

Wageningen University – Department of Social Sciences

MSc Minor Thesis Marketing and Consumer Behaviour

**Corporate Social Responsibility, the role of stakeholders and
the information gap**

Focus on CSR projects in Developing Countries

Student: Ellys Randon

Registration number: 871008680100

Supervisors: Dr. P. T. M. (Paul) Ingenbleek
(MCB Department)

March 2012

Master Management Economics and Consumer Studies

Specialization Development Economics

Thesis code: MCB-80418



WAGENINGEN UNIVERSITY
WAGENINGEN UR

TABLE OF CONTENT

1. INTRODUCTION	1
BACKGROUND INFORMATION.....	1
PROBLEM STATEMENT.....	2
RESEARCH OBJECTIVES AND QUESTIONS.....	3
2. LITERTURE REVIEW	4
BEHIND AID.....	4
CORPORATE SOCIAL RESPONSIBILITY	6
CSR PROJECT.....	7
<i>SUCCESSFUL AND UNSUCCESSFUL CSR PROJECTS</i>	9
STAKEHOLDERS	12
INFORMATION	15
3. METHODOLOGY	17
CASE SELECTION.....	17
DATA COLLECTION	20
CASE ANALYSIS.....	21
4. RESULTS	23
INFORMATION AVAILABLE.....	28
CSR PROJECTS AND STAKEHOLDERS	32
SUCCESS AND FAILURE OF THE CSR PROJECTS.....	40
5. CONCLUSIONS	44
INFORMATION AVAILABLE.....	44
THE ROLE OF STAKEHOLDERS.....	45
RECOMMENDATIONS.....	48
LIMITATIONS OF THIS STUDY.....	50
6. REFERENCES	51
APPENDIX	55

1. INTRODUCTION

BACKGROUND INFORMATION

Corporate Social Responsibility (CSR) projects have the potential to play a major role in developing Countries (DCs) and in their economic development. Not just bottom of the pyramid projects of companies, but also social and community focused projects are aiming at the economic growth of these countries. However, evidence from literature (Frynas, 2005) has shown many limits of CSR concerning the role CSR is playing in the development of communities in DCs; many are the cases of failures among CSR projects, mainly because private interests of the firms drove the engagement in these projects. Companies, and multinational corporations (MNCs) in particular, engage in CSR projects because of some kind of interests: financial, social or business interests. Every year million dollars flow into CSR activities, i.e. Nike spends \$25 millions on CSR annually and the estimated amount spent by MNCs on philanthropy¹ is about \$14.1 billion; companies however tend not to specify how much money they spend on CSR activities, which are just included in the budget as marketing costs (New York Times, 14-6-2011). The increasing importance that CSR is gaining for companies can be seen in the data concerning the companies' management organization: 31% of the companies have a separate CSR department responsible for these activities (ICCA, 2007). As mentioned, business is playing a major role in the economic growth of DCs, bottom of the pyramid (BOP) activities are nowadays gaining more and more attention and MNCs tend to focus on DCs, where they see high potential for their business; on the other hand these activities have high potential for the rural population (Altman et al, 2009). For this reason I decided to focus on projects in those countries where companies see high opportunities and high potential. Stakeholders (SHs) play a key role in the decision making process of those firms when they decide to engage in CSR projects. Considering SHs, it is possible to assume that the success and failure of CSR projects depend on which SHs were taken into account when making the decisions, and on which SHs are benefitting from the project. This choice can affect the economic development of a community, a region and a country, depending on the size of the CSR project.

¹ Philanthropic CSR refers to charitable donations of money.

PROBLEM STATEMENT

Nowadays companies, especially multinational corporations, are paying more and more attention to Developing Countries, both for business reasons and for social responsibility issues. They are engaging in a series of projects, which are not just philanthropic, but most often are projects aiming at economic growth through the development of small business and small enterprises. This kind of projects can bring new skills and new opportunities for smallholder farmers, women and youth population, by bringing expertise and capital, as well as market opportunities for rural farmers and local productions.

In Frynas (2005) there is evidence on the big constraints that CSR is facing when trying to reach development goals. Many firms are still mostly driven by private interests, such as obtaining competitive advantage, creating a good working environment, keeping employees happy and managing external perceptions. A CSR project driven by such objectives will not bring any development at both community and regional level. The success and failure of CSR projects can be due to several factors: environmental, institutional and political situations (Baker, 2001), as well as the type of project. Assuming the key role stakeholders play in CSR, they can also be an explanatory variable for the final outcome of a CSR project. According to the SHs considered by a company when making a decision of engaging in a CSR project, and those who will benefit from it, the project will more likely be successful or be a failure, despite of the overall environment.

Looking at development from the point of CSR and business is not a new perspective, in the literature there are already some published studies (Baker, 2001; Dobers & Halme, 2009; Frynas, 2005; Hopkins, 2007; Idemudia, 2011; Ite, 2004; Michael, 2003) but analysing the success of a CSR project in relation to the stakeholders involved in the decision making phase and to those benefitting from the project still needs investigation. When analysing CSR case studies there are poor information on stakeholders and lack of measurable outcomes, which make the research often biased and poorly consistent. Moreover, CSR meant philanthropy for many years and things have been changing in the last decade, when MNCs saw a potential for CSR projects in the economic growth of DCs. In addition to that MNCs are spending billion dollars on CSR, even though there are no official data on the amount spent. This high amount of money can have a big impact on rural populations if they're spent on development projects and these projects can bring benefits to the MNCs too, not just for their reputation. Benefits from these CSR projects to the communities are related to the success or failure of the CSR projects.

RESEARCH OBJECTIVES AND QUESTIONS

The main objective of this minor thesis is to make up a theory that explains the role stakeholders play in the success or failure² of a CSR project, in Developing Countries, by looking at the relationship between stakeholders initiating the projects and those benefitting from them, through the analysis of some case studies. Looking at the literature about CSR case studies and projects there is lack of information, showing the need for a second research objective: analyse which literature is available on CSR projects, which information are included and which should be reported in order to make a research reliable and consistent, by investigating literature and companies' websites on the topic of CSR projects. I formulated a couple of major research questions (RQs). The first one concerns the role of stakeholders in the final outcome of a CSR project, focusing on those in Developing Countries. It investigates which SHs are initiating the CSR project, which should be taken into account in order to have a successful project and which relationship there is between the two SHs groups.

1. Which role do stakeholders play in the success or failure of a CSR project in DCs?

The second objective can be addressed by answering the second RQ, on the availability of information on CSR projects. It investigates which information are available in the literature and if there is literature on CSR projects, looking at the reliability and consistency of the information sources; it investigates the information companies provide and which they should provide on their websites and CSR reports.

2. Which information is available on CSR projects?

This minor thesis consists of an introduction chapter, which includes background information, problem statement, research objectives and questions. The second chapter presents the definitions of the key concepts, as well as the theories important for the research, written after carrying out a literature review. The third chapter describes the methodology used for the research. Chapter four presents the results of the research, while chapter five presents the conclusions and recommendations, as well as the limitations of the study.

² Success and failure of the CSR projects is defined in next chapter, and it is mainly related to the final outcome response to the initial objectives of these projects.

2. LITERATURE REVIEW

This chapter presents some background information on aid, its role and its constraints in DCs. The Samaritan's dilemma and the impact measurement of aid projects are discussed. The main key concepts of this research are defined: CSR, CSR project which, together with the SHs definition and theories, are the core concepts of this thesis. For the definition of SHs I decided to use the Stakeholder Identification Theory by Mitchell, Agle and Wood (M,A,W, 1997) that defines the saliency of SHs according to three attributes: power, legitimacy and urgency. I also assume that SHs can be divided in two main groups: SHs that are taken into account by the company when the decision of engaging in CSR is made, and SHs that will benefit from the CSR project once the project is done. The first group is the one initiating CSR projects; stakeholders in this group are those towards whom the company has a certain goal to reach or a certain interest. The second group is the one benefitting from CSR projects; stakeholders directly benefit (or should benefit) from them and are directly involved in the outcome of the project. Analysing the relationship between the two stakeholders' groups it is possible to derive a theory that explains the success or failure of CSR projects. In this chapter I will also discuss some findings from Frynas (2005), which will bring some insights from unsuccessful CSR projects showing the constraints faced by those projects.

BEHIND AID

Before analysing the important key terms of this research it is necessary to take a brief introduction on aid and economic growth in DCs. Two are the issues when we consider DCs' economic growth due to foreign aid, which can be seen as both philanthropy and CSR projects.

First of all foreign aid has been involved in many discussions among the last decades, aiming at defining the role of aid in the development of a country. Those publications (Easterly, 2003; Moyo, 2009) all take into account donations more than CSR projects, which are not taken into account. A little introduction on the topic is needed before moving forward with the key concepts and theory of this research. In Pedersen (2001) the Samaritan's dilemma is explained: governments of DCs tend to be encouraged to cut down on their poverty-reduction plans in order to look more "attractive" to donor agencies and development institutions and therefore to get more aid. When a country receives

a big amount of aid, the government loses all interests in putting effort to improve living conditions of its citizens; the more a country has high poverty index, the more donor agencies will tend to give aid to that country. CSR projects are then more likely to help economic growth in countries where there are good institutions and low level of corruption. This theory is confirmed in many articles and by a popular book, *Dead Aid* (Moyo, 2009), which investigates the reasons why Africa, despite the huge amount of money and aid received, is still the poorest continent of the world. As mentioned above, these papers and the book take into account donations, which is considered as philanthropy and not CSR projects; this is one of the reasons why I chose to consider in my research CSR projects aiming at economic development and not CSR projects that donate money to DCs.

The second issue about aid is the measurement of the impact of aid on economic growth. In Ravallion (2006) several methods are investigated to measure the impact of aid programmes. All these methods require quantitative measurements, experts in the field and involve high costs. For these reasons measuring the real impact of a CSR project is very difficult. When considering aid programmes carried out by United Nations Development Agency there are measurement studies on the impact that those project had on the economic growth of the countries, but small NGOs and companies are reluctant to carry out such measurements. NGOs often don't have the funds for such impact measurements even though they might have experienced human resources. On the other hand companies have funds but lack the knowledge and the human resources to carry out such impact assessments. For the above reasons, it is not possible to measure impact of CSR projects based on the publicly available information; the final outcomes of CSR projects will be analysed in relation to the initial objectives of the projects. The classification of the successful projects is not based on the measured impact the CSR projects had on the economic growth but is based on the achievements of the initial objectives. The lack of assessments for the impact these CSR projects have, can on one hand give rise to NGOs critics towards the MNCs activities in DCs and, on the other hand, MNCs cannot benefit from the effective success of the projects, when they are successful. If the final outcome of the project is not measurable companies can more easily be addressed by NGOs as carrying out useless projects just for business interests. If companies would measure the impact of their projects they could prove the effectiveness of the projects, and on the other hand they would be more transparent towards their customers and towards all their SHs.

CORPORATE SOCIAL RESPONSIBILITY

The first term to be defined is CSR, which is a very wide concept; there are numerous definitions, which tend to include more or less stakeholders and which include more or less goals. CSR has been popular in the last decade because many studies have been carried out on the benefits that CSR can bring to a company, but also because of the increasing importance of CSR projects in Developing Countries.

In Thomas & Nowak (2006) several definitions of Corporate Social Responsibility can be found³. The definition I chose is the one of Hopkins (2003): *“CSR is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. The aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders both within and outside the corporation”*. This definition is according to me the most complete and clear among the theories I found and this is the one I kept in mind for my research. Defining CSR is not enough, in Maignan & Ferrell (2004), according to the main goal chosen by the company, CSR can be seen as social or stakeholder obligation, ethic driven or managerial process.

- ⌘ Social obligation: Bowen defined in 1953 CSR as “the obligation to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”. Different types of social obligations were identified by Carroll (1979): economic, legal and ethical, philanthropic obligations.
- ⌘ Stakeholder obligation: According to Clarkson (1995) companies are not responsible toward the entire society, but only toward their stakeholders, directly or indirectly affected by them. He identifies four categories of stakeholders: organizational (employees, customers etc...), community (local residents etc...), regulatory (municipality, legal system etc...) and media stakeholders.
- ⌘ Ethic driven: Swanson (1995) believes that there is not just self-interest that motivates firms, but they are also driven by ethical reasons, which contribute to a positive commitment to society.
- ⌘ Managerial process: Ackerman (1975) identified three activities representative of CSR: monitoring and assessing environmental conditions, attending to stakeholder demands and designing plans and policies aiming at enhancing the firm’s positive impact. In the past were considered different entities responsible for social issues: business in general, single firm and the decision maker (Wood, 1991).

³ See Table 1 in Appendix.

Stakeholder theory implies that a firm behaves according to its stakeholders, to their influence on the firm and to the norms identified as good or bad by them. This implies that a company acts in a socially responsible way when it takes into account, for its decision making process, the interests of the different stakeholders. The distinction of these four types of obligations of CSR activities is important because two of the obligations are those useful for this research: stakeholder obligation and ethic driven approach. I assume that they are drivers of CSR activities and can affect the final outcome of CSR projects.

