

Corporate Social Responsibility in ASEAN:

Case Study ASEAN CSR Network

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Abstract—Corporate Social Responsibility (CSR) is a form of corporate obligation to restore the social welfare of the community. Some studies on CSR usually only focus on corporate commitment to CSR, only a few focuses on CSR institutions. This research wants to examine CSR advocacy at the regional level which conducted by ASEAN CSR Network (ACN) especially collaboration network scheme and management pattern carried out by ACN in order to realize the ASEAN Community. This research use interdisciplinary methodologies which are legal normative and communication method. Authors not only gather international legal norms on CSR but also to analyse behaviour and perceptions of corporations in carrying out CSR in light of communication science. The results obtained from this study are the cooperation schemes in ACN are membership, strategic and corporate partnerships, and donors. The pattern of CSR management in ACN is through the appointment of agents for membership schemes, non-financial assistance for strategic partnerships, and mutual cooperation for corporate partnerships, utilization of non-corporate funds for routine financing.

Keywords: CSR, ASEAN, ACN

I. INTRODUCTION

In general, philanthropy is all charity activities from individual and communities in the form of goods and services which conducted for public interest. Furthermore, in philanthropy there are four important elements which are needed to mention, namely, voluntary, personal (non-state), a gift, and public interest [1]. CSR is form of philanthropy that performed by corporates to indicate their social concern.

Historically, CSR is a concept that has generally grown and evolved, especially in the United States. Starting from the end of the 19th Century, the business world began to think about the welfare of its employees and the impact of their presence in the community [2]. The concept of CSR can be traced back to 1953 when Howard Bowen issued a book entitled "Social Responsibilities of the Businessman". Howard Bowen argues CSR refers to the obligation of businessmen to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society [3].

Currently, CSR concept is adopted by multinational companies (MNC) in order to carry out long-term goals. This is encouraged so that MNC's has always been seen from how the company obtained its wealth compared to how they issued it. MNC begin to carry out their business activities responsibly, namely how their existence can benefit both internally and externally [4].

The above-mentioned phenomenon also occurs in MNC's at the Southeast Asian level. Therefore, the Association of South East Asian Nations (ASEAN) makes business responsibilities as a relevant issue. In addition, the issue of negative impacts arising from business activities such as corruption, slavery, environmental damage and social inequality also adds to the reason why CSR issues are important at the regional level [5].

Establishment of the ASEAN CSR Network (ACN) in 2011 is a kind of the way how the ASEAN responded this issue. ACN was initiated by The ASEAN Foundation with the mission of promoting business activities that are responsible for achieving sustainability, equality and social inclusion, environmental and economic development. The existence of ACN becomes more important in order to realize these missions. ACN is a regional cooperation platform in terms of implementing CSR, capacity building, information exchange and linkages between the business world with ASEAN and other international organizations [6].

Therefore, it is very interesting to study how ACN institutionally conducts its activities in order to increase the commitment of MNC's to its internal and external factors. Based on the background of the problems mentioned above, the problems that will be examined in this study are:

- How ACN carried out its CSR collaboration network scheme?
- How CSR pattern of managing in ACN in order to realize the ASEAN Community?

II. METHOD

This study uses an interdisciplinary approach namely legal normative and communication science especially public relation. Authors use legal normative approach to examining

international law norms related to CSR. In this research, the norms are listed in several legal instruments, namely:

- The UN Sustainable Development Goals,
- The Ten Principles of the UN Global Compact,
- The UN Guiding Principles for Business and Human Rights,
- The ISO 26000 Guidance on Social Responsibility, and
- The ILO Tripartite Declaration of Principles concerning Multinational Interventions and Social Policy (MNE Declaration).

In the public relations approach, it will be found out how the creation and maintenance of the image of companies, institutions, governments, and well-known figures established. In this case, the subject that will be seen is MNC's and ACN as an officially affiliated institution with ASEAN which conducts CSR advocacy.

III. RESULTS AND DISCUSSION

A. ACN Cooperation Network Scheme

ACN is a platform at the regional level that supports CSR in Southeast Asia. Recognition of the ACN function is confirmed by the position of ACN as a non-governmental organization that is officially accredited in ASEAN [7]. This status, give ACN as only one non-governmental organization recognized by ASEAN to carry out CSR issues in ASEAN.

