

Terms of Reference Systematic review of literature on Corporate Social Responsibility (CSR)

Background

In the letter to Parliament *Ondernemen tegen armoede* (October 2000)¹ and the addition to this letter from 2001² the next statement can be found on sustainable economic development: 'Economic growth in developing countries should be achieved with the active participation of the poor, so that they can make a direct contribution to that growth and share in its benefits. This approach of economic growth, called pro-poor growth, means that economic growth must be accompanied by sustainable employment creation, health care and education provision, reforms in access to land and other means of production, the enhancement of civil society, fair wages and salaries and sufficient attention to the most vulnerable groups.'³ This vision is elaborated in three lines of thinking: improvement of the international environment, a healthy investment climate in developing countries and support to enterprises. Corporate Social Responsibility (CSR) relates to all three lines of thinking. Firstly, a reference is made to the international OECD-guidelines for multinational enterprises as improvement of the international environment. At national level, national laws and regulations are the main focus as well as lobby and advocacy for these issues. Thirdly, companies that apply for government programs on the promotion of exports or of investments should comply with standards and guidelines. In some PSD-programs adoption of guidelines will be used in the approval procedure for subsidies. This is the micro level of CSR interventions. Recently, adoption of the renewed OECD-guidelines for multinational enterprises has been made a strict condition for approval of subsidies to companies.⁴

Interest in CSR is often shown as a means or input in the process of policy formulation and implementation. Compliance with guidelines is considered as a parameter of success. Less, or sometimes no, attention is paid to results and outcomes of these activities. What are the benefits for people, planet and profit? What evidence is given for these benefits?

Evaluations on the effects of the Dutch CSR-policy are scarce. Sometimes CSR is mentioned in evaluations of PSD-instruments and these evaluations often conclude that data for assessment of CSR were not available. A policy review (RPE 2006⁵) can be based on research of similar interventions, used by other donors or actors. Therefore it was decided to have a systematic literature review on CSR as part of the policy review. This literature review is part of the policy review on PSD (Annex 5). The scheme below shows how CSR-interventions (on macro, meso or micro level) should finally lead to poverty reduction. This basic chain forms the basis for the current literature review.

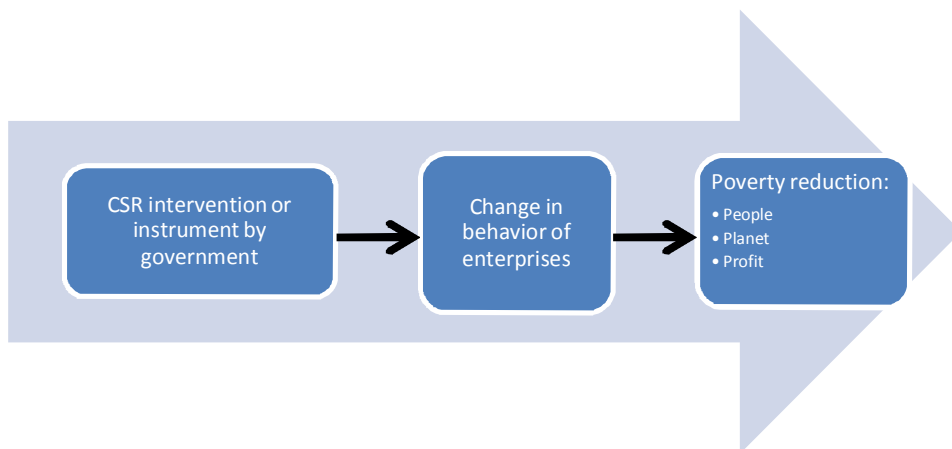
¹ TK, vergaderjaar 2000-2001, 27 467, nr.1. Ondernemen tegen armoede. Brief van de minister voor Ontwikkelingssamenwerking en de staatssecretaris van Economische Zaken.

² TK, vergaderjaar 2001-2002, 27 467, nr. 6. Aanvulling op ondernemen tegen armoede. Brief van de minister voor Ontwikkelingssamenwerking.