Maignan and Ferrel (2004) consider stakeholder communities, which are characterized by power and ability to cooperate; there are then organizations, which are described by stakeholder orientation and norms defining stakeholders' responsibilities. These two "forces" influence the organizational impact on stakeholder issues. Two impacts can be derived from this: positive impact when there is convergence of norms of stakeholder community, negative impact when there is a conflict with the norms of those stakeholders. Stakeholders will or won't identify with the firm and will increase or decrease their amount of resource put into the relationship; as consequence it is possible to translate this theory to fit this research. When there is convergence of interests, so when the SHs initiating and benefitting from CSR projects are the same or share an equally important interest, the CSR project will more likely be successful. On the other hand, the CSR project will more likely be a failure if the two SHs groups are different and don't share an equally important goal.

CSR PROJECT

After defining Corporate Social Responsibility I need to define a CSR project. In 2004 the EuropeAid Cooperation Office and the European Commission (EC) released a volume for guidelines of project cycle management in order to improve the quality of EC development assistance. According to this manual, a project is *"a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget"*. A project should also have: identified SHs, including the target group involved in the initial phase and the final beneficiaries; a defined coordination, management and financing arrangements; an evaluation system; appropriate level of financial and economic analysis to show that the benefits will exceed the costs of the project. CSR projects are not defined in the literature, however projects can be defined according to their main goal and to the main characteristics; I found a very interesting classification of these projects in Hopkins (2007).

- ⌘ Type I: Charitable donation to a good cause in a developing country (development philanthropy).
- ⌘ Type II: Developing inside the company that initiates new products for developing countries, or invests in a developing country to take advantage of cheap labour or special skills or natural resources such as oil and, in turn, directly impacts upon the profits of the whole organization.
- ⌘ Type III: activities that promote sustainable development and anti-poverty initiatives that might be in addition to type II activities. These activities serve to promote development but do not immediately impact on company's bottom line. They are carried out to enhance a company's reputation and contribute to wider development objectives.

According to this classification I decided to focus on type III activities, as this type of development can have several impacts on both the firm and the beneficiaries: can have bigger impact than other types of CSR as they encourage development, it's not just pure philanthropy; a company can enrich its reputation while reducing risk in developing countries where it has suppliers or some subsidiaries and accessing new market areas; moreover development can ensure better sustainability for a company's operations, even though the companies will have to start thinking more long term, instead of looking for short-term profits. (Hopkins, 2007)

As second step I outlined some characteristics, based on the (EC, 2004) and on my background in development, to better define a CSR project aiming at economic development:

- ⌘ implemented by a company or by a Foundation directly linked to a company
- ⌘ declared aim to promote economic development
- ⌘ states who the beneficiaries of the project are, so SHs benefitting from the project and SHs initiating the project
- ⌘ not charitable donation nor money funds given to the beneficiaries
- ⌘ the outcome can be measured and there is clear statement of success or failure.

To these attributes I also add the fact that the projects have to be implemented in Developing Countries. In the methodology chapter these characteristics will be discussed, as they were important for the case selection phase.

SUCCESSFUL AND UNSUCCESSFUL CSR PROJECTS

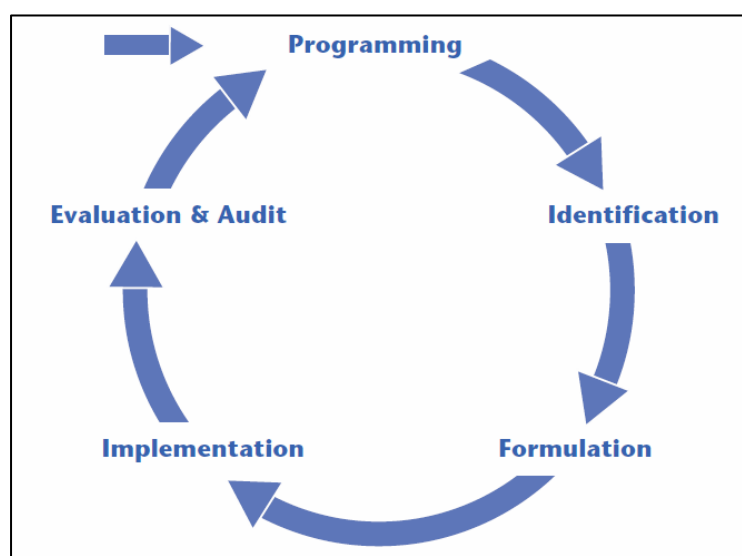
After defining CSR projects I want to define successful and unsuccessful projects; this classification is very important because I'll classify the case studies based on the final outcome of the projects, considering those successful and those that failed.

In CSR literature there is no common definition of successful or failure CSR projects, due to the difficulty in measuring the final outcome of the projects, as already explained in the first section of this chapter. In the literature (Frynas, 2004; Hopkins, 2007) CSR projects are discussed using qualitative data and no quantitative measure of the projects is used to classify them in successful and unsuccessful. Due to the lack of a definition of successful projects in the CSR literature and in the development literature, I decided to bring in a definition from another stream of literature: in Heeks (2002) successful and unsuccessful initiatives have been defined as:

- ⌘ total failure, an initiative which was never implemented or immediately abandoned;
- ⌘ partial failure, the major goals are not reached or the outcomes are not the ones expected;
- ⌘ successful, when most stakeholders reached their goals and the outcomes are the ones desired.

Even though this article refers to information systems initiatives, we can translate this idea about initiatives to projects; basically a successful project is the one that meets the goals and reaches the desired outcome. For a deeper understanding of what a successful project is, I decided look at the Project Cycle Management literature (EC, 2004), to study the life cycle of a project, to see where the critical points are for the success of a project.

Fig. 2.1: Project Cycle, EC (2004).



First of all there is the need to analyse the community's needs for a general understanding of the situation and of the context; objectives of the project, activities and expected goals have to be defined and then have to be formalized in a business plan model approach, which needs to be approved. A financial proposal is drafted and is evaluated; the project is implemented, followed by monitoring phase and in the last stage the project needs to be evaluated. Following the six steps can bring successful results, however, according to Commission of European Communities (CEC) (1993) following the six steps for a project doesn't guarantee the success of it, because the know-how and the human resources involved play a major role. It is at this point that SHs can play a key role in the success or failure of a project. Something that comes to sight at a first look of the figure 2.1 is that all CSR projects lack of a proper evaluation phase, for the reasons mentioned about the difficulties of carrying out impact assessment evaluations. According to the model, CSR projects are very difficult to be objectively tracked as successful projects, because one phase is lacking or the evaluation is done qualitatively without proper assessment tools. In EC (2004) a tool is used to describe the factors that can possibly harm the success of a project, this tool is the Logical Framework Matrix, in which for every part of the project specification some indicators are defined, some sources of verification are included and assumptions are made. CSR projects are most likely lacking a systematic approach like the ones just cited, which makes it difficult to classify the projects in successful and unsuccessful.

Fig. 2.2: Logical Framework Matrix, EC (2004).

Project Description	Indicators	Source of Verification	Assumptions
Overall Objective – The project's contribution to policy or programme objectives (impact)	How the OO is to be measured including Quantity, Quality, Time?	How will the information be collected, when and by whom?	
Purpose – Direct benefits to the target group(s)	How the Purpose is to be measured including Quantity, Quality, Time	As above	If the Purpose is achieved, what assumptions must hold true to achieve the OO?
Results – Tangible products or services delivered by the project	How the results are to be measured including Quantity, Quality, Time	As above	If Results are achieved, what assumptions must hold true to achieve the Purpose?
Activities – Tasks that have to be undertaken to deliver the desired results			If Activities are completed, what assumptions must hold true to deliver the results?

At this point there is still no definition of successful or failure project; we can say that projects following the Project Cycle Management approach and the Logical Framework Matrix have more chances of being successful, and that human resources and the actors involved (SHs in our case) play a key role. Moreover we can see that CSR projects lack of a strong and objective evaluation phase for the projects, which makes it difficult to classify successful and unsuccessful projects.

At this point I defined some parameters, which can be used as indicators for successful projects:

- ⌘ involvement of the direct beneficiaries of the CSR project
- ⌘ fulfilment of the term of the project objective and schedule
- ⌘ goal is reached, at least partially within the time schedule defined
- ⌘ doesn't require constant intervention (financial support, transfer of knowledge, human resources) from the organization implementing the project, once the project is terminated (according to the ending date states in the project file).

Despite the definition of successful projects according to the above parameters, it is important to keep in mind that in developing countries several factors influence the outcome of a CSR project: economic and legal factors can harm the success of a project. When facing a context of weak institutions, fraud and political instability, projects face more difficulties and can find hard times; in these situations companies should include in their projects also a regulation body to prevent the environment to harm the CSR project. (Dobers & Halme, 2009)

Concerning failure CSR projects, in Frynas (2005) the author focuses on the main reasons why CSR projects carried out by oil MNCs did not succeed. He investigates the reasons why CSR projects are not effective for the economic development of DCs; most of the oil companies used to carry out projects for four main objectives: obtaining competitive advantage, maintaining a stable working environment, managing external perceptions and keeping employees happy. None of these objectives has anything to do with the benefits that the community should get from the CSR projects. In its paper the author underlines the previously mentioned constraint of the institutional and political situations of DCs, where often oil companies are contributing to corruption and are involved with governmental parties in order to have easier access to oil resources and to have a better commercial partnership with the government.

STAKEHOLDERS

I am about to define now one of the key terms of this research, considering also the core theory that will be used for this thesis: the Stakeholder Identification Theory. As mentioned in the previous section, one of the key factors for a successful project are the human resources and the actors involved. SHs play a key role in both the decision-making phase and in the final outcome of the project. As for the definition of CSR, I found many definitions of Stakeholders. Below I selected the most relevant for the understanding of this research.

“Stakeholders are persons or groups that have, or claim, ownership, rights, or interests in a corporation and in its activities, past, present, or future”. Stakeholders are divided into “primary stakeholders” and “secondary stakeholders”. The first group is the one fundamental for the company, without its participation the company cannot live; there is a strong interconnection between the company and this group of stakeholders. The second group of stakeholders is defined as “those who influence or affect, or are influenced or affected by, the corporation, but are not engaged in the transactions with the corporation and are not essential for its survival”. The corporation is independent from this group. The company may adopt programmes to meet primary stakeholders’ needs, but this might be opposite to the ones of secondary stakeholders (Clarkson, 1995). The distinction between primary and secondary stakeholder will be used as base for the stakeholder identification in the case studies.

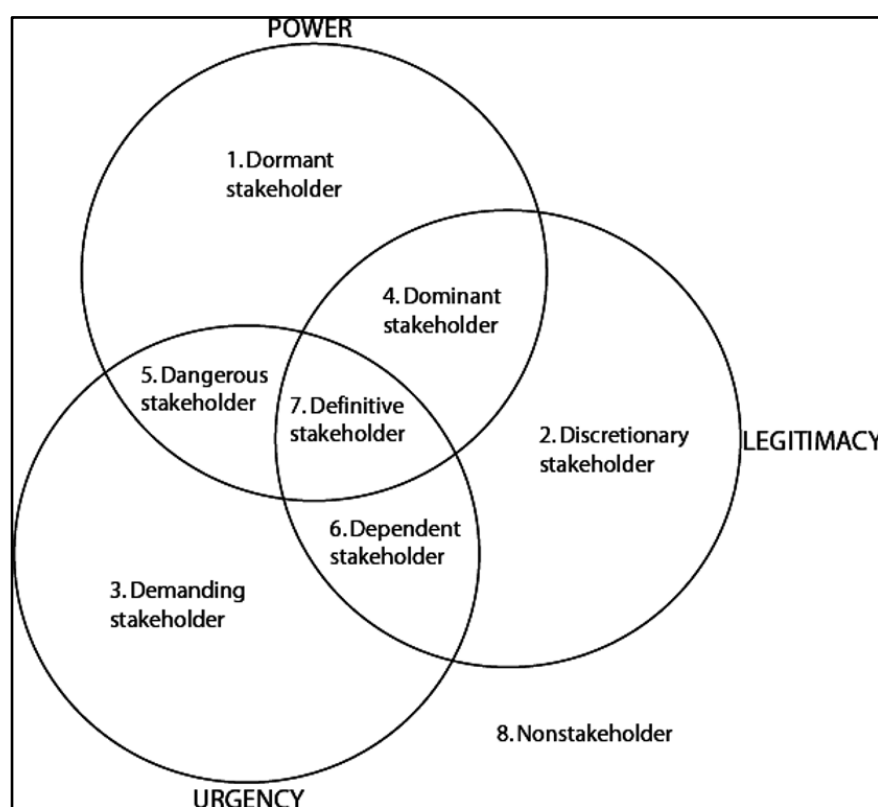
For a deeper understanding of the role SHs play in CSR projects I decided to take into consideration the Stakeholder Identification Theory according to Mitchell, Agle and Wood (1997), which focuses on three attributes through which we can define the saliency of stakeholders.

These attributes are:

- ⌘ *Power*: we take the definition also chosen by the authors, “ the ability of those who possess power to bring about the outcomes they desire” (Salancik and Pfeffer, 1974: 3). Etzioni (1964) identifies three types of power according to the resources used to exercise it: coercive power (based on physical resources), utilitarian power (based on material resources) and normative power (based on symbolic resources, as social symbols). Power is transitory, so it can be obtained and then can be lost.
- ⌘ *Legitimacy*: authors accept Schuman’s definition (1995), “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”. Legitimacy is seen as a “desirable social good”.