The concept of CSR is already well-known by member states of ASEAN but is still limited by ethical and religious issues. Furthermore, developments of CSR show that the international community introduces CSR concept to the MNC's in all over the world. Therefore, application of CSR to business entities is a factor that comes from outside ASEAN.

ACN was formed in order to respond development of CSR that came from outside ASEAN. Currently, evolution of CSR concept is integration between business interests and other factors such as social, environmental, ethical, human rights and consumer protection into corporate actions. Therefore, ACN's vision, mission and goals are encouraged to integrate into all of these instruments.

ACN create a network scheme of cooperation to realize the vision, mission and objectives. The implementation of ACN program will involves at least four actors, namely the business world, academics, government and civil society. This is in accordance with the Quadruple Helix theory which involves these four actors in carrying out social transformation [8]. This theory is evolution from the triple helix model that only involved three actors, namely academicians, business people and government. As a part of civil society, the role of ACN is very significant to foster attention to CSR issues at the Southeast Asian level.

Public participation such as ACN will be able to accelerate the vision of CSR in ASEAN because ACN's main target is to engage MNC's so that they can balancing between business benefit and social goals. The cooperation between ACN with

civil society in ASEAN can provide reinforcement and also a form of corporate supervision in conducting its business.

In the ACN internal provisions, the model business is through membership, partnerships and donors. The data from 2017 show some donors which have been cooperated with ACN are the Swedish International Development (SIDA); the UK Foreign and Commonwealth Office's Prosperity Fund; the Rockefeller foundation; Government of Canada Membership in ACN comes from entities originating from ASEAN member countries [9]. Until now ACN members come from 7 ASEAN member countries. Five ACN members are founders while the other two institutions are additions.

The membership form is carried out by the mechanism of membership fees that paid annually. Compensation obtained by members is that they will be involved in activities carried out by ACN at the regional level. In addition, members are also given self-capacity strengthening in accordance with the capacity or focus of the institution's concentration.

The program usually proposed by each of ACN member then it will be harmonized with the vision, mission and goals of the ACN. At practice, each of ACN activity carried out in territorial of ASEAN members will be collaborated with members from that country. Thus, the form of cooperation undertaken by ACN with members is through projects that have become part of the planned program set by ACN.

Based on ACN's data, the involvement of civil society in its activities succeeded in attracting 30,000 companies to engage in CSR activities in the form of strengthening the campaign for responsible business activities [10].

The second pattern of cooperation is partnership [11]. This pattern is divided into two, namely strategic partners consisting of educational institutions, government and non-governmental organizations. This pattern is to build a network and strengthen CSR but in form of non-financial assistance. The collaboration is carried out by looking at the common vision and mission between ACN and strategic partners.

The existence of this partnership will expand the range of ACN impacts. In addition, this cooperation model will internally strengthen ACN's competence in realizing responsible business within ASEAN. The network will also have an impact on ACN's voice at regional and international levels. Partnerships with international civil society organizations will increase ACN credibility as an institution that advocates CSR issues.

The form of corporate partnerships is carried out with millionaires and MNC's. The corporate partners are charged a fee of S \$ 5,000 year. ACN's corporate partners are also required to have a commitment to conduct responsible business. This is can be proof by looking its profile and their activities at the national level and has signed the United Nations Global Compact [12].

However, business partners also get benefit from being a member [13]. They will be involved in leadership activities through sharing of leaders at the regional and international levels and capacity building through trainings conducted by ACN. The objective of leadership activities and capacity

building to company is to change company mind-set to become a responsible corporation in accordance with international rules.

Second advantage is networking. In the ACN profile stated that by becoming an ACN corporate partner it will increase the number of partner networks to collaborate with other actors. The goal is collaboration in conducting CSR with many targets so that it easily to adjust corporate goals.

Third advantage is increasing company profile. Being a corporate partner of ACN can give a positive image to the company profile. Improving the company's image is carried out through existing ACN networks and participating in conferences both regional and international levels. However, it should be remembered, CSR is a social action without any frills about the company's profile. If CSR concept unchanged which to boost company profile, it will make CSR just like another form of marketing.

