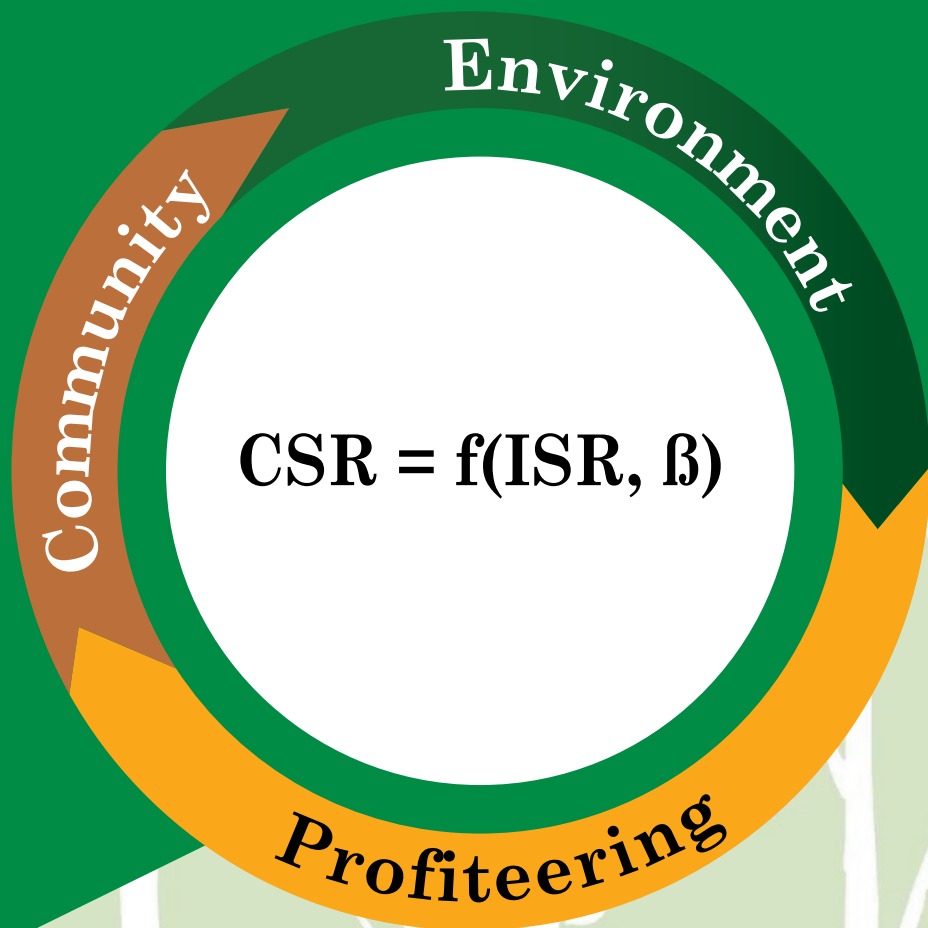


# CORPORATE & INTELLECTUAL SOCIAL RESPONSIBILITY



A Guide for Industry and Service Agencies in Kenya

Fuchaka Waswa

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**CORPORATE  
&  
INTELLECTUAL  
SOCIAL RESPONSIBILITY**

**A Guide for Industry and Service  
Agencies in Kenya**

**Fuchaka Waswa**

**ISBN: 978-9966-955-33-3**

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A Guide for Industry and Service Agencies in Kenya

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For Enquiries:

Email: wfuchaka@gmail.com; ecostatconsultingltd@gmail.com

Tel: +254 723 580 126

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# Abbreviations and Acronyms

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AI	Academic Impact
ARSO	African Regional Organisation for Standardization
BOD	Biochemical Oxygen Demand
CDM	Clean Development Mechanisms
CEP	Community Engagement Programme
CESRA	Centre for Social Responsibility and Accountability
CG	Corporate Governance
COD	Chemical Oxygen Demand
CPM	Clean Production Mechanisms
CSR	Corporate Social Responsibility
DfD	Designed for the Dump
DfE	Designed for the Environment
DfO	Designed for Obsolescence
EfSD	Education for Sustainable Development
EI	Environmental Impacts
EKC	Environmental Kuznets Curve
EMCA	Environmental Management and Coordination Act
EMS	Environmental Management System (EMS)
FC	Financial Capital
FDI	Foreign Direct Investment
GDP	Gross Development Product
gha	Global Hectares
HC	Human Capital

