen involvement (Falconer 2004).

In 1997-1998 Oded Grajew, during a sabbatical year, travelled to Europe and the United States and joined the Business for Social Responsibility<sup>14</sup> (BSR) meeting in the USA in 1998. BSR was one of the largest CSR networks in the country. Upon his return to Brazil he engaged a number of colleagues, the majority old partners from the PNBE, and created the Instituto Ethos

establishing a strategic alliance with BSR (Raufflet 2008)<sup>15</sup>.

The Instituto Ethos exemplifies one of the most successful world experiences of positive deviance<sup>16</sup> towards CSR. The institute is de facto a think tank dedicated to promote CSR and to help companies in the implementation. Along the years Ethos has created a vigorous bridge of dialogue among private companies and between the private and the public sector. It has conducted extensive research in the area and has developed a framework to manage CSR on the basis of indicators. This way it has managed to operationalize theory into practical work, which is one of the greatest challenges of CSR. Moreover it has tailored its framework to meet industry needs and has developed sectorial adaptations.

Although it is undeniable that Ethos was born from a political approach as its founders understood that private sector was the most powerful sector in society and firms were able to mobilize large financial resources and exert a strong influence over media and government (Aguilar-Platas and Raufflet 2010), its course of action

---

boundaries and has received support from UNICEF and developed partnerships with the government.

<sup>14</sup> Business for Social Responsibility is a non-profit membership-like organization founded in 1992 that at the time focused on raising awareness in the business community about the importance and validity of CSR in the USA. More recently, it has strategically focused in consulting for large companies and has grown global with presence in Asia, Europe, North America and South America (<http://www.bsr.org>, accessed in June 2012).

---

<sup>15</sup> Later Oded Grajew would be called by President Lula to play a role as president advisor, although it would be just for a short period. He has also been one of the founders and promoters of the World Social Forum, as an alternative to the World Economic Forum.

<sup>16</sup>The issue of positive deviance is treated extensively by Aguilar-Platas, Raufflet (2010) applied to the case of Ethos. The concept is originally taken from sociology and it implies a mutation or adaptation that eventually contributes to changes in patterns of life in society (Ben-Yehuda 1990; Goode 1991).

quickly moved to an integrative approach as it introduced in its framework the ‘issues management theory’ and the ‘stakeholder management theory’.

Ethos has managed to gather under its membership over 1.200 enterprises, small, medium and big, that account roughly for the 35% of Brazilian GDP and employ around 2 million workers<sup>17</sup> (Aguilar-Platas and Raufflet 2010). Its influence extends over borders and it is considered the most influential CSR entity in Latin America. As Ethos has expanded it has endorsed some visions closer to instrumental approaches as a strategy to introduce the concept in the businesses routine and later help them move toward superior approaches.

### **The Balanço Social and Betinho**

Balanço Social is an influential force specific only to Brazil. This force is related to the sociologist Herbert de Souza “Betinho” and IBASE, the Brazilian Institute of Social and Economic Analyses.

The IBASE is a civil society organization and has been an active player in Brazilian socioeconomic life since its creation in 1981. It has promoted active citizenship among individuals and enterprises and one

of the six lines that guide its work is developing alternatives to development and creation of new paradigms<sup>18</sup>.

Two facts make Herbert de Souza and the IBASE particularly important in terms of CSR.

The first is that Herbert de Souza has been regarded as one of the first to call the attention towards including the private sector into the solution of social problems and so he started some hunger and HIV campaigns supported by business leaders<sup>19</sup>.

The second is its Balanço Social. Balanço Social is an informative statement of the social actions undertaken by companies. In 1997 Herbert de Souza launched a campaign for companies to publish the document following a suggested pattern. The objective was to standardize the information published and make comparison easier. The precedents of this Social Statement<sup>20</sup> date back to the Social Statements required by law in France and to other European countries. The initiative achieved substantive repercussion during the mid-2000s and a number of companies started

<sup>18</sup> <http://www.ibase.br> as accessed in June 2012.

<sup>19</sup> Probably one of the most influential campaigns by Herbert de Souza was ‘Ação da Cidadania contra a fome, a miséria e pela vida’ created in 1993, committing a number important figures of Brazilian society towards the objective of mobilizing all segments of society to contribute to solve the problems of famine and poverty. The program still continues to work today on the basis of regional committees.

<sup>20</sup> Balanço Social is understood as a complement to the Financial Statements and other statements included in the Annual Reports of a company.

<sup>17</sup> GDP and employment figures refer simply to the addition of those of associates, irrespective of their level of involvement and implementation of CSR practices. Ethos follows a loose scheme of membership as the only requisites are to pay an inexpensive fee, take part in some of its activities and do not use its logo with advertising objectives.

to use it<sup>21</sup>. One of its main advantages was to be very synthetic, concentrated in just one page. More recently, in 2008 IBASE ended awarding the hallmark and other international standards and certifications have gained ground.