Fourth advantage is strengthening human resources capacity. ACN promises that corporate partners will be given effective knowledge and related skills to responsible corporations in accordance with international rules. This points actually an important issue because companies need to be given correct information about CSR concepts that are in line with international standards. Through ability and good knowledge, it will have an impact on the management of companies that deal with other stakeholders.

The last advantage is logo recognition. In fact, it's almost same as increasing profile. This commitment of profit will change the company's paradigm in doing CSR. They will see CSR in terms of company profits only. The analogy is that as long as the act will create a positive image for the company it will be done. So, if CSR or responsible business will provide benefit for companies, they will take that path. This is the weakness of the corporate partner model of ACN.

Third collaboration scheme is donor [14]. Donors are an urgent for ACN as a non-profit institution. The scheme works through accepting funding in each focus of the campaign they do. Fund or financial supports from these donors are used by ACN to carry out their activities. Funds obtained by ACN from donors will be reported annually in annual reports audited by international agencies.

A donor from other institutions is a common model for civil society organizations. Its demarcation is about independence. Do not let the existence of external donors will eliminate the independence of ACN as a platform in realizing CSR at the ASEAN level. Therefore, the middle way that can be taken is by a work program. Donors that will be accepted by an institution are adjusted to the work program that is being carried out. Thus, the donor agencies that will finance will also adjust to the work program that they are doing. Thus, a meeting point that can be used is the similarity of work programs.

If look the ACN annual report, donor agencies that provide funding is vary [15]. This means there are no fixed institutions. This is also one way to eliminate dependence on certain institutions. Donor change in ACN is an adjustment of ACN's focus that changes in each period by referring to the vision, mission and goals of ACN.

In carrying out its activities, ACN is guided by the standards set by the international community. ACN is committed through signing the UN Global Compact; declare support for anti-corruption actions as evidenced by the ACN employee code of conduct; employee welfare by making Fair Employment Practices. This was done by ACN as a form of self-internalization of standards set by the international community.

For external activities, ACN collaboration has also referred to several provisions regarding the form of responsible business. This refers to the three focus areas of ACN's work, namely business integrity, business and human rights and environmentally sustainable [16].

Regarding business integrity, ACN refers to the 10 principles set out in the UN Global Compact. These principles were issued to encourage the business world to adopt the concepts of sustainability and social responsibility in conducting business. In order to realize the concept of a responsible business world, at least four areas must be considered, namely human rights, labour, environment and anti-corruption.

For business and human rights, ACN use the international human rights bill of rights, i.e. UDHR 1948, ICESCR and ICCPR and also the UN Guiding Principles for Business and Human Rights. The guiding principles for the business with human rights are the results of the Special Secretariat General's report on human rights and transnational corporations. The expected result is that by following the standards of the business world, human dignity can be realized in carrying out their work.

The companies must also think about a sustainable environment. This is based on the idea that the current environment is a legacy that must be passed on to the next generation. Companies, especially related to natural resources, must think about how the environment is sustainable due to the business activities carried out. Thus, the earth will be maintained and human existence will still remain.

B. The Management Pattern of CSR in ACN

The ASEAN Charter was successfully signed by the ASEAN member countries on November 20, 2007. The existence of the ASEAN Charter has changed the orientation of the organization. At the beginning the ASEAN concentration was more focused on state entities, but now it has evolved to focus more on realizing the ASEAN community through interactions between people to people. In this context, ACN has a significant role to realize the ASEAN community.

In the 2009 on the ASEAN Socio-Cultural Community Blueprint, especially Section C.3 Promoting CSR, ACN continues to work [17] with different partners to improve the ability of the mission to "ensure CSR is included in the company's agenda and to contribute towards sustainable socio-economic development in ASEAN Member Countries".

Increased economic growth and per capita income at the regional level make ASEAN a prima donna for investment from outside ASEAN members. The presence of multinational companies at the regional level also boosted ASEAN's

credibility as a new region to increase company growth. The existence of these developments must also be able to realize the welfare of the ASEAN community. Therefore, companies that conduct business in the ASEAN region must be given an understanding of responsible business.

ACN was born as a platform to campaign for businesses with integrity, to realize sustainable human rights and environmental protection. In carrying out its activities ACN has the main principles of being a credible organization, liaison and regional perspective. Therefore, it is very important to see how ACN in managing CSR in ASEAN.