³ TK, vergaderjaar 2000-2001, 27 467, nr.1; p.2

⁴ TK 2011-2012, 32605, nr. 56. Ontwikkeling door duurzaam ondernemen (2011-2012). Brief van de Staatssecretaris voor Buitenlandse Zaken. p.9 e.v.

⁵ Regeling periodiek evaluatieonderzoek en beleidsinformatie 2006 (RPE 2006); Staatscourant 28 april 2006; nr. 83; p. 14



Objective

The research questions are:

1. *What is known about the effects (impact, outcomes and cost-effectiveness, directly or indirectly) of government supported interventions in the field of CSR on CSR behaviour of enterprises?*
2. *What is known about the effects of CSR-behaviour of enterprises on poverty reduction?*
3. *What are the main gaps in evidence on both topics?*

The review will be based on a reconstruction of the theory of change of the Dutch CSR-policy. This reconstruction will also reveal indicators to measure the effects at different levels of the intervention logic. After this task has been completed, the search can start (see also 'planning and budget' below).

Systematic Review

The purpose of a systematic review is to sum up the best available research (evaluations and academic research) on a specific question. This is done by synthesizing the results of several studies. Following the guidelines and procedures mentioned in the protocol of the Campbell Collaboration a systematic review uses transparent procedures to find, evaluate and synthesize the results of relevant research.

Procedures are explicitly defined in advance, in order to ensure that the exercise is transparent and can be replicated. This practice is also designed to minimize bias.⁶

Studies included in a review are screened for quality, so that the findings of a large number of studies can be combined. Peer review is a key part of the process; qualified independent researchers control the author's methods and results. Key components of a systematic review are: (i) clear inclusion/ exclusion criteria; (ii) an explicit search strategy; (iii) Systematic coding and analysis of included studies and (iv) Meta-analysis (where possible).

There are two types of selection criteria applicable for this particular review:

- General evaluation quality assessment, as used by the Policy and Operations Evaluation Department (IOB) (see annex 6), which looks at the quality of the evaluation and includes e.g. an

⁶ More information about the Campbell Collaboration on www.campbellcollaboration.org

assessment of triangulation. It will be useful to use (part) of these criteria in the first screening of evaluation reports.

- Specific subject assessment, for the use in this CSR review. This includes questions as: is there evidence-based information on CSR; is there a comparison with a reference group; is the scale of the study sufficient?

The intention is not to exclude studies and evaluation reports too quickly. Later on, the selection criteria can be narrowed down. Note that it is rather strict on results/impact, but flexible on the interventions. There may be relevant interventions contributing to CSR that are not yet captured.

Quality control during the three phases (see below: planning and budget) of the review should be assured. It is expected that during the iterative process several decisions have to be made (theory of change, indicators, inclusion and exclusion criteria, quality of publications etc.). Within the organisation or the network of the consultant sufficient and relevant expertise ('critical mass') should be available and consulted upon to guarantee the quality of the process and the final report.

Scope

Poverty reduction in the context of the policy review on private sector development is defined as the ability of developing countries to fight poverty independently. A government that supports sustainable economic growth and has a pro poor policy will become less dependent on the provision of aid (ODA) from donors. Several parties are involved in this process (private sector, government, civil societies and multilateral organizations) at different levels (macro, meso, micro). The Netherlands wants to work with all these parties, at all levels, based on the demands coming from the developing countries.

Corporate Social Responsibility has been defined in many ways. For the purpose of this international literature review we will use on the one hand the definition of the Dutch government as spelled out in the note *Kabinetsvisie Maatschappelijk Verantwoord Ondernemen 2008 – 2011: inspireren, innoveren, integreren*⁷. Here, CSR is defined as 'the care for societal effects within the operations of an enterprise'. It has the following characteristics:

1. The deliberate choice of the enterprise to direct their operations in the three dimensions of people, profit, planet and contribute in that way to the long term societal prosperity.
2. To have a lasting relationship with stakeholders in the Netherlands and abroad on the basis of transparency and dialogue, thereby giving answers to justified questions from society.