HAS	Hot Spot Analysis
HWB	Human Wellbeing
IE	Industrial Ecology
ILO	International Labour Organisation
IP	Intellectual Property
ISO	International Organisation for Standardization
ISR	Intellectual Social Responsibility
KEBS	Kenya Bureau of Standards
LCA	Life Cycle Analysis
LCM	Life Cycle Management
LCT	Life Cycle Thinking
MEAs	Multilateral Environmental Agreements
MFA	Material Flow Analysis
NC	Natural Capital
NEMA	National Environment Management Authority
OHS	Occupational Health and Safety
PC	Physical Capital
PDCA	Plan-Do-Check-Act
PHH	Pollution Haven Hypothesis
QMS	Quality Management Systems
SC	Social Capital
SD	Sustainable Development
SDGs	Sustainable Development Goals
SFA	Substance Flow Analysis
UNEP	United Nations Environment Programme
WCED	World Council for Environment and Development

# Forward

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The role of industry in job and wealth creation in Kenya cannot be overemphasised. Industry in Kenya is exemplified by among others agro-processing, construction, hospitality, manufacturing and provision of different services. Industry *per se* is however associated with negative environmental and socio-economic impacts that undermine the envisaged improvement in human well-being. Therefore to spontaneously do ethical business without constitutional or legislative imperatives is hinged upon respect of certain core values and moral principles that would collectively have been inculcated as a culture. Championing social welfare and environmental stewardship would be such a culture. Through appropriate training, firms and service institutions can complement government effort towards attaining prosperous and just societies. This is the essence of corporate social responsibility (CSR), which is the thrust of this book.

The question every business executive should ask is, “*What lasting impact and legacy will my workers, surrounding communities, and consumers of our products and or services remember me and the firm for long after my departure?*” Nostalgic remembrance will be determined by the extent to which the Chief Executive Officer (CEO) went to mainstream CSR in business policy and practice. Best practice in this context is not restricted to legal boundaries,



but also seeks to do the right thing even though not specifically provided for by law. Similarly since the drivers and implementers of CSR are people, the pride of training and research would be measured by the intellectual capacities and competences seen in the human resource that are supplied to businesses and industries. There is no doubt that innovation can greatly advance the needed balance between profit making, social welfare and justice, and environmental stewardship. Visionary and transformative leadership at firm and institutional levels becomes the ultimate lubricant that guarantees the inter-dependence between Corporate Social Responsibility and Intellectual Social Responsibility (ISR) for job and wealth creation and ultimately sustainable national and community development.

This book has articulated various themes in this regard and will no doubt influence Kenya's development agenda for generations to come. I highly recommend this book to all firms and people engaged in all kinds of business activities, academia and researchers, and development policy makers; who particularly wish to positively impact the socio-economic and ecological spheres of society for generations to come.



Aaron Tanui. LLB, LLM

**Advocate of the High Court of Kenya**

# Preface

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Conventionally, development trend has been from agrarian dependent economies to agro-industrialization, manufacturing industry and ICT-driven service industry status. Further, increase in population is putting immense pressure on the biophysical environment with increased risks such as climate change, land degradation, pollution, loss of biodiversity and resource use conflicts. In addition, declining opportunities in formal employment means that investment in various kinds of businesses will remain the preferred option of job and wealth creation. Therefore the risks of social and environmental disasters and injustices will remain high, as people compete for survival.

As a result, global development dialogue has continued to rally nations towards sustainability agenda largely based on the sustainable development goals (SDGs). Locally Kenya is in addition implementing its development agenda through Vision 2030 and the big-4 agenda of the current Jubilee government. While a perfect balance among economic, social and ecological goals in development may not be achievable, the philosophy of sustainability stands out as a good guiding vision for development at all levels: household, community, national, regional and international. Hitherto less emphasised initiatives in the sustainability agenda, yet of immense positive potential are

corporate social responsibility and intellectual social responsibility. This book discusses these concepts and makes the case that sustainability agenda stands to immensely benefit if governments would make deliberate effort to institutionalise and mainstream CSR and ISR in all business and service industries, their sizes notwithstanding.

