

# BUSINESS, SOCIETY & ETHICS

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## Strategic CSR

As you read the material for our next class, keep the questions below in mind. To answer these questions you will have to reflect critically on what you have read and possibly re-read important passages. Keep in mind that there are two basic kinds of information that you need to look for in the reading:

1. What are the main points or conclusions that an author accepts with respect to a particular issue?
2. What are the reasons, important considerations, and evidence that lead the author to accept that conclusion?

For our purposes, *it is information of the second sort that will be our primary concern* since our most basic task is to *evaluate the reasons and evidence* that are offered to support accepting one possible conclusion about an issue, rather than another.

Although I strongly suggest that you write out brief answers to these questions, you do not have to turn in written responses. You do, however, need to be prepared to speak intelligently about these issues at our next class meeting.

### Reading

- Porter, M. E., & Kramer, M. R. (2011, January/February). Creating Shared Value. *Harvard Business Review*, 89(1/2), 62–77.

### Comment

Porter and Kramer say “Creating Shared Value” (CSV) is radically different from “Corporate Social Responsibility” (CSR). This is a linguistic game. What they call “Creating Shared Value”, I will call “*strategic* CSR”; what they call “Corporate Social Responsibility”, I will call “*responsive* CSR”.

My desire is to use terms consistent with this course, where CSR refers to a general concern for a business to benefit its social and ecological environment. Understood in this way, “Creating Shared Value” is clearly a form of CSR.

### Questions

1. How do Porter and Kramer conceive of the relationship between business and society? Why do they believe this conception is one that businesses should embrace?
2. What is meant by “shared value”? How is creating shared value supposed to expand the scope of strategic thinking for a business?
3. In order to illustrate their strategic CSR approach, Porter and Kramer contrast the local development initiatives by Nespresso with fair trade purchasing (done by companies like Starbucks). What’s the difference? Which one has more strategic value for the business?