⌘ *Urgency*: this attributes contributes to the dynamicity of the model, which is static when considering only power and legitimacy. According to Merriam-Webster dictionary is defined as “ calling for immediate attention” or “pressing”. Authors believe that urgency is present only when two attributes are present: time sensitivity (the degree to which managerial delay responding to the claim is unacceptable to stakeholders) and criticality (importance of the claim). This attributes are variable and can change for any relationship between firm and stakeholder; the presence of the attributes is not objective, it’s a perception that multiple individuals have; consciousness of possessing the attributes is not always the case. “Power gains authority through legitimacy, and it gains exercise through urgency”; power itself doesn’t guarantee a decisive role in the relationship between firm and stakeholder. “Legitimacy gains rights through power and voice through urgency”, so it’s dependent on the other two attributes. “Urgency” alone is not enough to assure high consideration, while “in combination with legitimacy, it promotes access to decision-making channels, and in combination with power, it encourages one-sided stakeholder action. In combination with both, urgency triggers reciprocal acknowledgement and action between stakeholders and managers” (M., A., W., 1997).

Fig. 2.3: Qualitative classes, Mitchell, Agle and Wood (1997).



Using this scheme seven SHs are identified: three of them possess only one of the attributes, three possess two of them and one has all the three attributes. Authors assume that managers choose salient entities, according to stakeholder's set of attributes. Important to notice is that when an individual doesn't possess any of the three attributes, it's considered a non-stakeholder by the firm. Importance and salience of stakeholders is directly correlated to the number of attributes they possess.

1. Latent Stakeholders (1,2,3): when only one of the three attributes is present, the firm will perceive a low salience for those stakeholders and will have the tendency to not consider them in their programmes.

1.1. *Dormant stakeholders*: power is the dominant attribute, but it doesn't have a legitimate relationship nor an urgent claim, so that power remains useless. There is little interaction with the firm but they have potential to obtain a second attribute, so firm should keep in mind those stakeholders because they'll be salient for the firm once they acquire a legitimacy and/or urgency.

1.2. *Discretionary stakeholders*: dominant attribute is legitimacy, but they possess neither power nor urgency. They are likely to be targeted for CSR philanthropy. Managers of the firm have no interest in engaging with such stakeholder group, even though sometimes firms do.

1.3. *Demanding stakeholders*: the core attribute is urgency but they don't have power nor legitimacy; they are not dangerous but can be very "noisy", however this is not enough to draw the attention of the firm to them.

2. Expectant Stakeholders (4,5,6): possessing two attributes makes stakeholders play an active role, increasing firm's responsiveness to their needs; stakeholders with two attributes play a salient role in the relationship with the firm.

2.1 *Dominant stakeholders*: possessing both power and legitimacy makes the stakeholders very influential to the firm, and they have a dominant role in the relationship between stakeholders and firm.

2.2 *Dependent stakeholders*: this group lacks power, but have an urgent claim and also have legitimacy; is seen as dependent as it relies on other for the power necessary to be taken into account by the firm's programmes.

2.3 *Dangerous stakeholders*: these stakeholders are characterized by urgency and power, so they can be dangerous and violent to the firm, acting outside the legitimacy bounds. They can easily use coercive power to bring the attention of the firm to their needs.

3. Definitive Stakeholders (7): There is high salience for stakeholders that possess all three attributes, power, legitimacy and urgency when they are perceived to be there by the firm's managers. Any expectant stakeholder can become a definitive stakeholder after acquiring the missing attributes.

Stakeholders can change their salience, as they are framed in a dynamic scheme; they can move from the latent stakeholders to the expectant ones and then to the definitive stakeholders. Depending on their level of importance, the firm has to take them into account and should pay more or less attention to their needs and claims (M., A., W., 1997). Based on this theory I consider the relevance of the stakeholders involved in the decision making process of a CSR project and those who will benefit from the project. When both SHs, initiating and benefitting from the CSR project, have the same attributes and belong to the same classification group we can expect the project to be successful.

INFORMATION

The last term I need to define is information, which will need a complete understanding because it will be a key aspect of this research. According to the Oxford English Dictionary (2001) information are “*facts or knowledge provided or learned as a result of research or study*”.

The information needed for a scientific research must be consistent, reliable and unbiased.

- ⌘ Consistent information are those that are not containing any logical contradictions;
- ⌘ Reliable information are able to be relied on, which means that come from a proven and certified source;
- ⌘ Unbiased information means that the information should come from an objective source, a third party, which doesn't have any interest in what is being said, and there isn't any prejudice by the information source.

When the topic is CSR the main aspect about information is transparency, which is a pre-requisite of any CSR activity. Literature on the topic is popular and many papers and blogs are discussing the topic (Bendell, 2005; Dubbinks, 2008) , however, they don't take into account the information that should be provided about CSR projects in order to facilitate scientific studies and researches on the topic. A case study (Chaudhri & Wang, 2007) on the information provided by IT companies in India has shown that many companies don't write about their CSR activities in their websites, showing lack of pro-active CSR communication. In Bendell (2005) accountability of CSR is discussed: while in the past NGOs were highlighting all the negative aspects of MNCs working and trading in DCs, in the last decade a new approach to development has started, involving NGOs and companies in partnership for development projects, and new accountability has been introduced in companies' policies and by institutions toward MNCs. The new demand for accountability requires new information, which has to be transparent.

The fact that CSR literature, scientific articles as well as CSR websites, doesn't provide many insights on CSR projects and on the information, which companies should provide, gives space to a new approach for this research. In the conclusion chapter, after analysing the literature available I will give some recommendations on the information companies should provide in order to communicate transparently their CSR projects.

3. METHODOLOGY

This research is a multiple-case study research, aiming at exploring and explaining the topic of SHs and their role in CSR projects looking at both the availability of information and the final outcome of the projects. I chose case study approach to describe an intervention, the CSR project, and the context in which it was carried out; this approach is also useful because the intervention that I am evaluating not always has a clear and measurable set of outcomes. The units of analysis considered here are the CSR projects and the conclusions are carried out using a cross-study approach (Yin, 2009)⁴. For this research I carried out a literature review, to identify stakeholders' theories to define and classify them, as well as definition of Corporate Social Responsibility, CSR projects, successful and unsuccessful projects and information. I have been searching for some case studies, trying to describe the projects through their objective and description, as well as their final outcome. CSR projects are classified according to their objectives, the SHs involved and their final outcome.

For this research I choose an inductive approach: looking at the case studies, studying them with a sceptic view, keeping into consideration that the information might be biased, I tried to derive a theory on the role SHs play in the success of a CSR project. To reduce the bias I used multiple sources of information and different search engines, as well as literature from different streams such as marketing and development literature. According to Yin (2009) to test for selection bias the researcher should control whether the cases selected respond to the outcome expected, and if none of the cases moves in the opposite direction then we can expect bias to be present.

CASE SELECTION

To select the case studies I used a convenience sampling at first, because of the lack of a CSR projects' database. Snowball sampling was also used to find more case studies. The two methods used are both non-probability sampling methods. In order for projects to be selected they had to fulfil the following criteria:

- ∅ be implemented by a company
- ∅ be implemented in developing countries

⁴ See Fig. 1 in Appendix.

∅ be aiming at economic development of rural areas and/or rural population

∅ include name and description of the project

SHs were also taken into account in the information needed in order to select the case, but due to scarce information I had to narrow down the criteria for the selection to the four mentioned above.

I started my research reading the book from Hopkins (2007), which discusses the topic of CSR critically looking at CSR projects carried out by MNCs; this book allowed me to have an overview of the types of projects companies carry out: philanthropy, bottom of the pyramid and development projects. For this research the projects I was looking for were development projects. In the course Marketing in Developing Countries the topic of CSR was introduced and some examples of CSR projects were discussed; these projects were carried out by big MNCs, therefore I decided to go to their company's websites to look for more CSR projects aiming at economic development. For more projects I decided to carry out a research searching in Google Scholar database and in Google database, both in English and in Italian, for words such as "CSR case studies" and "case studies CSR + developing countries" I found few websites⁵ with case studies on Corporate Social Responsibility projects and few published articles. From the research carried out using those databases I decided to consider economic development projects carried out by big MNCs (i.e. Danone, Unilever) because they release a CSR report every year where they publicly publish information on their CSR activities. I found the case studies about Nestlé starting from a paper that I used for my ACT project about dairy value chain in Ethiopia⁶, which lead me to the company's website where I found more projects useful for this research. For all the projects found I went first to the company's website and I looked for their CSR reports; some companies have a different website for their CSR activities (i.e. Danone Communities). I wanted to have multiple sources of information so when the name of a partner NGO was cited I went to the NGOs website to compare the information provided by both websites. For some projects I found scientific articles when searching in Google Scholar and Google databases, and for least recent projects I couldn't find information on companies' websites. I decided to consider only CSR projects aiming at economic development so I didn't take into account all the other social projects, such as health and educational programmes. I did consider training programmes aiming at the promotion of entrepreneurship and business opportunities.

⁵ ICMR IBS Centre for Management Research

http://www.icmrindia.org/casestudies/Case_Studies_Concept_Wise.asp?cat=Corporate%20Social%20Responsibility

Article 13 – the Responsible Business Experts

http://www.article13.com/A13_VintageSelection_CSR.asp#1st_Workplace_Category

⁶ Fakhar & Walker, 2006.

Table 3.1: Cases (CSR projects) selected for the research.

COMPANY	COUNTRY	TITLE OF THE PROJECT
<i>Coca Cola</i>	India	Corporate Citizenship Programme
<i>Monsanto</i>	India	Monsanto Smallholder Programme (SHP)
<i>Nestlé</i>	Sri Lanka	Dairy Development
	Pakistan	Rural Poverty Reduction Through Livestock Development Project
	Pakistan	“White Revolution”
<i>Shell</i>	Niger	Shell Petroleum Development Nigeria (SPDN)
<i>Tata Group</i>	India	Community Development Programmes
<i>Texaco</i>	Nigeria	YES Alliance
<i>Unilever</i>	Ghana and Tanzania	Allanblackia Oil Supply Chain
	Bangladesh	Project Joyeeta
	India	Project Shakti
	Kenya	Business Alliance Against Chronic Hunger (BAACH)
<i>Danone</i>	Bangladesh	Grameen Danone Foods Ltd (GDFL)
	Cambodia	1001 Fontaines pour domain
<i>Bata</i>	Bangladesh	Rural Sales Programme (RSP)

The cases found are mostly carried out in Asia; India and Bangladesh are the most popular countries. I can assume that companies selected these countries because they are already one step forward in the economic development, and for this reasons more prone to accept and develop micro-enterprises and small businesses. Moreover, many companies have moved to those countries with their production plants, while in Africa there are still few companies investing, except for oil MNCs. South America is also not very popular for economic development CSR projects, this could be due to the fact that most MNCs have seen bigger potential growth for the company in Asia rather than in South America, which however has a fast growing economy and has a market already full of MNCs’ brand products.

DATA COLLECTION

This research is based only on publicly available information and on secondary data, not on primary data due to the time constraint, which didn't allow me to carry out interviews to companies and NGOs. For every project selected I collected information on companies' websites, companies' reports and when available, from scientific articles. As mentioned in the previous section, I searched in Google Scholar and Google databases, and then I used a snowball approach to find data on the selected cases. On companies' websites I went to the CSR section and downloaded their CSR report, when available, and I went to the CSR website when present, i.e. Danone Communities. I looked for multiple sources of information for every CSR project in order to have reliable and consistent information, which would avoid the bias of the information. The information I needed for this research are:

- ⌘ name of the company
- ⌘ country where the project was carried out
- ⌘ title of the project
- ⌘ objectives of the project
- ⌘ SHs involved as beneficiaries and as SHs initiating the CSR project
- ⌘ description/activities of the project
- ⌘ list of partner NGOs and other partner institutions
- ⌘ final outcomes of the project

For every case selected I looked for all the above-mentioned issues in order to study the CSR project in depth. For some case study there was only one source of information, which can bring some bias to the information on that CSR project. Assumptions had to be made on the objectives of the projects and on the final outcomes.

To the data collection for the case studies I placed aside a literature research to define the important key concepts of my thesis, starting from articles on bottom of the pyramid from the Marketing in DCs course and moving to articles on SH Identification Theory. I chose articles from the CSR stream of literature, and some from the development economics literature, reading articles from the course Central Themes in Development Economics, to give me a different approach to the role business can have in the development of DCs. To find these materials I looked in the WUR library catalogue searching for books on CSR, to give me a wide overview of the topic and then narrowing down the research on CSR and its role in development through business activities. For the

definition of SHs I started from the paper from Mitchell, Agle and Wood (1997) suggested by my supervisor and then I looked for more articles on the topic from the once cited in that article, and I proceeded with this snowball approach. To define the successful and unsuccessful projects I used the Project Cycle Management approach, looking for literature on the topic searching in Google Scholar and Google databases for words such as “project cycle management” and “evaluation of projects”.