### Other relevant institutions

Other organizations working in the area of CSR although less relevant to this paper are CIVES<sup>22</sup> (focused on democratization processes, social advocacy and business ethics) and CEBDS<sup>23</sup> (focused on environmental issues).

Some recent evolutions of CSR have moved towards the direction of increasing enforceability. A great amount of new entities have emerged in Brazilian civil society, sometimes organically linked to business sectors, looking to ensure observance of CSR practices. One of these entities is Akatu created in 2000 under the Ethos umbrella. It is an organization working for 'responsible consumption' aka 'market citizenship'. Other movements have encouraged active discussion on controversial topics like 'Forum Amazonia'<sup>24</sup>, 'Forum Clima'<sup>25</sup>, Movimento Empresarial pela

Conservação e Uso Sustentável da Biodiversidade<sup>26</sup> or focus on supervision like Empresa Pro-Etica, an initiative by Ethos and governmental institutions to fight corruption.

Codes of conduct and international standards further shape CSR context in Brazil (GRI, Dow Jones Sustainability Index, SA8000, ISO 14001, Demonstração do Valor Adicionado<sup>27</sup>, UN Global Compact and so forth), however they are not a main focus of this paper<sup>28</sup>. Notwithstanding, standard ISO 26000 deserves a quick reference. ISO 26000 is the international standard for Social Responsibility by International Standardization Organization (ISO) and it was launched in Brazil in December 2010. Brazil was a key player in its development. The working committee was conducted by Sweden and Brazil. The standard was finished after eight years of difficult work with over 90 countries. It involved representatives from industries, governments, workers, consumers, NGOs, academic, research

---

and to the dialogue between enterprises and government.

<sup>26</sup> Movimento Empresarial pela Conservação e Uso Sustentável da Biodiversidade or Business Movement for Conservation and Sustainable Use of Biodiversity.

<sup>27</sup> Demonstração do Valor Adicionado or Added Value Statement is a distinctive Brazilian Financial Statement, promoted by IBASE which has been claimed to be better oriented towards stakeholder reporting than Income Statement since it shows how value creation is allocated to the different groups of stakeholders (employees, government, financial agents and shareholders) rather than only report for shareholders.

<sup>28</sup> For a review on the adoption of the different standards in Brazil see (Rodrigues 2005).

<sup>21</sup> An extensive database of all certified statements is kept under <http://www.balancosocial.org.br>.

<sup>22</sup> Associação Brasileira de Empresários pela Cidadania or Brazilian Association of Entrepreneurs for Citizenship.

<sup>23</sup> Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável or Brazilian Business Council for Sustainable Development.

<sup>24</sup> It gathers various sectors of Brazilian society around sustainable development in the Amazon region.

<sup>25</sup> It aims to contribute to the reduction of polluting emission

and consultancy institutions. The standard can be voluntary implemented and so far does not accept certification or external verification. Its repercussion is still difficult to evaluate given its early stages.

## CONCLUSIONS AND FINAL REMARKS

RSC emerged in Brazil in the decade of the 1960s, pushed by the international development of the topic although with the time lag of roughly a decade.

Early institutions adopted ethical approaches over which they based the promotion of CSR. Later, CSR developed a sounder body and enterprises were increasingly seen as a key contributor to the Welfare State due to a historical tradition of weak State presence and an active participation of the social movements and labour unions during the re-democratization process. In this sense an increasing political approach was evidenced. Short after, this political approach was complemented by an integrative approach and focus was placed into developing working schemes to actively implement RSC practices in companies.

In summary, we could agree on a time classification of predominant CSR approaches in Brazil:

- 1) 1960s-1970s: ethical approaches, limited impact, influenced by Christian values.
- 2) 1980s: political approaches,

influenced by the re-democratization process; turning point in business mentality and democratic view of society.

3) 1990s: integrative approaches, worried about social problems and increasing attention to respond to them.

4) 2000s: growing adherence of companies to CSR practices; as CSR became less restricted to pioneer actors with strong commitment, a blurring of approaches is happening and instrumental approaches have gained weight.

We could state that CSR is still a growing “minorstream”<sup>29</sup> paradigm in Brazil that has been reinforced by a great commitment of some national firms and businessmen.

It must be said, in addition, that research has evidenced that Brazil stands out as a reference of RSC in the area of Latin America and thus multinationals are called to respond to it in order to maintain legitimacy and build further value.

