



The Relevance of Companies to apply CSR in Armenia

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One of the more popular business fields of discussion, nowadays all around the world, is Corporate Social Responsibility. As the way to manage companies through which, in addition to making profits, they commit themselves with social and environmental concerns, and work on them, according to their stakeholders' interests. Looking for their long term sustainability and the communities' they are part of.

There are no more few companies, which have converted themselves to this business management and strategy concept, but the majority of large enterprises have introduced it in their agenda. Approximately 90% of Fortune 500 companies have already adopted CSR programs. And there are cases of related practices in almost every country and business sectors.

That is how we can talk about food sector companies' initiatives to help farmers to improve their incomes and at the same time assure companies' supply of quality raw materials. Alcohol beverage industry enterprises which are working on responsible marketing campaigns and programs to prevent alcohol abuse by consumers, while improving their reputation. Different sectors production companies implementing Environmental Management Systems, to reduce their environmental footprint, their consumption of water and energy, and to develop waste management and recycling programs, reducing consistently their operational costs and increasing the efficiency of their production systems.

As programs by IT and telecommunication companies to make easier the access to information and communications technology for the underserved populations, by the hand of develop new markets for their businesses. In the same way than services sector companies, as consultants, advisors and auditors are implementing cultural diversity and gender equal opportunities politics in their human resources management, with what are contributing to increase their employees' motivation and productivity, in a business where people is the greatest and most valuable asset. Just to mention some examples.

Although it is true than in the present, CSR is being widely applied, all over the world, by multinational firms, it is not a business approach suitable just for this kind of companies. CSR is and must be alive in all sizes, included large, medium and small local ones, and sectors' enterprises. Especially in developing countries, the behavior of all sizes companies, as active actors involved in the society challenges, makes evident their power as social realities' transformers.

I'm living in Armenia for 3 months, working with BSC (www.bsc.am) in CSR, as one of their six key fields of work. BSC had developed for four years a CSR process which started with an Awareness Seminar to local entrepreneurs in the matter, and had advanced to diagnosis and recommendations to could apply CSR Management concepts through the Supply Chain of Agro-Industrial local businesses. And I had been able to notice how important might be BSC role as CSR promoter, in a country full of challenges and opportunities in this field, as Armenia.

There are clear local needs, as the urgency to work in environmental care practices as appropriate garbage management, to carry out effective actions against corruption and bribery, to increase the economical wellness of worker class, and to support regional development. Among many others, as it is usual in developing countries, which make even clearer the relevance to companies in Armenia, to develop their businesses according CSR scope.

At the same time, the local conditions to make CSR a reality in Armenia are notoriously challenging. The very poor presence of multinational companies in the country difficult the objective, because these firms'

investment in developing countries with their CSR actions consistently applied in different markets, had helped in third world to create virtuous cycles in which other companies (local ones, mainly as their suppliers or competitors), consumers, Government and opinion leaders get involved with the concept, supporting the spread of its application.

In Armenia, local actors, as companies themselves, NGO's, and international organisms working in the country, have a lot of work to do, to gain the companies encouragement to behave as social responsible citizen organizations in CSR scope, and they to could design and implement actions which contribute both, the economical strengthens of their business and the positive social and environmental impacts on their stakeholders, at the same time. To achieve Government co-responsibility and active participation in CSR spreading, what is key for the success of this process. And to get opinion leaders and consumes awarded and actively deciding according CSR concerns what products and services to prefer. All of this implies a gradual process which takes time.

The local benefits and opportunities to get, by companies implementing CSR as a fundamental part of their business strategy, are as sound as SUSTAINABILITY. According nowadays Sustainable Development economic theory, the only way business and communities to growth and remain in the long term, is conciliating economical development, with social balance and environmental preservation, simultaneously. Strategic CSR politics and actions must return, during the time, in increments on sales, profit, efficiency, productivity and in general improved business results, to the companies.

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