CASE ANALYSIS

After selecting the case studies of CSR projects and collecting the data, I made few tables to classify the case studies according to the variables and characteristics I considered: company, description of the project, objective of the project, partners and NGOs⁷ involved as well as the sources of information and SHs involved. To analyse the data collected I first analysed the information provided by MNCs in their websites and in their CSR reports; I then checked partners' websites to find more information, that would allow me to overcome the selection bias problem of the information provided by the company. When scientific articles were available I used them as starting point for those projects trying to derive as much information as possible to include in my tables (see results chapter 4). I filled in the tables in sequence, started from the basic information on name of company project and description, moving to a deeper analysis of what was available in the information sources and lately looking at the role of SHs and at the objectives and final outcomes of the CSR projects. To analyse those information some assumption had to be made due to lack of specific information on those issues.

In the first table (Table 4.1) there are companies' names, country where the project was done, title of the project, and a brief description of the project. In table 4.2 there is the list of information available, specification of NGOs and partner organizations, when available, and a list of sources of information. I decided to consider partner NGOs and organizations because MNCs in the recent years have the tendency to carry out projects in partnership with NGOs or with partner organizations. NGOs have the knowledge that MNCs rarely have about development projects in DCs and are more likely able to carry out projects that address local communities' needs; NGOs have also the human resources for such projects, which are often missing in MNCs. These partner organizations can sometimes be secondary stakeholders of the company, according to Clarkson

⁷ Non Governmental Organizations

(1995), but the NGOs, which are considered here, are not companies' stakeholders. In some cases the partner organizations are other companies, which collaborated to a certain CSR project. It wasn't possible to find information about all the partners so in the table's column about NGOs and partner organizations there are some blank cells. The sources of information are cited with the author's surname and year of publication; when the source is a website, the name of the website is cited. Complete references are provided in the references chapter. Multiple sources have been investigated but not all case studies have multiple sources of information. This table is used to answer the research question about the availability of information, listing which information are publicly available and which are missing. Summarizing the specific RQs I investigated the following questions in the results chapter, in the information's availability section:

- ⌘ Which information is available on CSR projects?
- ⌘ Are the information consistent and reliable?

In the third table (Table 4.3) the role of stakeholders is investigated in this table, together with the objectives of these projects. Stakeholders are analysed hypothetically dividing them in two groups, SHs initiating the CSR project and those benefitting from the project. SHs are studied according to the Stakeholder Identification Theory by M., A., W. (1997), but due to scarce information on the attributes of the SHs a more superficial definition is used for some case studies, where stakeholders are considered as primary and secondary stakeholders (Clarkson, 1995).

Analysing this table I kept in mind the following questions:

- ⌘ Which SHs were taken into account when the company chose to carry out the CSR project?
- ⌘ Which SHs should/are benefitting from the project?
- ⌘ Can the SHs be identified according to the attributes of the Stakeholder Identification Theory (M., A., W., 1997)?
- ⌘ Is there a relation between the SHs causing the CSR project?

In the fourth table (Table 4.4) I included the final outcome of the project. This table is used to better answer to the RQ on the role of stakeholders. To see whether SHs can have an impact on the outcome (success or failure) of a CSR project, I needed a deeper view of the final outcome of the CSR projects I found. The questions I had in mind when analysing this table were:

- ⌘ Did the projects fulfil the initial objectives?
- ⌘ Who is benefitting from the project?
- ⌘ Did SHs causing and those benefitting from the project have an impact on the final outcome of the CSR project?

Some assumptions had to be made in table 4.3 and 4.4 because of lack of information, but they were based on the interpretation of what was available. The assumptions are written in *italic* font.

4. RESULTS

I will divide my results in three sections, one concerning the availability of information and one concerning the CSR projects and the role of stakeholders. Even though the main research question is about CSR projects and SHs I decided to first write the results about the availability of information and then move to the case studies as consequence. First I will give a brief overview of the projects before moving to the results.

Table 4.1: Case studies on CSR projects.

COMPANY	COUNTRY	TITLE OF THE PROJECT	DESCRIPTION OF THE PROJECT
<i>Coca Cola</i>	India (1)	Corporate Citizenship Programme	Series of projects in communities close to Coca Cola bottling plants: health, education and water conservation programmes to increase health and as consequence increase labour capacity of the community.
<i>Monsanto</i>	India (2)	Monsanto Smallholder Programme (SHP)	The programme was undertaken between 1999 and 2002. Monsanto's market in Europe was stalled and Monsanto needed a new market; developing countries had that potential. Farmers were provided with input resources, technical advice, seeds and chemicals. Once farmers started demanding new technology and inputs Monsanto ended the project and started considering farmers as customers.
<i>Nestlé</i>	Sri Lanka (3)	Dairy Development	Since 1982 Nestlé built rural milk collection points and chilling centres close to its factory; in 2009 the collection points were 1200. Nestlé is also helping farmers with artificial insemination and trainings on breeding

			techniques.
	Pakistan (4)	Rural Poverty Reduction Through Livestock Development Project	In 2009 Nestlé launched this project offering trainings for dairy farmers, technical assistance, veterinary service and links with local businesses. Over 4000 farmers are part of the milk value chain after the training programme.
	Pakistan (5)	“White Revolution”	The programme started in 2006 and consisted of several projects: 2440 model farms, 6330 cooling tanks, 2100 mobile milk collection units, farm management and dairy research institute, farmer technical training programme, animal health-care training, input stores, etc.
Shell	Niger (6)	Shell Petroleum Development Nigeria (SPDN)	<p>Since 1960s Shell supported Niger Delta communities through philanthropy giving: water sanitation, health care, trainings, agriculture, micro-credit, business development and infrastructures. In the second stage (CD) the approach was bottom-up approach to development.</p> <p>Less than 1/3 of the projects were successful and 1/3 was partially successful. (Evidence from Frynas, 2005)</p>
Tata Group	India (7)	Community Development Programmes	<p>30% of the company’s profit is invested in community development programmes across India: health, education and infrastructures.</p> <p>Tata Steel created natural resource management, micro-financing and credit, trainings for future employment for young students.</p>
Texaco	Nigeria (8)	YES Alliance	The programme is divided in three learning cycles: business and entrepreneurship, community services and development of community ventures.
Unilever	Ghana and	Allanblackia Oil	The project started in 2008 and it consisted in

	Tanzania (9)	Supply Chain	<p>few phases: first farmers were encouraged to harvest and sell seeds from wild allanblackia trees; the second phase focused on planting more trees on degraded lands, to support biodiversity and to provide additional income. Over 40,000 trees were planted on small rural farms.</p> <p>15 large nurseries were established to teach farmers how to grow their own trees.</p> <p>In Tanzania 5,000 farmers in 55 villages are taking part in the project and in Ghana 5,500 farmers are joining the programme in over 200 hamlets.</p> <p>The harvested seeds are bought by transporting firms and are then sold to local crushing companies. Unilever buys the oil at guaranteed price.</p>
	Bangladesh (10)	Project Joyeeta	<p>It was piloted in 2003, it's a joint venture with aid agency CARE. It evolved in Project Aparajita. The project offers a wide range of goods, including Unilever products, to women willing to start a small business in the selling of these goods.</p> <p>In 2009 3,000 women sold Unilever products for 1.8 million households through sales set up by CARE. In 2010 the women were 10,000 covering 6 million households.</p> <p>This type of project is part of a series of micro-enterprises initiatives around South East Asia that encourage women to improve their income by selling Unilever products in their communities.</p> <p>NGOs provide small loans to help women start buying the goods while Unilever helps with</p>

			training in commercial skills.
	India (10)	Project Shakti	<p>It was launched in 2000 in partnership with local NGOs, banks and government.</p> <p>Women in self-help groups across India are invited to become direct-to-consumer sales distributors for Hindustan Lever's products (Unilever's business in India). The company provides training in selling, commercialization and bookkeeping to help women become entrepreneurs.</p> <p>By end of 2009 45,000 Shakti entrepreneurs were selling products to 3 million consumers in 100,000 villages.</p> <p>The project has brought to women source of income, self-esteem and empowerment.</p> <p>Similar project is carried out in Sri Lanka.</p>
	Kenya (12)	Business Alliance Against Chronic Hunger (BAACH)	<p>The programme consists of several steps: pilot voucher programme for agricultural inputs, providing seeds and fertilizers for 11,000 farmers; business linkages for companies; guaranteed purchase agreement for staple crops; training for women farmers in processing, packaging and marketing; training youth in entrepreneurial skills.</p> <p>Companies will buy local farmers' products and help them find new markets for outputs.</p>
Danone	Bangladesh (13)	Grameen Danone Foods Ltd (GDFL)	<p>The idea for the project raised during a meeting between the CEO of Danone and the founder of Grameen Bank, Muhammad Yunus, in 2005. They decided to create a joint venture called "Grameen Danone Foods", with the scope of creating a yogurt factory in Bangladesh, to contribute to local development.</p> <p>Danone didn't have any product marketed in</p>

			<p>Bangladesh at that time.</p> <p>The plant built produces a yogurt fortified with nutrients and sold at very cheap price, affordable by the poorest families.</p> <p>Profits earned by the company for this project are re-invested in expanding and running the business.</p> <p>The goal of profitability is based on criteria such as improving public health, reducing poverty and creating job opportunities.</p>
	Cambodia (14)	1001 Fontaines pour domain	<p>Danone started financing the project in 2008.</p> <p>It consists in installing treatment units that produce safe drinking water, which is then bottled and distributed in isolated areas in Cambodia.</p> <p>The project provided 2 litres of drinking water per day to 25,000 people. When Danone joined the project with 1001 fontaines association, it was able to reach between 60,000 and 80,000 people served by safe water, after installing 42 sites.</p> <p>Danone trains local teams in water management and filtration systems.</p>
Bata	Bangladesh (15)	Rural Sales Programme (RSP)	<p>The project is carried out in the rural areas of the country, in northern and southern district; it involves 1,500 workers expecting the number to be doubled. It started in 2004.</p> <p>Women selected to participate in the programme work as sale representatives selling several products.</p> <p>Bata provides trade credit, training support, and delivery of products in time. CARE provides credit guarantee and training to self-help groups.</p>

			<p>Women vendors gain economic empowerment, raising their status in the village; the money gained are often spent in healthcare and education.</p> <p>Bata gains access to a market that was inaccessible and which has high potential growth.</p> <p>Rural population gains access to products, which were not accessible before and at a lower price, saving time and money.</p>
--	--	--	--

INFORMATION AVAILABLE

In chapter three I explained the methodology I used to find information on CSR projects. It was difficult to find accurate information on the stakeholders involved in CSR projects, SHs involved in the decision making process and those benefitting from the projects are not always presented (see table 4.2 below). Before analysing the availability of information on CSR projects and SHs involved, I want to analyse the availability of information just on CSR projects. As mentioned in chapter three, methodology, there is no database of CSR projects, which makes the research of information more difficult; I used a couple of search engines using key words (see data selection and collection), and I could find only a couple of websites that are selling CSR case studies. From their abstracts I could see that they were not addressing the topic of SHs in a detailed way. While there are many websites on CSR, with some short descriptions of CSR activities, none of them is focusing on CSR projects in DCs and on CSR projects aiming at economic development.

Information sources for the case studies I found are also scarce and not for all cases I was able to find multiple sources of information. In the table below I present which type and source of information are publicly available on CSR projects in DCs.

Table 4.2: List of NGOs and partner organizations involved in the CSR projects; list of information and information sources on the case studies (CSR projects).