In particular, Brazil presents a higher degree than other countries in Latin America of company involvement in community issues and collaborative work. This has resulted in social programs elaborated by companies and frequently operated together with nonprofits, community associations or other corporations. Turitz and Winder (2005) presented evidence in this sense

<sup>29</sup> As opposed to the mainstream stockholder value maximization paradigm.

as they found a larger participation of business leaders and corporations in the creation of foundations (in particular they calculated that business contribution to the creation of foundations in Brazil was over 61%, when just 23% in Mexico, the second main economy in the area).

Having said that, Brazilian society expects an active role of multinational companies in the debate of development at all levels. Brazil continues to be one of the most unequal areas in the world and actions are expected to address this fact. Social inequality remains a main problem.

However a generally accepted framework for action is not developed enough at the international level. Measurement of results has advanced but the methodology is still insufficient. It is to be explored whether knowledge from adjacent fields, like international cooperation, can be adopted and adapted to the business frame. In this sense social investment is expected to become more strategic and committed to the long term and thus Corporate Community Investments must grow from traditional philanthropic visions.

Government and civil society need to find action levers to make companies commit to higher levels of responsibility. Fiscal incentives have proved efficient in some cases but they promote instrumental approaches and may be not beneficial in the long term.

Positive deviance examples like Ethos have proved effective.

More recently new CSR theories have emerged which focus in ethical consumption. Social responsible investments are also gaining ground at global level. Most probably it is necessary to push CSR in all fronts to increase its chances to contribute to a socioeconomic model. However materializing theory into practice is one of the most complicated parts of CSR and companies are called here to play a main role. Future research may focus on measuring the scope of the CSR. For this aim, it is sensible to think that this is to be done at industry or company level, and investigating the changes in the managerial structures motivated by CSR.

## REFERENCES

AGUILAR-PLATAS, A. and RAUFFLET, E., 2010. Positive deviance and corporate social responsibility (CSR): The experience of Ethos in Brazil. *Innovar*, 20(37), pp. 21-32.

ALFORD, H. and NAUGHTON, M., 2002. 'Beyond the Shareholder Model of the Firm: Working toward the Common Good of a Business', in S. A. Cortright and M. Naughton (eds.), *Rethinking the Purpose of Business. Interdisciplinary Essays from the Catholic Social Tradition*. Notre Dame University Press, Notre Dame, pp. 27-47.

ASSUMPCÃO, M., ÁLVARO MOISÉS,

J., SACCHET, T. and TRYGSTAD, S., 2008. CSR in two countries: Brazil and Norway.

BEN-YEHUDA, N., 1990. Positive and negative deviance: More fuel for a controversy\*. *Deviant Behavior*, 11(3), pp. 221-243.

CAPPELLIN, P., GIULIANI, G.M. and UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT, 2004. The political economy of corporate responsibility in Brazil: Social and environmental dimensions. United Nations Research Institute for Social Development.

CARROLL, A.B., 1979. A three-dimensional conceptual model of corporate performance. *Academy of management review*, pp. 497-505.

CARROLL, A.B., 1999. Corporate Social Responsibility: Evolution of a Definitional Construct. *Business & Society*, 38(3), pp. 268-295.

DAVIS, K., 1973. The case for and against business assumption of social responsibilities. *Academy of Management Journal* (pre-1986), 16(000002), pp. 312.

DE HOLANDA, S.B., 1998. Raízes do Brasil. Companhia das Letras.

DONALDSON, T. and DUNFEE, T.W., 1999. Ties that bind: A social contracts approach to business ethics. Harvard Business Press.

EPSTEIN, E.M., 1987. The corporate social policy process: Beyond business ethics, corporate social responsibility, and corporate social responsiveness. *California management review*, 29(3),

pp. 99-115.

FALCONER, A., 2004. Oded Grajew: A new type of Business Leadership is possible. The Synergos Institute.

FREEMAN, R.E., 1984. Strategic management: A stakeholder approach.

FRIEDMAN, M., 1970. The Social Responsibility of Business is to Increase its Profits. *New York Times Magazine*, September 13th.

GARRIGA, E. and MELÉ, D., 2004. Corporate Social Responsibility Theories: Mapping the Territory. *Journal of Business Ethics*, 53(1-2), pp. 51-71.

GOLDMAN SACHS, 2011. Population Growth and Ageing in the BRICs. *Brics Monthly*, 31 May, 11/05.

GOODE, E., 1991. Positive deviance: a viable concept? *Deviant Behavior*, 12(3), pp. 289-309.

GRIESSE, M., 2007. The Geographic, Political, and Economic Context for Corporate Social Responsibility in Brazil. *Journal of Business Ethics*, 73(1), pp. 21-37.

HARRISON, R., NEWHOLM, T. and SHAW, D., 2005. The ethical consumer. Sage Publications Ltd.

KOWSZYK, Y., COVARRUBIAS, A., GARCIA, L., 2011. El estado de la responsabilidad social empresarial en America Latina 2011 Percepciones de los consumidores y ejecutivos de empresas. Red Forum Empresa.

