

CPC values can grow SOE responsibility

By Sameh El-Shahat Source:Global Times Published: 2015-3-23
19:48:01



Illustration: Liu Rui/GT

Corporate Social Responsibility (CSR) is a term that has existed for decades and has mainly become a byword for PR exercises showcasing companies' philanthropic activities. Chinese companies have tried to ape foreign CSR practices for decades now with limited success and almost invariably without any clear methodology. Open any Chinese SOE literature and you will find them replete with references to CSR as a mainly financial exercise in what is essentially charity. "CSR," just like "green" and "sustainable," has become a catchy term which loses meaning the more it is used without a strategy or association with values.

Chinese companies have been copying the working methods of their Western and Japanese counterparts for decades. This was understandable because China was a developing nation whose companies had almost no international experience or exposure.

CSR is about the values of a company and when the company's owner is the state, the company's values are the state's values. Should we expect Chinese SOEs to promote a CSR philosophy based on Western

or Japanese values? Some did try. And they failed. You cannot copy the values of others.

History has shown that one cannot transplant values into a nation without weakening it. No wonder foreign governments in cahoots with foreign NGOs are lining up to teach Chinese SOEs, in Chinese universities, about CSR with foreign values. This can only weaken China abroad at a time when these foreign governments increasingly see China as a strategic adversary.

China has its own values and it must not be modest about expressing them through its companies. Saying "we don't want to impose a model on other countries," a very noble aim, has too often served as an excuse for not expressing any values at all. This kind of ethical ambiguity makes foreigners think the worst about Chinese companies.

And let's not forget the very prevalent anti-Chinese bias in foreign media and the constant criticism of what China stands for. Many Chinese companies try to get around this by downplaying their Chineseness, by getting into consortia with foreign companies, or by hiring Westerners for top jobs. The fact that Chinese companies need to understate their identities shows that they know a problem exists and they are desperate for a solution. There is a need for a Chinese homegrown CSR philosophy that ensures a sense of responsibility, and a context of ethics and good governance firmly rooted in China's modern and traditional values.

Given the nature of China's SOEs abroad, the solution lies in clarity. Chinese President **Xi Jinping's** "One Belt and One Road" initiative will depend on the success of SOEs abroad, and will need those SOEs to behave according to values that people abroad can relate to and feel comfortable with. The "Chinese dream" and the "One Belt and One Road" are major concepts laden with heavy values that need to capture the imagination of foreigners to succeed.

China's philanthropic spending is often wasted as it is almost never based on research into what the locals actually need. Equally importantly, fighting graft in SOEs and imposing strong social guidelines on their investments abroad is good for China's reputation abroad and a confirmation of positive values.

After more than two years of delay by the government of Myanmar due to social unrest, a major Chinese-financed copper project reopened after its financiers and operators implemented social mechanisms which aim to place development at the core of their business plan. They obtained their social license by getting the Myanmar people on their side through consultations and made them their partners in development. These are the CPC values of shared development in action.

The CPC should also pay attention to the internationalization of China's NGOs as valuable "conscience partners" of its SOEs abroad. Even foreigners who may not like China are in awe of the CPC's ability to get things done. It has led China to become one of the world's leading economies after being one of the poorest nations on earth at the end of WWII.

Let Chinese companies become beacons of social responsibility based on CPC and Chinese values, and China may find that the respect and empathy of the world that has eluded it for decades may gradually begin to happen.

The author is CEO of China-i Ltd, a risk and communication advisory company based in Beijing and London. opinion@globaltimes.com.cn

Posted in: **Viewpoint**

blog comments powered by [Disqus](#)