On the other hand, it is important to have literature reviewed that is also based on other definitions and characteristics. For instance the definition used by the Dutch NGO MVO⁸ Platform:

'CSR is a results based process, through which the enterprise takes responsibility for the whole of the value chain and its effects on social, ecological en economical parameters. The enterprise takes responsibility for that in dialogue with the stakeholders'.⁹ The private sector itself also uses its own definitions. For instance the World Business Council for Sustainable Development has presented a definition in its *vision 2050* that fits in one sentence: '9 billion people live well and within the limits of the planet'.¹⁰ Since it is important to have all relevant literature reviewed, a variety of definitions applies and can be used for framing the search questions for the review.

⁷ Kabinetsvisie Maatschappelijk Verantwoord Ondernemen 2008-2011: inspireren, innoveren, integreren. Supplement to TK, vergaderjaar 2007-2008, 26485, nr. 53. Maatschappelijk verantwoord ondernemen. Brief van de staatssecretaris van Economische Zaken.

⁸ MVO: maatschappelijk verantwoord ondernemen; Dutch term, is synonymous with CSR

⁹ <http://mvoplatform.nl/wat-is-mvo>

¹⁰ WBCSD (2010), *Vision 2050*, p. 6.

Impact evaluations/research is defined by the World Bank as the counterfactual analysis of the impact of an intervention on final welfare outcomes, whereas the intervention can refer to a project, programme or a policy.¹¹ These are studies based on an experimental or quasi-experimental design, using different techniques to construct a counterfactual.

Cost-effectiveness studies combine impact evaluation with cost information in order to compare different interventions and assess their relative value for money. Where cost-benefit analysis represents the “benefits” in monetary terms, cost-effectiveness analysis uses other measurements of effectiveness or outcome depending on the programme goals (e.g. learning achievements).

The literature should consist of publicly available literature, preferably published in international, peer-reviewed journals or “grey” literature from renowned institutions and authors. It is understood that IOB will support the process of procuring articles that are not available free of charge or that are not available in the public domain. The costs of this are not included in the financial proposal below. The literature should be available in English (though relevant literature in other languages, e.g. Scandinavian, can be included as well). The literature search should start in 2000 and run up to 2011. Earlier relevant literature is considered to surface through ‘snowballing’. The search terms should be made explicit so that the literature review can be updated and replicated.

Output

The work should result in a report. This report should not be longer than 40 pages. The study is first of all backward looking: what worked well and what did not? The report should also include an overview table with the expected returns to investment / effectiveness / cost-effectiveness, and evidence thereof, and the related sources and dates. A description of the applied methodology should be made available as an annexe to the report. A last, forward looking chapter in the report will consider the consequences for future policy.

Audience

The reader of the report is considered to be interested (Northern) practitioners in the field of development cooperation.

Planning and budget

The literature review should be undertaken between June 2012 and September 2012. It will be published by end 2012 as part of the broader policy review on private sector development. Planning will consist of 3 phases. Phase one will be on the reconstruction of the theory of change of Dutch policies, including an overview of the definitions of CSR used by the Dutch government, the NGO’s and the private sector (World Business Council for Sustainable Development), intervention logic and key indicators to measure results/changes. Output will be a document approved by IOB.

Phase two will elaborate on the methodology to be used for the full search. Output will be a methodology for the search, including a limited search and a planning for phase three, agreed upon by IOB.

Phase three will consist of the full search and drawing up of the final report. The full search will cover preferably at least 40 relevant publications after selection criteria have been applied.

IOB will consider having a reference group to participate in the discussions at the end of the phases as indicated.

¹¹ Baker, J.L. (2000), Evaluating the Impact of Development Projects on Poverty: A Handbook for Practitioners. World Bank,

Budget is set at a maximum of € 50.000,-

Key tasks

- Reconstruction of theory of change and relevant key indicators
- Development methodology for literature search based on terms of reference and discussion with IOB
- Systematic literature search based on the three research questions
- Collecting / reading relevant literature
- Analyse results of literature review and summarise findings in a report answering the research questions (see above)

The tasks will be implemented by external consultants under close supervision of IOB Evaluator Max Timmerman and with the assistance of IOB researcher Jiska Gietema. It is anticipated that also during the phases decisions have to be made by the consultants and IOB simultaneously, about how to move forward.