LEVITT, T., 1958. The dangers of social responsibility. *Harvard business review*, 36(5), pp. 41-50.

MACEDO, M.A.S., CÍPOLA, F.C.



and FERREIRA, A.F.R., 2010. Análise do desempenho organizacional sob as perspectivas socioambiental e de imagem corporativa: um estudo apoiado em DEA sobre os seis maiores bancos no Brasil. *REGE Rev.Gest.*, pp. 1-16.

MATTAR, H., ITACARAMBI, P., 2009. Práticas e perspectivas da Responsabilidade Social Empresarial no Brasil. INSTITUTO ETHOS, AKATU, IBOPE.

MICHELETTI, M., 2003. Political virtue and shopping: Individuals, consumerism, and collective action. Palgrave Macmillan.

MITCHELL, R.K., AGLE, B.R. and WOOD, D.J., 1997. Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of management review*, pp. 853-886.

NERI, M.C., 2012. De volta ao país do futuro: Projeções, Crise Européia e a Nova Classe Média. Rio de Janeiro: Fundação Getulio Vargas/CPS.

OBSERVATORIO RSC, 2010. Valoración de la responsabilidad social de las empresas españolas en América Latina. Argentina, Brasil, Chile, México y Perú. Observatorio de Responsabilidad Social Corporativa.

PARSONS, T., 1961. An outline of the Social System. In: T. PARSONS, E.A. SHILS, K.D. NAEGLE and J.R. PITTS, eds, *Theories of society*. 1961 edn. New York: Free Press.

PHILLIPS, R., FREEMAN, R. and WICKS, A., 2003. What Stakeholder Theory is Not. *Business Ethics Quarterly*,

13(4), pp. 479-502.

PORTER, M.E. and KRAMER, M.R., 2002. The competitive advantage of corporate philanthropy. *Harvard Business Review*, 80(12), pp. 56-68.

PORTER, M.E. and KRAMER, M.R., 2011. The Big Idea: Creating Shared Value. *Harvard Business Review*, 89(1, 2), pp. n/a.

PRAHALAD, C. K. and HAMMOND, A., 2002. Serving the world's poor, profitably. *Harvard Business Review*, 80(9), pp. 48-57.

QUADROS, R., 2008. Estudo Comparativo entre o estado da arte e o estado da prática em responsabilidade social corporativa na indústria de petróleo e gás, Universidade Federal Fluminense.

RAUFFLET, E., 2008. Creating the context for Corporate Responsibility, the experience of Instituto Ethos, Brazil. *The Journal of Corporate Citizenship*, 30, pp. 95-106.

RICO, E.M., 2004. A responsabilidade social empresarial eo Estado: uma aliança para o desenvolvimento sustentável. São Paulo em perspectiva, 18(4), pp. 73-82.

RODRIGUES, M.C.P., 2005. Avaliação da Gestão Social nas Empresas: Desafios e Possibilidades. *Anais Eletrônicos do XXIX Encontro Anual da ANPAD*.

SCHERER, A.G. and PALAZZO, G., 2011. The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and its Implications for the Firm, Governance, and Democracy. *Journal of Management Studies*, 48(4), pp. 899-931.

STOLZ, I., 2010. International and Intercultural Perspectives on Corporate Citizenship: A Meta-Synthesis,SGOCI Working paper [pdf] Available at: <[http://sgoci.org/international\\_corporate\\_citizenship.pdf](http://sgoci.org/international_corporate_citizenship.pdf)> [Accessed 10 May 2012]..

TURITZ, S. and WINDER, D., 2005. Private Resources for Public Ends: Grantmakers in Brazil, Ecuador and Mexico. *Philanthropy and social change in Latin America*, 16, pp. 255.

TUZZOLINO, F. and ARMANDI, F., 1981. A need-hierarchy framework for assessing corporate social responsibility. *Academy of Management. The Academy of Management Review* (pre-1986), 6(000001), pp. 21.

VOGEL, D., 1986. The study of social issues in management: A critical appraisal. *California management review*, 28(2).

WOOD, D.J., 1991. Corporate social performance revisited. *Academy of management review*, pp. 691-718.

WOOD, D.J. and LOGSDON, J.M., 2002. BUSINESS CITIZENSHIP: FROM INDIVIDUALS TO ORGANIZATIONS. *Ruffin Series in Business Ethics*, pp. 59-94.

## **Jose Antonio Sanchez-Rodriguez**

Professor da Faculdade Ciências Econômicas e Empresariais da Universidade Nacional de Educação a Distância (UNED, Espanha) e Pesquisador do Laboratório de Responsabilidade Social (LARES) da Universidade Federal do Rio de Janeiro.