Chapter one of this book introduces this discussion by focusing on how development continues to evolve and converge from the two extremes of *frontier economism* and *deep ecologism* toward sustainable development. Chapter two is a re-statement of the evolving environment-development dialogue. The environment is emphasised as the single most important life-support system, whose stewardship needs strategic interventions, including CSR practices to optimise its utility for human well-being. Chapter three discusses the concept, principles and practices of CSR. Key pros and cons of CSR are also illuminated. Chapter four discusses CSR at the international level under the umbrella of United Nations global compact. This is particularly important due to the increasing importance of international trade in development across nations.

Chapter five makes the point that disasters and injustices at business premises and service institutions can be minimised and altogether eliminated were corporate and intellectual social responsibility practices nurtured within the systems. Chapter six reminds business persons that CSR *per se* is not panacea against

negative social and environmental impacts. It needs instead to tap into emerging sustainability tools and approaches for maximised positive results. Chapter seven provides insight on how CSR could complement standardization initiatives including ISO 9000 series and ISO 14000, which essentially focus on socio-economic and environmental spheres of development. Chapter eight is a reflection CSR based on existing legal framework in Kenya, with special focus on the 2010 national constitution. The discussion point is whether CSR should remain voluntary or be legally binding, and what that would mean in the context of development policy and practice.

Chapter nine focuses on the relationship between corporate social responsibility and intellectual social responsibility. The author opines that since development decisions are ultimately made and implemented by people, intellectualism is therefore best placed to actualise CSR in both service and manufacturing systems. This calls for research and innovation from a technical and managerial dimension. Finally chapter ten has attempted to develop a local checklist for auditing CSR and ISR in both industry and service institutions. The same are encouraged to develop audit protocols based on CSR principles and use them for continuous improvement in development decision-making. It is hoped that ideas discussed in this book will add value to the sustainability agenda in business and service provision at individual, firm and institution levels in Kenya and beyond.

# Acknowledgement

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This book has its foundation in the course unit ECD 426: Environment and Corporate Social Responsibility, which the author developed and taught in the School of Environment Studies at Kenyatta University. The many challenges and questions raised by students on the seemingly poor relationship between business entities and service institutions on one hand and the biophysical and social environment on the other hand caused this book to be formatted along operational guidelines in order to encourage firms and institutions to bring about positive change in their spheres of operation and influence. I thank the Kenyatta University for according me this academic platform.

Dr. Rayviscic N Mutinda contributed valuable content to chapter three. Lwya Njeru is appreciated for her insights on the role of Small and Medium Enterprises in environmental and social injustices. Special thanks go to my family for providing moral support.

And to Him by whom we all have our being and can do all things through His grace, even unto the God of all creation, acknowledged in the national anthem; be blessing, honour and thanks giving forever and ever.

Industrialization is often viewed as the epitome of economic development and hence business acumen. Although its role in job and wealth creation is immense, industry per se is also associated with undesirable environmental and socio-economic impacts that undermine envisaged improvement in human well-being. Environmental pollution, degradation and resource use conflicts are key examples of such negative impacts. As a mitigation strategy, corporate social responsibility (CSR) is a call to all corporations, firms, institutions and individual entrepreneurs to do ethical business, i.e. making profits while at the same time maintaining the quality and integrity of the environment as the life support system, and also safeguarding social welfare since people are the providers of labour and consumers of business products and services. CSR seeks to nurture a culture of environmental stewardship and social welfare within the populace. A critical driver of this endeavour is education for sustainable development (Efsd) and hence the need for intellectual social responsibility (ISR). The prevailing governance systems ( $\beta$ ) should however enable CSR and ISR to thrive. That  $CSR = f(ISR, \beta)$  is therefore the thrust of this book. Through best practices firms and service institutions can complement government effort toward attaining prosperous and just societies. Business executives, Chief Executive Officers of institutions; politicians and policy makers; academia and lay people will benefit from the insights discussed in this book.

Fuchaka Waswa is a Professor of Agricultural Land and Water Management at Kenyatta University. He is also an alumnus of DAAD (Germany), Mashav (Israel) and Fulbright Senior Scholar Fellowship (USA).

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