PROJECT	INFORMATION AVAILABLE	NGOs AND PARTNER ORGANIZATIONS	SOURCES OF INFORMATION
<i>1</i>	<ul style="list-style-type: none"> Title and country of the project Description of the project Lack of information on partners Lack of stated objectives No description of SHs 		Mahajan & Ives, 2003 Hills & Weldorf, 2005
<i>2</i>	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Description of the SHs involved Lack of information on partners 		Glover, 2007
<i>3</i>	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project partially discussed Lack of information on partners No description of SHs 		Nestlé Report 2010
<i>4</i>	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Partial description of SHs Information on partners 	Swiss Agency for Development and Cooperation (SDC)	Nestlé Report 2010
<i>5</i>	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Partial description of SHs Information on partners 	Tetrapak Ltd Pakistan Dairy Development Company USAID Small and Medium Enterprises Development Authority (SMEDA)	Fakhar & Walker, 2006
<i>6</i>	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project 		Ite, 2004 Coble, 2007 Frynas, 2005

	<ul style="list-style-type: none"> No description of SHs Lack of information on partners 		
7	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Partial description of SHs Lack of information on partners 		Hopkins, 2007 Website: Indiacsr
8	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project No description of SHs Lack of information on partners 		Hopkins, 2007
9	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Description of SHs Information on partners 	<p>United Nation Development Programme (UNDP)</p> <p>International Centre on Research in Agro-Forestry (ICRAF)</p> <p>International Union for Conservation of Nature (IUCN)</p> <p>International and local NGOs</p> <p>Regional and national governments</p>	<p>Website: Unilever</p> <p>Website: United Nations</p> <p>Website: UNDP</p>
10	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Description of SHs Information on partners 	<p>Local NGOs</p> <p>Aid Agency CARE Bangladesh</p>	Website: Unilever
11	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Description of SHs Information on partners 	Local NGOs, banks and government	<p>Website: Unilever</p> <p>Website: Hindustan Unilever Limited</p> <p>Website: The Social Marketplace</p>
12	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Description of SHs 	<p>Coca Cola</p> <p>Monsanto</p>	Website: Unilever

	<ul style="list-style-type: none"> Information on partners 	<p>Tetra Leval</p> <p>Facilitated by the Switzerland-based World Economic Forum</p>	
13	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Partial description of SHs Information on partners 	<p>Grameen Bank</p> <p>Global Alliance for Improved Nutrition (GAIN) NGO</p>	<p>Website: Danone</p> <p>Website: Danone Communities</p> <p>Website: Grameen</p> <p>Website: Forbes</p>
14	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Partial description of SHs Information on partners 	<p>Association 1001 Fontaines</p> <p>Local NGOs</p>	<p>Website: Danone Communities</p> <p>Website: 1001 Fontaines</p>
15	<ul style="list-style-type: none"> Title and country of the project Description of the project Objectives of the project Description of SHs Information on partners 	<p>CARE Bangladesh</p>	<p>Website: Bata</p> <p>Website: Social Enterprise Portal</p>

In table 4.2 I highlighted the information available, the sources and the partner NGOs and organizations. Not always there are information on the NGOs who carried out the project together with the MNC, sometimes we can assume that the company had a partner organization for the project but not always the partner is mentioned. When possible I filled in the section on partner NGOs; the blank cells stand for missing information. Concerning the sources of information I wanted to use multiple sources in order to get unbiased information. For some cases I found more information about the projects on partner NGOs websites, and in magazines and journals. Often the information available on NGOs websites were the same there were on the company's website; on the other hand when published article were present, they were a bit more critical on the CSR project.

Unilever provides more information about the CSR projects' objectives; partner NGOs and multiple information sources were found. However, most of them come from websites. The articles found for the case studies were only few, concerning oil companies (Shell and Texaco). Coca Cola's project in India was also taken into account in two papers, which had a critical view of the project. Monsanto case was as well considered in a scientific article so the information provided in it should be less biased than those found on a company's website. Most of the information about Nestlé's projects was found on the company's CSR Report. More information was found on the CSR project in Pakistan,

on which a publication has been made in 2006. In the next section I will consider some of the cases as examples to better state the results concerning CSR projects and the role of stakeholders.

Concerning the availability of information on the final outcome of the projects and as consequence on the success or failure of them I summarized the final outcomes of the CSR projects in table 4.4, in order to show which projects fulfilled the initial objectives and those who didn't. I had to make many assumptions because of the lack of clear proofs on the outcomes. The measurement of the success of the projects is time demanding, costly and often difficult to carry out, for this reason often no impact measurement is done. MNCs state only the objectives and the current situation without stating numbers or quantitative measurements. Sometimes I couldn't even make assumption because of the lack of information on either the outcome or the current situation, see the case of Texaco.

Analysing the literature on CSR projects and SHs I can say that the information available are insufficient for a deep understanding of the topic and for an in depth research. When information on CSR projects are found they are often biased; they are also not always reliable. Most of the information comes from companies' CSR reports or websites. Because there is no official database of CSR projects nor a third party institution verifying and monitoring the state of the CSR projects, the information found on the web are not always reliable. Sometimes I was able to find scientific articles, but they were really few so they can be seen as a "drop in the ocean" of the CSR projects' information gap.

CSR PROJECTS AND STAKEHOLDERS

Once discussed the available information, I want to take a deeper look at CSR projects. The projects included in the table are mostly successful projects, while those cited in Frynas (2005) are examples of failure CSR projects, discussed briefly in chapter 2, literature review. When analysing the projects I will concisely refer to the literature about the failure case studies, as comparison for the case studies I found. In italic the assumptions of the objectives I made, due to lack of information, derived from the description of the project. When no clear statement on SHs initiating and benefitting from the project was included in the project description, I wrote "no information" in the corresponding cell.

Table 4.3: Objectives and SHs specification of the CSR projects.

PROJECT	SHs INITIATING	SHs BENEFITTING	OBJECTIVE OF THE PROJECT
1	No information	No information	<ul style="list-style-type: none"> • <i>Pay-back the community for the deployment of natural resources and pollution</i>
2	<p>Monsanto and rural farmers in India (potential customers of Monsanto products)</p> <p><i>Primary SHs and secondary SHs potentially becoming primary SHs</i></p>	<p>Monsanto and rural farmers in India (potential new customers of Monsanto products)</p> <p><i>Primary SHs and secondary SHs potentially becoming primary SHs</i></p>	<ul style="list-style-type: none"> • Provide resources for rural farmers • Find a new market for Monsanto's GM seeds and products • Improve technology available to farmers and drive them to commercial farming
3	No information	No information	<ul style="list-style-type: none"> • Ensure stable income and market outlet for rural farmers • <i>Increase quality and traceability of milk supply for Nestlé factories</i>
4	<p>Nestlé and dairy farmers (suppliers of milk to Nestlé)</p> <p><i>Primary SHs</i></p>	<p>Nestlé and dairy farmers (suppliers of milk to Nestlé)</p> <p><i>Primary SHs</i></p>	<ul style="list-style-type: none"> • Ensure stable income and market outlet for rural farmers • <i>Increase quality and traceability of milk supply for Nestlé factories</i>
5	<p>Nestlé and dairy farmers (suppliers of milk to Nestlé)</p> <p><i>Primary SHs</i></p>	<p>Nestlé and dairy farmers (suppliers of milk to Nestlé)</p> <p><i>Primary SHs</i></p>	<ul style="list-style-type: none"> • Build a modernized dairy sector taking as example the Nestlé milk district model • Empower dairy sector in

			<p>rural Pakistan and increase milk productivity</p> <ul style="list-style-type: none"> • <i>Increase quality and traceability of milk supply for Nestlé factories</i>
6	No information	No information	<ul style="list-style-type: none"> • Contribute to poverty alleviation • Create wealth opportunities for the communities in the surroundings of Niger Delta • <i>Pay-back the community for the environmental damage and for the deployment of natural resources</i> • Reduce conflicts among different communities in Niger Delta so maintain a stable working environment • Obtain competitive advantage • Keep employees happy
7	<p>Tata group and young population in India (potential employees in Tata factories)</p> <p><i>Primary SHs and potential primary SHs</i></p>	<p>Tata group and young population in India (potential employees in Tata factories)</p> <p><i>Primary SHs and potential primary SHs</i></p>	<ul style="list-style-type: none"> • Economic development of rural areas in India • Prepare young students for future employment in Tata Group
8	No information	No information	<ul style="list-style-type: none"> • Linking traditional education with youth leadership and community

			<p>ownership</p> <ul style="list-style-type: none"> • Prepare youth for future employment
9	<p>Unilever and rural farmers (suppliers of oil to the company)</p> <p>Primary SHs</p>	<p>Unilever and rural farmers (suppliers of oil to the company)</p> <p>Primary SHs</p>	<ul style="list-style-type: none"> • Ensure a market outlet for farmers and create new job opportunities • <i>Increase quality and traceability of the oil used in Unilever products</i>
10	<p>Unilever and women living in rural areas (potential sellers for Unilever products)</p> <p>Primary SHs and secondary SHs potentially becoming primary SHs</p>	<p>Unilever and women living in rural areas (potential sellers for Unilever products) and their families; in the long run rural communities (potential buyers of those products)</p> <p>Primary SHs and secondary SHs potentially becoming primary SHs</p>	<ul style="list-style-type: none"> • Overcome Unilever's difficulties in accessing rural customers and increase its sales • Improve life conditions of local women and their families, empowering them and increasing their income
11	<p>Unilever and women living in rural areas (potential sellers for Unilever products)</p> <p>Primary SHs and secondary SHs potentially becoming primary SHs</p>	<p>Unilever and women living in rural areas (potential sellers for Unilever products) and their families; in the long run rural communities (potential buyers of those products)</p> <p>Primary SHs and secondary SHs potentially becoming primary SHs</p>	<ul style="list-style-type: none"> • Expand the market for Hindustan Lever (Unilever India) reaching potential consumers in remote areas where there is lack or retail distribution network, poor infrastructures and no advertising coverage • Empower women, creating business opportunities

		<i>primary SHs</i>	
12	Unilever, rural farmers and youth population in rural areas (potential suppliers of raw materials to Unilever) <i>Primary SHs and potential primary SHs</i>	Unilever, rural farmers and youth population in rural areas (potential suppliers of raw materials to Unilever) <i>Primary SHs and potential primary SHs</i>	<ul style="list-style-type: none"> • Improve living standards of peasant farmers by facilitating access to market outlets and ensuring contracts with big buyers such as Unilever Kenya • Improve the production of staple and high value crops and strengthen entrepreneurial skill • <i>Increase quality and traceability of the crops used in Unilever products</i>
13	Danone, Grameen Bank and rural population (potential customers and sellers) <i>Primary SHs and secondary SHs potentially becoming primary SHs</i>	Danone and rural population (potential customers and sellers) <i>Primary SHs and secondary SHs potentially becoming primary SHs</i>	<ul style="list-style-type: none"> • Produce a product with high nutritional value and affordable by the poorest • Improve community's living conditions by creating job opportunities • Protect the environment and conserve resources • Ensure a sustainable activity while seeking profitability • <i>Enter Bangladesh market with Danone products</i>
14	Danone and rural population (potential customers) <i>Primary SHs and secondary SHs potentially becoming</i>	Danone and rural population (potential customers) <i>Primary SHs and secondary SHs potentially becoming</i>	<ul style="list-style-type: none"> • Improve health of rural people by providing access, sustainably, to safe drinking water • Create a market large

	<i>primary SHs</i>	<i>primary SHs</i>	enough to be self-sufficient and to act as entrepreneur at the service of the community
15	Bata and rural women (potential sellers of Bata's products) <i>Primary SHs and secondary SHs potentially becoming primary SHs</i>	Bata, rural women (potential sellers of Bata's products) and the rural communities (potential customers) <i>Primary SHs and secondary SHs potentially becoming primary SHs</i>	<ul style="list-style-type: none"> • Generate employment and improve private sector • Promote gender equality and women empowerment • Build capacity of women for the development of sustainable enterprises • <i>Access a new market and new customers for Bata products</i>

Looking at the SHs involvement in CSR projects, I found that unlikely the projects carried out by NGOs, which are very transparent when describing a project, explicitly stating who will benefit from it and who pushed for it, MNCs are not always willing to be so clear. Unilever and Bata admit on their websites and in their reports to have carried out projects because they wanted to reach rural areas with their products or they needed a new sellers' network in a certain area. Unfortunately this information is biased due to the fact that the company itself writes about the projects. Going back to the type of information provided by companies, it is very difficult to classify stakeholders according to the three characteristics, which I wanted to use: power, legitimacy and urgency. As I said, it is difficult even to find a description of the SHs groups and even more to derive these attributes. In the scientific literature concerning CSR projects these characteristics are also left out, and are hardly derivable. Power is the only attribute that can more easily be assumed, while legitimacy and urgency are more difficult to assume. For the following reason a proper classification of SHs according to the Stakeholders Identification Theory cannot be done. SHs have to be classified only based on the distinction of SHs initiating the CSR project and SHs benefitting from it, despite the attributes they have. A distinction on primary and secondary stakeholders can be made with the information available. Critical point it's not just to identify the SHs but also to identify all the objectives of a CSR project. As I mentioned earlier, it is not always the case to find clear statement of motivation for a CSR project and the objectives stated are mostly concerning the communities and societies involved as direct beneficiaries. Although, some companies are more transparent and admit their own interest

in a certain project; when private interests were omitted but were understandable reading between the lines of a text, I made my own assumptions, written in italic font in the case studies' table. Assumptions had to be made in order to carry out a more complete analysis of the project and to derive results and conclusions for this research.

I now discuss the failure case studies. According to Frynas (2005) oil companies in DCs carried out many projects just for their own private interests. Looking at the objectives of the projects he identified four main objectives, all having the company itself as main beneficiary of the project. It is clear that the companies were considering as SHs causing CSR only those directly related to the company, primary stakeholders, which are employees, customers and the company itself. I can assume that the direct SHs have bigger power than local communities. SHs beneficiaries of the project should be the communities or societies where the project is done. Although these communities should be the direct beneficiaries, the MNCs were only interested in their on benefit, derived from good PR⁸ activities and good promotion of the CSR project. Other factors were considered by Frynas as causes of failure, such as poor managerial knowledge in development projects and institutional instability of the countries where the projects were carried out. One of the companies considered in this article is Shell, which has been investigated in Ite (2004) and Coble (2007) as well. Shell carried out several projects in Nigeria, with the Shell Petroleum Development Nigeria (SPDN); since 1960s Shell supported the communities in Niger Delta with educational and health projects, later on choosing a bottom up approach to better address the economic development needs. Less than one third of the projects were successful and one third were partially successful. Taking a look at the objectives of the projects most of them don't take into account the community, which should benefit from the project. I can assume that when Shell made the decision to carry out a project the only SHs involved in this phase were primary stakeholders, so the community wasn't considered much. SHs causing CSR and those who should benefit from it are not the same ones.

