# Lecture 4

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# Social Responsibility Theories

#### 1. Amoral View

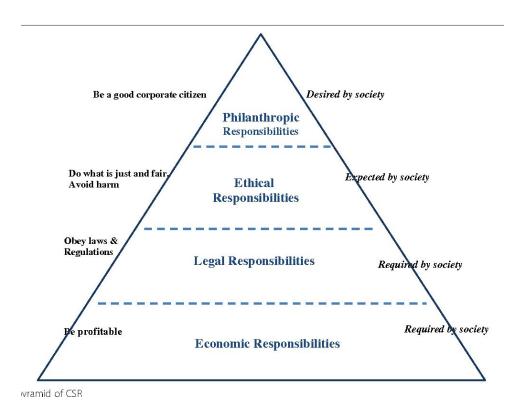
a. Traditional view of business as merely a profit-making entity.

#### 2. Personal View

a. Corporations are like people that can therefore be held accountable for their actions.

#### 3. Social View

a. Corporations are social institutions with social responsibilities



# Corporate Social Responsibility

- Economic responsibilities
- Legal responsibilities
- Ethical Responsibilities
- Philanthropic Responsibilities
- Corporate Social Responsibility

# Contemporary Corporate Social Responsibility Concepts

### Corporate

- Corporate activities demonstrating the inclusion of social and environmental as well as economic responsibilities in business operations as they impact all stakeholders.
- Five levels
  - a. Compliance driven
    - i. Following government regulations and responding to charity and stewardship considered appropriate by society
  - b. Profit driven
    - i. Consider social, ethical and environmental aspects of business operations insofar as they contribute to the bottom line.
  - c. Caring
    - i. Initiatives go beyond legal compliance
  - d. Synergistic
    - Well-balanced and functional solutions are sought that create value in the economic, social, and environmental areas that result in gains for all stakeholders.
  - e. Holistic
    - i. Full integration of corporate sustainability embedded in every aspect of the corporations activity as this important to the quality and continuation of life on this planet.

# Reputation

- Any effort to enhance the corporation's image and good name
  - a. Focus has moved away from media, PR, and crisis management to developing relations with all stakeholders
- Reputational management involves several stages in it development
  - a. Identify the desired perception of hte corp.
  - b. Recognize the significance of image with all stakeholders
  - c. Be aware of the influence of interactions with all stakeholders on the corps reputation

# Social impact

- Defined by the aspen institute as the field of inquiry at the intersection of business needs and wider social concerns that reflects and respects the complex interdependence of the two.
- Two aspects of society's influence on the corporation, and the corporation's influence on the social and environmental concerns of society

- Social impact management evaluates three aspects of business:
  - a. It's purpose
  - b. Social Context
  - c. Metrics

### Triple bottom line

- Evaluates a corporation's performance according to a summary to the economic, social, (ethical) and environmental value the corporation adds or destroyed.
- Now forms the basis for corporate reporting of economic, ethical, and environmental responsibilities.

### The Natural Environment and Business

- Every selector of business in every country leaves an environmental impact

#### Standard Environmentalism

- Occurs when government regulation/interventions is required to remedy the market's failure to provide sufficient environmental protection.

#### Market Environmentalism

- Occurs when economic incentives created by the market are more effective at protecting the environment than government intervention

# Government

- Bureaucrats
- Politicians
- Bungling
- Inefficient
- Ineffective
- Waste
- Taxes
- Smoke & mirrors
- Cover-ups
- Publicity
- Can't get a job anywhere else
- No accountability

Canada is a democracy, a constitutional monarch and a federal state with 10 largely self-governing provinces and three territories

Nova Scotia was the first part of Canada to secure a representative government in 1758

### How Canadians Govern Themselves

- The constitution
  - 1. The act in 1981 did not give canada a new constitution
- What we have now is the old constitution with a very few email deletions and four immensely important additions:
  - 1. The establishment of 4 legal formulas for amending the constitution
  - 2. The first three amending formulas place certain parts of the written constitution beyond the power of Parliament or any provincial legislature to touch

# Canadian Charter of Rights and Freedoms

- Democratic rights
- Fundamental Freedoms
- Mobility rights
- Legal rights
- Equality rights
- Official language rights
- Minority language education rights

#### Canadian Federalism

- Canada
  - Governed by a system of parliamentary democracy with powers divided among the various levels of government that constitute our federalist state
- Federalism
  - Is a system of political organization in which the activities of state are divided between at least two levels of government in such a way that each level has certain areas in which it is empowered to make final decisions.
- The Canadian federation
  - The federal government
  - 10 provincial and three territorial governments
  - A number of regional and local municipalities

# How Canadians Govern Themselves (cont)

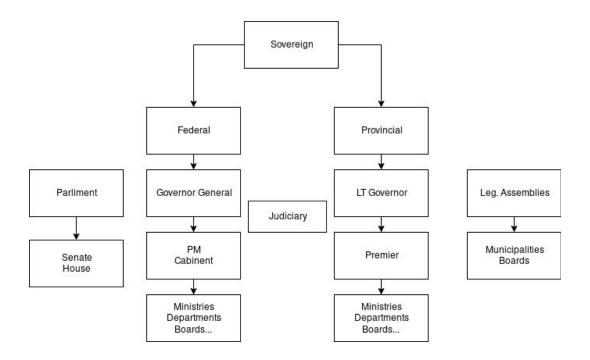
Some examples of federal government exclusive national powers

- Direct taxation
- Natural resources
- Prisons
- Charitable institutions

#### Some areas of cross-over

- Both Parliament and provincial legislatures have powers over agriculture and immigration, and over certain aspects of natural resources if their laws conflict, the national law prevails
- Although parliament cannot transfer any of its powers to a provincial legislature, not a provincial legislature any of its powers to Parliament, Parliament can delegate the administration of a federal Act to provincial agencies, and a provincial legislature can delegate the administration of a provincial Act to a federal agency.

# The Canadian Political Landscape



## Canadian Federal Government

- Canada governs through the "Westminster Model" of Government
- Three branches of Government
  - Legislative HoC, and Senate
  - Executive PM, Cabinet, and the Public Service
  - Judicial Independent of Cabinet, Parlient, or of any other state institution

### HoC

- 338 Seats
- Elections at least every 5 years
- The speech from the throne
- Question period
- Legislation and Debates
- All proceedings of the house of commons are recorded in a parliamentary publication called Hansard.