As an ACN network, it creates change by influencing and working with a variety of actors, ranging from ASEAN bodies, ASEAN member countries to the private sector, civil society and international organizations, which have the power to influence the course of business. It provides a platform for networking and cooperation at the ASEAN level supports capacity building and training activities, helps catalyse leadership thinking and collective action on CSR and related key issues including business integrity, business and human rights, gender equality, and environmental security [18].

Since its establishment, much has been achieved in mainstreaming CSR practices through Network efforts in developing and implementing the "ASEAN CSR Vision 2020". The principles of sustainable development and CSR are in the three pillars of "ASEAN 2025: Forging Ahead Together".

ACN is an International Charity Organization registered in Singapore and accredited in ASEAN. Together with participating organizations from ASEAN countries, ACN has outreach of more than 30,000 companies, business associations, and Civil Society Organizations (CSOs). Currently the priority areas are business integrity, business and human rights, food security and sustainable agriculture, and access to finance [19]. In managing CSR funds, CAN receives CSR funds from ACN cooperation partners consisting of various business actors. The business actors are committed to including CSR as part of their company activities. In a data presented by Zulkifli as a Minister of the Environment mentioned that of the 3 ASEAN countries at least 90% of the 400 large companies have made CSR as part of their company activities.

Authors found that ACN does not work by collecting CSR funds of companies then given in the form of development activities carried out in each ASEAN member country. The meaning of the management carried out by ACN is that the institution has a vision, mission and goals to create a responsible business in ASEAN. This fact needs to be explained so that the meaning of the term CSR management is not misunderstood.

The pattern of CSR management carried out by ACN is closely related to the collaboration network scheme that has been built. As explained above, the collaboration scheme carried out by ACN is membership, partnership and donors. Thus, the management of CSR in ACN will also be different in each cooperation scheme determined by ACN.

At the level of membership cooperation, CSR management is carried out by making members from ASEAN member

countries as a local agent for ACN. However, the relationship is not like the agent's relationship with the principal. Each member and ACN remains a difference and separate entity. The meaning of the agent in this case is that the implementation of CSR in the local area (member area) is carried out by the ACN members. This management mechanism is carried out through proposals for activities that have a common perspective.

For the cooperation with partnership model, CSR management depends on the type of partnership that is carried out. Strategic partners are carried out by strengthening the capacity of the business community for responsible business activities carried out together with government agencies and civil society. The management carried out is non-financial so in the form of providing materials about CSR.

CSR management for corporate partners actually carried out reciprocally. Corporations pay dues while corporations will get five rewards, ranging from strengthening leadership to acknowledging the company's logo. This form of management will look as if it will receive benefits, even though the one who gets more profit is the corporation itself.

CSR is a form of sincerity so there is no need for compensation to be received by the business world. The problem is the practice of CSR in each country is different; some are obligatory as in Indonesia practice and voluntary as in Singapore. Therefore, for the CSR management model, ACN's corporate partners need to change the form of appreciation given so that it is easier to identify that what is done by the business world is a form of CSR not part of promotion.

Based on the donor collaboration model, ACN opens for institutions that have the same focus of activities to collaborate. The funds obtained so far have been used by ACN to finance annual routines. Funds from donors received are not CSR funds but come from civil society and the government. However, it needs to be further examined whether these funds are purely public funds or actually come from the business world as well. This is especially true for donor funds from civil society foundations.

According to ACN cooperation agreement scheme, management of CSR in ACN is divided into three, namely appointing agents for member schemes, strategic non-financial assistance partnerships, corporate partnerships are carried out based on mutual agreements but rather gives greater clappiness to corporations than ACN. Therefore, ACN must change the pattern of CSR management for corporate partner cooperation schemes. For donor schemes, ACN must maintain not receiving CSR funding from corporations, in addition to disrupting its independence it also decreases the credibility of ACN's strong liaison.

IV. CONCLUSION

Based on the above research, authors conclude cooperation schemes in ACN are membership, strategic and corporate partnership and donors. The pattern of CSR management in ACN is through the appointment of agents for membership schemes, non-financial assistance for strategic partnerships and

reciprocal cooperation for corporate partnerships, utilization of non-corporate funds for routine financing.

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