Coca Cola carried out a series of projects in India, through the Corporate Citizenship Programme, close to Coca Cola bottling plants. The projects were mainly health and educational programmes, willing to increase labour capacity. Main objective though was to pay back the community for the deployment of natural resources (Mahajan & Ives, 2003; Hills & Weldorf, 2005). Again the stakeholders involved in the decision making phase were not communities but mainly SHs such as employees, customers and the government. Communities were taken into account only because of their legitimacy and power attributes, which were able to stop Coca Cola bottling plants for one year due to pollution of water in the area, claimed by society and local NGOs. Even though the projects were not directly related to economic development, it is useful to consider such projects because of

⁸ Public Relations.

the role SHs play. The projects were not successful for neither the company and the community because Coca Cola had to stop the production for one year and local employees were left without a job for that year, creating unemployment instead of increasing labour productivity and opportunity.

Looking at the successful cases, several projects were found. In Glover (2007) the case of Monsanto CSR is studied. Monsanto started a project in India in order to access a new market for its GMO⁹ seeds and its chemical products, not legal anymore in European and American markets. DCs were found to be a great potential market, but farmers were not demanding chemicals and new technology there, as well as improved seeds. First step Monsanto took was to carry out a CSR project providing agricultural inputs and trainings for rural farmers in order to drive them to commercial farming; once farmers started demanding chemicals and other Monsanto products the project ended. The project was successful for both Monsanto, who found a new market for its products, and for farmers who were able to increase their agricultural yields and move to a more commercially oriented farming. Other cases of success are the ones of CSR projects carried out by Unilever and Danone. Unilever carried out several projects, aiming at increasing income and improving life conditions of farmers and women in rural areas, as well as accessing new markets for Unilever products and increasing quality and traceability of its products. In Ghana and Tanzania, Unilever helped farmers improve farming system in order to produce higher quality oil, ensuring them a market outlet for their produce and ensuring to Unilever a high quality oil used in the production of some Unilever products. The same situation can be found in Kenya, where Unilever carried out a similar project.

In Bangladesh and India Unilever started projects of micro-enterprises to help women become sellers in rural areas, to empower them and improve life conditions of their families. These women sell Unilever products in areas where Unilever didn't have a sellers' network or access to the market. Again, as in the previous case, two were the main objectives: help rural women and access a new market for Unilever products. These CSR case studies show a win-win situation: in the decision making phase SHs involved were both the company and the community; in Ghana, Tanzania and Kenya beneficiaries of the projects are farmers, who are also suppliers of Unilever, which means that they have quite strong power, while in Bangladesh and India the beneficiaries are the women and the potential new customers. In all cases Unilever is also beneficiary of the projects.

Danone carried out a similar project in Bangladesh, with a big partner NGO, Grameen Bank; a new product entered the Bangladesh market, where Danone didn't have any product yet; the project was aiming at creating job opportunities and create a high value product at low price so that rural population could afford to buy it. The project is going on very well, and Danone is not directly benefitting from it in terms of income generator, but Danone has now access to a market, which

⁹ Genetically Modified Organisms.

didn't have before so the brand has gained popularity and other Danone products are now sold in Bangladesh. Communities are benefitting from the project directly, many people are employed in the factory, women are working as sellers and customers are able to buy a good product at cheap price. The situation is similar to the one of Unilever, both the community and Danone gain from the CSR project, and both SHs groups were taken into account in the decision making phase. Bata CSR project in Bangladesh has many similarities with those of Unilever; Bata facilitated the creation of micro-enterprises for women in rural areas, who became sellers of Bata products in those areas where Bata didn't have a market yet. When Bata engaged in this project they took into account both the company and the community, and both are effectively benefitting from it.

Different is the case of Tata Group in India, where the company invests 30% of its profit in community projects, focusing on health, infrastructures and education, aiming at preparing students for future employment in Tata Group. Tata needs specialized employees and educating youth is the main issue for them as it can affect the productivity of the company itself. If the educational project is successful Tata will have specialized and well trained employees, and as consequence will be able to increase productivity and profits to be reinvested in the community. SHs involved in both decision-making phase and those benefitting are the same ones. Similar to this case it the one of Texaco, aiming at the education and training of young students, preparing them for future employment and job opportunities. In the next section I will take a deeper look at the final outcome of the projects, considering the initial objectives and the final outcomes.

SUCCESS AND FAILURE OF THE CSR PROJECTS

In Table 4.3 I stated the objectives of the projects, and in some cases I had to make assumptions; in Table 4.4 I took a deeper look at the final outcome to see whether the initial objectives have been met by the CSR project. I will consider in the discussion only the projects with more information on the final outcomes and where few assumptions had to be made.

Table 4.4: Final outcome of the CSR projects.

PROJECT	OUTCOME OF THE PROJECT
<i>1</i>	Coca Cola close the bottling plant for one year, after local NGOs' and local communities' protests for water pollution.

	<i>During that year many people were left with no job, unemployment rate raised and productivity went down.</i>
2	Farmers moved to commercial farming and started demanding higher technology inputs. Monsanto found a new market for its GM seeds and for its chemical products.
3	Milk production increased, new collection points were built and quality of milk improved. <i>Farmers can have easier access to the market due to higher quality of milk.</i> <i>Nestlé can buy higher quality milk for its processing plants.</i>
4	4000 farmers joined the project and are now part of the milk value chain. <i>Farmers have stable income and easier access to market outlets for their milk.</i> <i>Nestlé can buy higher quality milk for its processing plants.</i>
5	<i>Farmers improved breeding techniques and milk production; this led to higher income and easier access to market outlets.</i> <i>Nestlé can buy higher quality milk for its processing plants.</i>
6	Less than 1/3 of the projects were successful and 1/3 was partially successful.
7	<i>Young people are employed in Tata Group, reducing unemployment rate and increasing production capacity due to the higher competencies of well-trained employees.</i>
8	No information available.
9	In Tanzania 5,000 farmers are joining the programme and in Ghana 5,500 farmers are taking part in it. <i>Farmers have stable market outlet for their produce to ensure them a stable income source.</i> <i>Unilever buys high quality raw materials for its own final products.</i>
10	In 2009 3,000 women sold Unilever products for 1.8 million households. In 2010 the women were 10,00 serving 6 million households. <i>The project was able to bring women empowerment and raise income for women's households.</i> <i>Rural population was able to access Unilever products.</i> <i>Unilever had access to a new market and therefore increased its revenues.</i>
11	In 2009 45,000 entrepreneurs were selling products to 3 million customers in 100,000 villages. Women have now a source of income, which brought empowerment and self-

	<p>esteem.</p> <p><i>Hindustan Lever market have expanded due to the new sellers' network in rural areas.</i></p>
12	<p><i>Farmers have a stable market outlet and easier access to farm inputs.</i></p> <p><i>Unilever can buy high quality crops to be used in the production of Unilever products.</i></p>
13	<p>A fortified yoghurt is produced and sold locally by women at very cheap price. The project created job opportunity and employment, it brought women empowerment and it raised income of those employed in the factory and those selling products.</p> <p>Rural population have now access to high-nutritional product at accessible price.</p> <p><i>Danone entered Bangladesh market with its products.</i></p> <p>Profits earned by the company for this project are reinvested in the business and in the communities around it.</p>
14	<p>60,000-80,000 people are served by safe water; local teams are trained for water management.</p>
15	<p>Women involved in the project are around 1,500. It brought women employment and raised income of women's households.</p> <p>Bata gained access to a new market.</p> <p>Rural population have access to products at a lower price that were inaccessible before the project.</p>

Objectives and outcomes of Monsanto's CSR project show a perfect correspondence between them: the company's objectives and the community-focused objectives were met and this brought a win-win situation, according to the information source (Coble, 2007). We have vague information on the final outcome of Shell CSR projects: 1/3 of them were partially successful and less than 1/3 was successful. There is no information on the real impact on the community so we cannot compare the initial objectives with the outcome directly; however we can assume that the initial objectives have been fulfilled only partially, according to the percentages above. Unilever is one of the companies with the biggest amount of information, however when it gets to the final outcome its CSR projects are not very transparent and the one with more information is the project in India, where there is a quantitative measurement of the impact of this project. However, we cannot know if those women employed are actually benefitting in terms of income and empowerment due to the project. As many

women are taking part in the project, we can assume that Hindustan Lever (Unilever India) reached its initial objective: expand the market for its products in rural areas of India where there wasn't any distribution network. Danone's CSR project in Bangladesh was able to fulfil most of the objectives stated, even though for some of them there are no measurable proofs. Danone managed to produce a high-nutritional value product and to sell it at very cheap price, to make it accessible for rural population. At the same time Danone's brand became popular in Bangladesh where the company didn't have a market yet. We can assume that Danone had access to a new market for its products in the country. As I mentioned, for some of the outcomes there are no measurable proofs, so we can assume that community living conditions improved due to new job opportunities and employment in the factory. There is no information on the outcome related to the objectives of protecting the environment and producing in a sustainable way, so no assumption can be made on them. Bata CSR project has measurable outcome in terms of participants in the project, but there are no quantitative information on the current income and living conditions of the participants so we can assume that the objectives have been fulfilled but we cannot measure them. We can also assume that Bata was able to access the rural market and that rural population is now able to purchase Bata products at an affordable price. With the information available, it is not possible to measure the real impact of these CSR projects. It is possible to measure the number of participants but for an impact evaluation there is the need to carry out a proper research, which involves long time, high costs and specialized human resources. Because most of the companies are still looking at CSR as part of their PR activities, there is still poor willingness of knowing and measuring the real impact that these CSR projects have and therefore no information are available. Companies engaging in projects with experienced partner NGOs are more likely to study, even though superficially, the impact that such projects have on the communities, because of the development knowledge of NGOs managers and employees. Those companies engaging in projects without the support of local NGOs or big partner organizations find more difficulties in measuring the actual impact of a project and therefore are more prone to skip the impact evaluation phase of the project.

Going back to the cases mentioned in this section, I decided not to consider all the case studies because most of them have final outcomes based on assumptions due to lack of information, but looking at both the stakeholders and at the final outcomes in relation to the initial objectives, I found some common issues for the so-called successful CSR projects:

- stakeholders involved in the decision-making phase and those benefitting from the CSR project are the same and are both primary SHs or potential primary SHs;
- the CSR projects bring a win-win situation for both the company and the community where the project is carried out.

5. CONCLUSIONS

This chapter consists of two sections for the conclusions, one for the availability of information on CSR projects and one on the role of SHs in the final outcome of the projects; and two additional sections for the recommendations and limitations of the research. In this chapter I will state my theory on the role stakeholders play in the final outcome of CSR projects in DCs.

Before moving to the conclusions I'd like to recall the importance of this research: MNCs spend billion dollars every year in philanthropy and in CSR projects in both developed countries and developing countries; however there is no measurement of the effectiveness of such projects. CSR and development literature are not yet assessing and discussing the impact these projects have on DC's economic development. Moreover there is no clear definition of successful CSR projects, which doesn't allows NGOs and companies' to transparently state whether the CSR project the company implemented is successful or a failure. Many factors influence the final outcome of the projects and therefore their success or failure; one of these factors is the role of SHs, which can theoretically be divided into two groups: SHs initiating the project and SHs benefitting from the project. SHs are expected to play a major role in the success of CSR projects. The information publicly available on CSR projects is incomplete, as will be discussed in the next section, preventing researchers to carry out complete studies on the topic.

INFORMATION AVAILABLE

In chapter four I discussed the findings about the information available. There is no database of CSR projects, which would be very useful for all those people willing to carry out a research or a study on CSR projects, in both developed countries and developing countries. There are few scientific articles on CSR case studies, analysing CSR projects in depth, and even those analysing them don't focus much on the role of stakeholders. Companies' websites and their CSR reports provide basic and superficial information, especially on the SHs involved in the decision-making process and on the final outcome. The name of the partner NGOs and organizations are often not mentioned, not allowing the researcher to compare different sources of information. The scientific articles on the topic of CSR in DCs are scarce. There are no quantitative and measurable data on the impact that the

CSR projects have on the economic development of the communities where the projects are carried out. Assumptions have to be made on the final outcomes of the projects in order to define whether they are successful or failures. The lack of measurable data allows NGOs to bring into question the effectiveness of CSR projects; on the other hand companies cannot exploit for their marketing activities the success of the projects if the impact is not measured. No information on the amount spent for the projects is available, which shows lack of transparency. In the recommendation section I will discuss some issues that would be needed in order to allow future researches and in order to improve the efficiency and effectiveness of companies carrying out CSR projects in DCs.

THE ROLE OF STAKEHOLDERS

In the previous chapter the results showed that a classification of SHs according to Mitchell, Agle & Wood (1997) is not possible; there is too little information on the SHs involved in the CSR projects to be able to derive the three attributes used for the definition of stakeholders. I can assume that when SHs considered in the decision's phase are the same who will also benefit from the project, and possess all three attributes (power, urgency and legitimacy), the CSR projects are more likely to have success. On the other hand, when SHs initiating the CSR project possess more than one attribute and those benefitting from it possess only one or two attributes, and therefore they are not the same SHs' groups, the CSR project can more easily be a failure. However, SHs can be divided in primary and secondary stakeholders (Clarkson, 1995), and they can be divided in SHs initiating the CSR project and those benefitting from it. From the case study analysis I found out that the projects that didn't fulfil the initial objectives were characterized by a predominance of self-interests of the company, which didn't take into account local communities in the decision-making phase. Primary stakeholders were considered when the company decided to engage in a CSR project, but those who should have benefitted from it were secondary stakeholders, who I can assume have little power and lack of other attributes, compared to primary SHs.

On the other hand the projects that were found to be successful, both for the company and for the community, looking at the final outcome and at his response in addressing the objectives, took into account the local community in the decision's phase of carrying out the CSR project. Local communities were considered as primary stakeholders for the company, because they were potential suppliers and/or customers so I can assume that they had more attributes, leading to a CSR project able to reach the initial goals (see Unilever, Monsanto and Danone CSR projects). CSR projects that see local communities involved in the companies' business, either supplying raw materials and

labour to them or being sellers and/or customers, make those SHs more important for the company and therefore the company has more interest in carrying out a successful project. Inductively we can see that when the primary SHs are involved in both phases, the project has a market-orientation approach, therefore we can see that SHs involved have higher saliency but with the analysis I carried out it is not possible to control for the endogeneity problem: SHs involved in the decision-making phase are primary SHs because the company chooses to carry out a market-oriented project; or the company chooses to consider primary SHs and as consequence the project to carry out is a market-oriented project. Despite the causality effect, we can say that market-oriented projects are more likely to be successful projects. Summarizing, my theory says that: when a MNC engages in a CSR project, involving local communities in decision-making phase, so having them as one of the SHs' groups initiating the project, and having as beneficiaries the same SHs groups, the CSR projects are more likely to be successful. In addition, projects have more chances of success when the SHs initiating and benefitting from the project are primary stakeholders; the MNCs need to have some long-run interests in carrying out a successful CSR project and this is the case when local communities participate in the companies' business as suppliers and/or customers. Market-oriented projects are more likely to be successful. I drew an inductive model to better explain my theory: SHs are not the only issue affecting the success of a CSR project, because the environment of the DC, institutions and political stability, are important.

I can also assume the following theory: when SHs initiating the CSR project are "definitive stakeholders" and SHs benefitting from the CSR project are "definitive stakeholders" as well, we can expect the project to be successful. On the other hand when SHs who should benefit from the project are "latent stakeholders", despite of the SHs initiating the projects, the CSR project can be expected to be a failure. When SHs benefitting from the project are "expectant stakeholders", and those causing it are either "expectant" or "definitive" SHs, the project can have some chances of success; when the SH initiating the project are "latent" SHs, the project will never take place". The following theory is just an assumption, because of lack of information to derive a proper theory using the Stakeholder Identification Theory approach by M., A., W. (1997). As for before, I drew an inductive model also for this theory, which I assume, considering the SH Identification Theory. Also in this case the environment of the DC can affect the success of a CSR project.

Fig. 5.1: Inductive model of the theory.

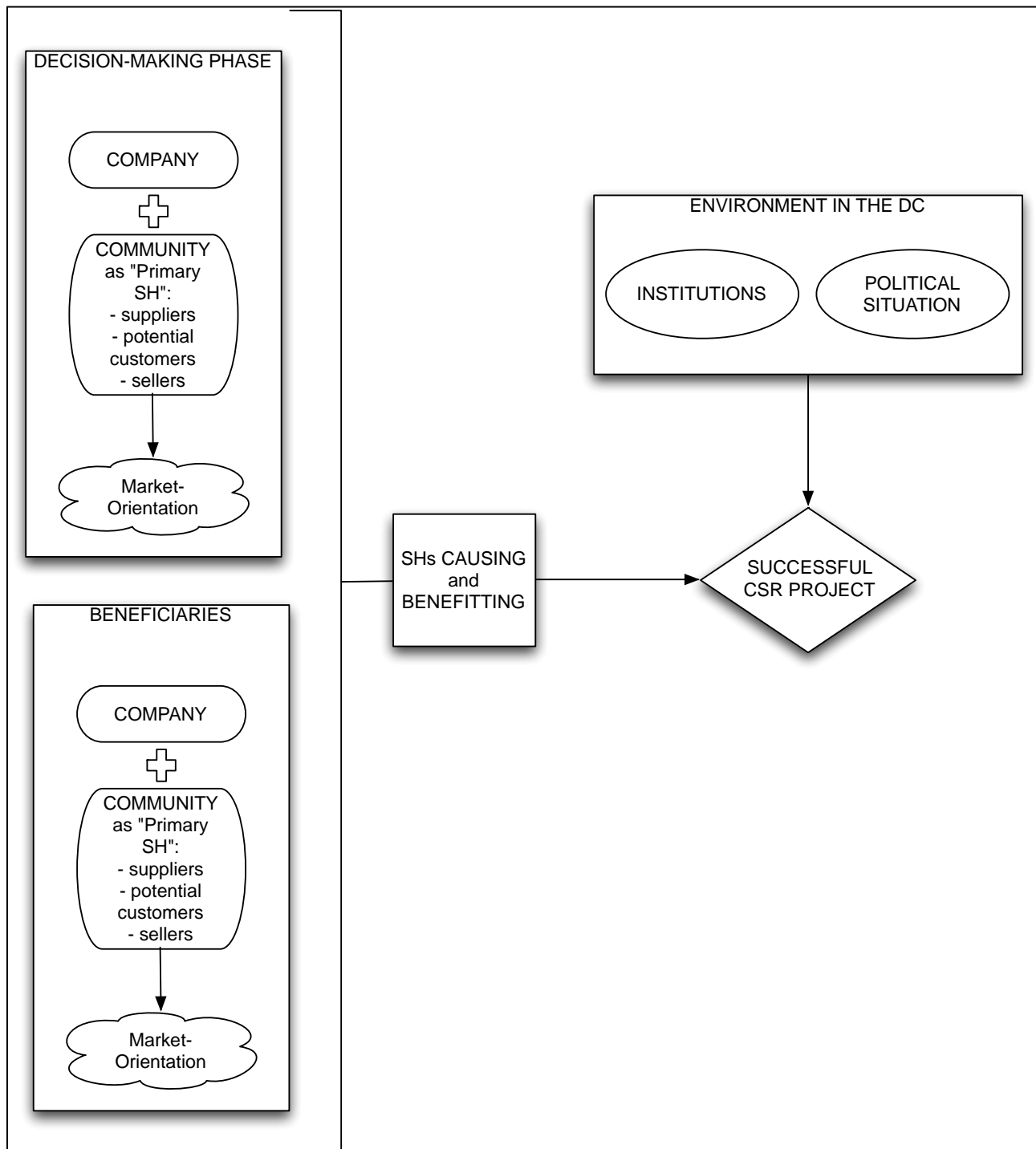
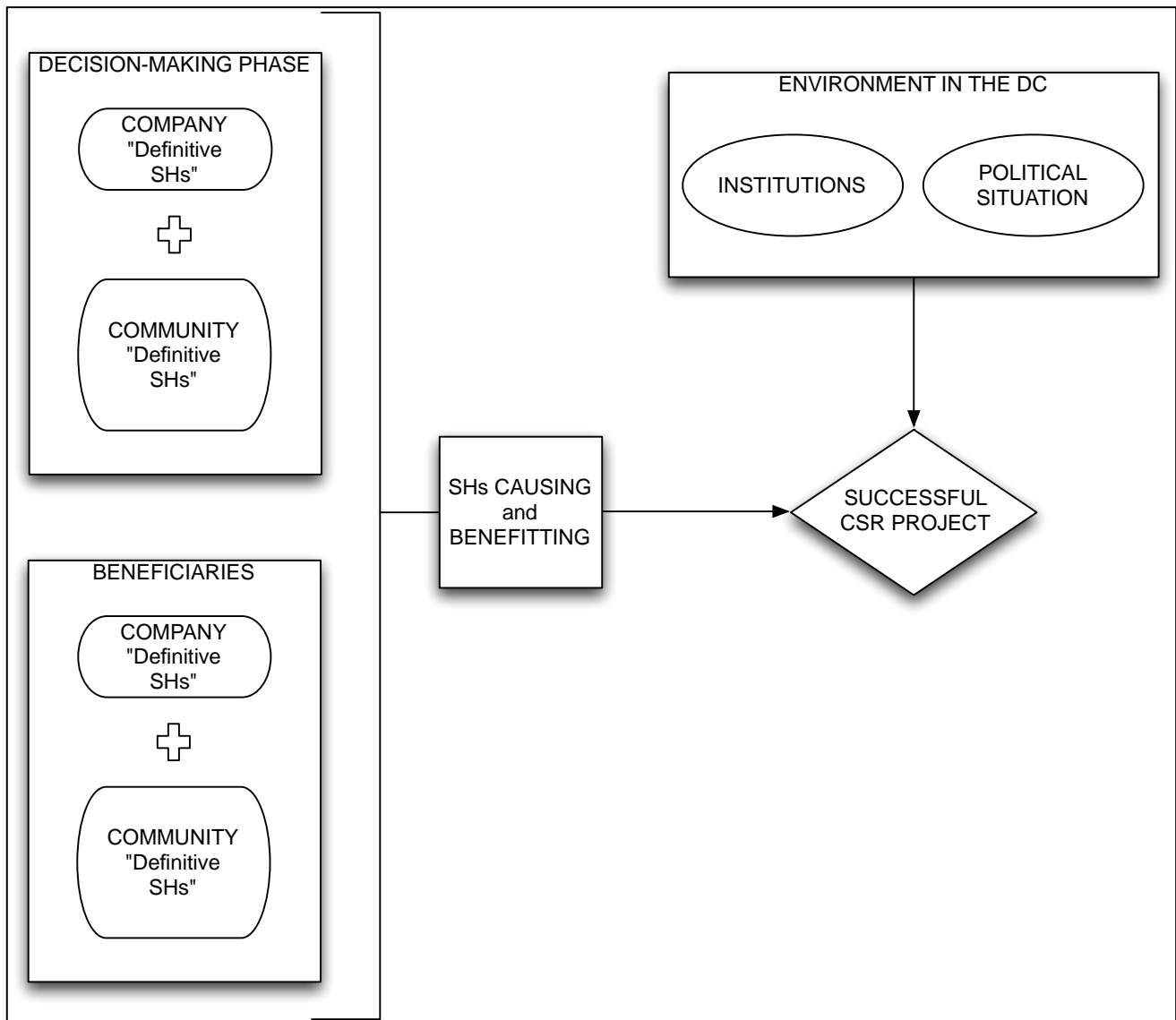


Fig. 5.2: Inductive model of the assumed theory.



RECOMMENDATIONS

This thesis has provided new insights in the Corporate Social Responsibility, looking at the availability of information and at the role of stakeholders in the final outcome of the projects. A theory has been developed and some assumptions have been made on a more in depth theory on SHs. The theory cannot be tested within this thesis so future research is needed in order to bring this theory to a new level and to bring external validity to it. Analysis of some case studies more in depth, using interviews to companies and NGOs who carried out the projects, would be a good way to test this

theory. What is then needed in order to allow future researchers to carry out scientific studies on CSR projects?

1. A database of CSR projects monitored and verified by a third party institution. This database should include CSR projects carried out by companies, and should provide detailed information such as: country where the project is carried out, year of start and end of the project, objectives of the project, SHs involved in the decision-making phase, those who initiated the CSR project, SHs who are benefitting from the project and description of the final outcome of the project with measurable and quantitative data on the impact the project had on the community where the CSR project was carried out. Partner NGOs and other organizations involved in the projects should be mentioned in order to carry out a parallel research on their websites, on the same project. Detailed information should be provided on SHs characteristics in order to be able to derive the attributes according to the Stakeholder Identification Theory, which would be used to get a deeper understanding of the theory discussed in the next section.
2. Companies should provide more detailed information about their CSR projects in companies' websites and in companies' CSR reports. They should provide the above-mentioned information (there is the need to have all the detailed information specified in point 1), getting a certification from a third party institution, which verifies the reliability of the information provided.
3. A third party institution, which provides technical support to companies in verifying the reliability and transparency of the information they write in their reports and websites on CSR projects. This institution could also be responsible for the impact assessment evaluation of the projects, in order to have measurable and quantitative information on the final outcome of the CSR projects and the impact they have on the community where the project is carried out. This would allow a clear distinction of successful and unsuccessful projects, based on quantitative data and which would leave aside any assumption.

The above-mentioned suggestion would allow anyone willing to carry out a research on CSR projects, to select the case studies from a reliable and unbiased source. They would allow to study the impact this projects have, whether they are economic development projects or any other type of projects, and in both developed countries and developing countries. The above suggestions would allow companies to be transparent and benefit from their successful projects in their PR activities, having measurable proofs; they would also facilitate the role of NGOs in assessing the CSR projects before carrying out campaigns against/pro MNCs. Therefore there is the need to raise awareness among MNCs about the key role stakeholders play in the final outcome of the project and on the information they should provide in order to be fully transparent on the CSR projects they carry out. A campaign for MNCs by development agencies might be a first step to make, in order to raise

awareness on the impact this project could have in DCs and therefore on how to implement successful projects and then, on which information to provide to allow researches on the topic and impact assessments.

LIMITATIONS OF THIS STUDY

According to Yin (2009) the type of information used for this research can be biased and the information published and made available might be providing insights only on what the author (in this case the company) wants everyone to read. No other sources of information could be used for this research because of time constraints. External validity cannot be tested within this research due to the information sources available on the case studies and on the number of cases analysed. The case selection used a convenience sampling, which involves the judgement of the researcher, which can cause bias in the selection. As mentioned in the previous chapters the factors influencing the success of a CSR project are numerous, which means that for the validity of the theory I am going to develop, there is the need for further research, which analyses quantitative data, controlling for those factors, such as: institutions, political environment, socio-economic situation. Moreover the information available is not always complete, as discussed previously, which implied the need to develop some assumptions.

6. REFERENCES

- ALTMAN, D. G., REGO, L., ROSS, P.**, 2009, June, Expanding Opportunity at the Base of the Pyramid, Business Library,
http://findarticles.com/p/articles/mi_6768/is_2_32/ai_n32453081/pg_5/?tag=content:col1
- BAKER, J.**, 2001, Corporate Social Responsibility and Economic Development, Conference Paper at OECD Global Forum on International Investments, Mexico City 26-27 November 2001
- BENDELL, J.**, 2005, In whose name? The accountability of Corporate Social Responsibility, Development in Practice, Volume 15 No. 3-4
- BLOWFIELD, M. and MURRAY, A.**, 2011, Corporate Responsibility, Second Edition, Oxford University Press
- BURNETT, M. and WELFORD, R.**, 2007, Case Study: Coca-Cola and Water in India II, Corporate Social Responsibility and Environmental Management
- CBI**, 2006, CSR Case Studies – Accenture Plc, CSR Case Studies Series, Article 13, CBI
- CHAUDHRI, V., WANG, J.**, 2007, Communicating Corporate Social Responsibility on the Internet – A Case Study of the Top 100 Information Technology Companies in India, management Communication Quarterly, Volume 21 No. 2, Sage Publication
- CLARKSON, M. B. E.**, 1995, A stakeholder framework for analysing and evaluating corporate social performance, Academy of Management Review
- COMMISSION OF THE EUROPEAN COMMUNITIES**, 1993, Manual Project Cycle Management: Integrated Approach and Logical Framework, Commission of the European Communities
- DAHLSTRUD, A.**, 2006, How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions, Wiley InterScience
- DANONE**, 2010 Sustainability Report, http://www.danone.com/images/pdf/danone_uk_24mai.pdf
- DOBERS, P. and HALME, M.**, 2009, Corporate Social Responsibility and Developing Countries, Corporate Social Responsibility and Environmental Management
- DUBBINK, G. W., GRAAFLAND, J. J., LIEDERKERKE, L.**, CSR: Transparency and the role of intermediate organisations, MPRA Paper No. 17892
- EASTERLY, W.**, 2003, Can Foreign Aid Buy Growth?, *Journal of Economic Perspectives*, 17, pp. 23-48

- EUROPEAN COMMISSION**, 2004, Project Cycle Management Guidelines, Aid Delivery Methods volume 1
- EUROPEAN COMMISSION**, 2005, Responsible Entrepreneurship, Enterprise DG, European Communities
- FAKHAR, H. and WALKER, G.**, 2006, The White Revolution – Dhoodh Darya, Publication of Pakistan Dairy Development Company
- FRYNAS, J. G.**, 2005, The False Development Promise of Corporate Social Responsibility: Evidence from Multinational Oil Companies, International Affairs
- GLOVER, D.**, 2006, Monsanto and Smallholder Farmers: a case study in CSR, Third World Quarterly
- HAUSER, J. R., URBAN, G. L.**, 1993, Design and Marketing of New Products, Second Edition, Prentice Hall International Editions
- HEEKS, R.**, 2002, Information Systems and Developing Countries: Failure, Success, and Local Improvisations, The Information Society, Taylor & Francis
- HILLS, J. and WELDORF, R.**, 2005, Case Study: Coca-Cola and Water in India, Corporate Social Responsibility and Environmental Management
- HOPKINS, M.**, 2003, The Planetary Bargain, Earthscan publications Ltd
- HOPKINS, M.**, 2007, Corporate Social Responsibility & International development – Is Business the Solution?, Earthscan publications Ltd
- ICCA**, 2007, ICCA CSR Globe Report 2005-2007, <http://www.csrglobe.com/start.html>
- IDEMUDIA, U.**, 2011, Corporate Social Responsibility And Developing Countries: Moving the Critical CSR Research Agenda in Africa Forward, Progress in Development Studies
- ITE, U. E.**, 2004, Multinationals and Corporate Social Responsibility in Developing Countries: a Case Study of Nigeria, Corporate Social Responsibility and Environmental Management
- JAMALI, D. and MIRSHAK, R.**, 2006, Corporate Social Responsibility (CSR): Theory and Practice in a Developing Country Context, Journal of Business Ethics
- LINE, M. and DICKSON, E.**, Speaking Indirectly: Between the Triple Bottom Line, Csrnetwork www.csrnetwork.com
- MAHAJAN, A. and IVES, K.**, 2003, Coca Cola Case Study, Enhancing Business-Community Relations, New Academy of Business
- MAIGNAN, I. and FERRELL, O. C.**, 2004, Corporate Social Responsibility and Marketing: An Integrative Framework, Journal of Academy of Marketing Science
- MICHAEL, B.**, 2003, Corporate Social responsibility in International Development: an Overview and Critique, Corporate Social Responsibility and Environmental Management

- MITCHELL, R. K., AGLE, B. R. and WOOD, D. J.,** 1997, Toward a Theory of Stakeholder Identification and Saliency: Defining the Principle of Who and What Really Counts, Academy of Management Review
- MOYO, D.,** 2009, Dead Aid – Why Aid Is Not Working and How There is a Better Way for Africa, Farrar, Strauss and Giroux Books
- NESTLE',** 2010, Rural Development Report www.nestle.com/CSV
- PEARSALL, J.,** 2001, The Concise Oxford Dictionary, 10th edition, Oxford University Press
- PEDERSEN, E. R.,** 2006, Making Corporate Social Responsibility (CSR) Operable: How Companies Translate Stakeholder Dialogue into Practice, Centre for Business Ethics at Bentley College, Blackwell Publishing
- PEDERSEN, K. R.,** 2001, The Samaritan's Dilemma and the Effectiveness of Development Aid, Kluwer Academic Publisher
- PRAHALAD, C. K. and HAMMOND, A.,** 2002, Serving the World's Poor, Profitability, Harvard Business School Publishing Corporation
- RAVALLION, M.,** 2006. Evaluating Anti-Poverty Programs, Policy Research Working Paper 3625 World Bank, Development Economics Research Group, Washington, D.C.
- SCHIMMOELLER, L. J.,** 2010, Success Factors of New Product Development Process, APEM Journal
- SNIDER, J., HILL, R. P., MARTIN, D.,** 2003, Corporate Social Responsibility in the 21st Century: a View from the World's Most Successful Firms, Journal of Business Ethics
- STROM, S.,** 2011, June 14, To Be Good Citizens, Report Says, Companies Should Just Focus on Bottom Line, The New York Times <http://www.nytimes.com/2011/06/15/business/15charity.html>
- THOMAS, G. and NOWAK, M.,** 2006, Corporate Social Responsibility: a Definition, Graduate School of Business, Curtin University of Technology
- TRIJP, van H. and INGENBLEEK, P.,** 2010, Markets, Marketing in Developing Countries, Wageningen Academic Publishers
- TUDLER, van B. and ZWART, van A.,** 2006, International Business-Society Management - Linking Corporate Responsibility and Globalization, Rutledge
- VISSER, W. et al.,** 2010, The A-Z of Corporate Social Responsibility, ICCA Publication
- WHITE, H.,** 1992, The Macroeconomic Impact of Development Aid: s Critical Survey, The Journal of Development Studies, Vol.28, No.2
- YIN, R. K.,** 2009, Case Study Research – Design and Methods 4th Edition, SAGE Publications, Inc.

WEBSITES

ASSOCIATION 1001 FONTAINS, <http://www.1001fontaines.com/>

BATA, <http://www.bata.com/corporate-social-responsibility.php>

DANONE COMMUNITIES, <http://www.danonecommunities.com/en/node/123>

FORBES, <http://www.forbes.com/sites/csr/2010/05/21/danone-and-grameen-bank-partners-in-csr-and-marketing/>

GRAMEEN BANK, <http://www.grameen.com/>

HINDUSTAN UNILEVER LTD, <http://www.hul.co.in/sustainability/casestudies/enhancing-livelihoods/Shakti.aspx>

INDIA CSR, <http://www.indiacsr.in/en/>

SOCIAL ENTERPRISE PORTAL,

http://www.socialenterpriseportal.org/files/Library/BSEP_Bangladesh_Case_Studies.pdf

THE SOCIAL MARKETPLACE, <http://thesocialmarketplace.org/casestudy/hindustan-unilever/>

TIME MAGAZINE, <http://www.time.com/time/magazine/article/0,9171,2010077,00.html>

UNDP, <http://www.undp.org/netherlands/programmes.html#africa>

UNILEVER, <http://www.unilever.com/sustainability/casestudies/economic-development/>

UNITED NATIONS, <http://business.un.org/en/documents/124>

APPENDIX

Table 1: CSR Definitions in Thomas and Nowak (2006).

SOURCE	DEFINITION
Business for Social Responsibility	“Business decision making linked to ethical values, compliance with legal requirements, and respect for people, communities, and the environment around the world”. (Aaronson 2003, p. 310)
Prince of Wales Business Leaders Forum	“Open and transparent business practices, that are based on ethical values and respect for employees, communities, and the environment. It is designed to deliver sustainable value to society at large, as well as to shareholders”. (Aaronson 2003, p. 310)
European Commission	“A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment”. (European Commission 2001, p. 5)

Table 2: List of definitions of Stakeholder chronologically (M., A., W., 1997)

Source	Stake
Stanford memo, 1963	"those groups without whose support the organization would cease to exist" (cited in Freeman & Reed, 1983, and Freeman, 1984)
Rhenman, 1964	"are depending on the firm in order to achieve their personal goals and on whom the firm is depending for its existence" (cited in Näsi, 1995)
Ahlstedt & Jahnukainen, 1971	"driven by their own interests and goals are participants in a firm, and thus depending on it and whom for its sake the firm is depending" (cited in Näsi, 1995)
Freeman & Reed, 1983: 91	Wide: "can affect the achievement of an organization's objectives or who is affected by the achievement of an organization's objectives" Narrow: "on which the organization is dependent for its continued survival"
Freeman, 1984: 46	"can affect or is affected by the achievement of the organization's objectives"
Freeman & Gilbert, 1987: 397	"can affect or is affected by a business"
Cornell & Shapiro, 1987: 5	"claimants" who have "contracts"
Evan & Freeman, 1988: 75–76	"have a stake in or claim on the firm"
Evan & Freeman, 1988: 79	"benefit from or are harmed by, and whose rights are violated or respected by, corporate actions"
Bowie, 1988: 112, n. 2	"without whose support the organization would cease to exist"
Alkhafaji, 1989: 36	"groups to whom the corporation is responsible"
Carroll, 1989: 57	"asserts to have one or more of these kinds of stakes"—"ranging from an interest to a right (legal or moral) to ownership or legal title to the company's assets or property"
Freeman & Evan, 1990	contract holders
Thompson et al., 1991: 209	in "relationship with an organization"
Savage et al., 1991: 61	"have an interest in the actions of an organization and . . . the ability to influence it"
Hill & Jones, 1992: 133	"constituents who have a legitimate claim on the firm . . . established through the existence of an exchange relationship" who supply "the firm with critical resources (contributions) and in exchange each expects its interests to be satisfied (by inducements)"
Brenner, 1993: 205	"having some legitimate, non-trivial relationship with an organization [such as] exchange transactions, action impacts, and moral responsibilities"
Carroll, 1993: 60	"asserts to have one or more of the kinds of stakes in business"—may be affected or affect . . .
Freeman, 1994: 415	participants in "the human process of joint value creation"
Wicks et al., 1994: 483	"interact with and give meaning and definition to the corporation"
Langtry, 1994: 433	the firm is significantly responsible for their well-being, or they hold a moral or legal claim on the firm
Starik, 1994: 90	"can and are making their actual stakes known"—"are or might be influenced by, or are or potentially are influencers of, some organization"
Clarkson, 1994: 5	"bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm" or "are placed at risk as a result of a firm's activities"
Clarkson, 1995: 106	"have, or claim, ownership, rights, or interests in a corporation and its activities"
Näsi, 1995: 19	"interact with the firm and thus make its operation possible"
Brenner, 1995: 76, n. 1	"are or which could impact or be impacted by the firm/organization"
Donaldson & Preston, 1995: 85	"persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity"

Fig.1: Case Study Method (Yin, 2009).

