

The Role of Corporate Social Responsibility in Latin America: Is It Different From That in Europe?¹

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Introduction

This paper discusses the role of corporate social responsibility (CSR) in developing countries and compares it to the role CSR plays in more developed nations. The question that it attempts to answer is: Should a company's CSR strategy be the same in developed and developing markets? Or, put another way: Does the degree of responsibility of a company vary with the level of development of the country in which it operates?

Some of the topics discussed in this article have already been covered in this volume's preceding articles. Nevertheless, this discussion is not a repetition of what went before. Instead, it provides a new perspective on the problem from the vantage point of Latin America. It is like the story of the experienced professor and the new professor. When the new professor arrives at the university, he asks the experienced professor: "Professor, I have noticed that you always ask the same questions in your exams. How do you do that?" The experienced professor responds: "It's very simple, I just change the answers!" The reader will notice that my answers are very different because the questions are addressed from a very different perspective, that of Latin America. I believe that this viewpoint has significant contributions to make the role of Spanish companies operating overseas.

Before entering into the analysis of corporate social responsibility in Latin America, the paper provides an overview of the evolution of CSR in the region and of the characteristics of the Latin American environment that shape corporate behavior and give rise to the differences observed between CSR in Latin America and Europe. It examines the drivers of social responsibility in developing countries (that is, the stimuli businesses respond to) to then discuss the role of social responsibility in the region, and conclude with a review of the implications for Spanish businesses.

CSR in Latin America

Corporate social responsibility in Latin America derives from a philanthropic tradition. Small and medium family businesses dominate the sector in the region and have been influenced by European immigrants, particularly those from Italy, Spain and Portugal. These new immigrant entrepreneurs brought with them to the New World a natural social conscience that stems, in part, from having had to leave their countries of origin. This

¹ Paper presented at the Iberoamerican Workshop on Corporate Social Responsibility, Fundacion Carolina of Spain, Cartagena de Indias, Colombia, June 2006.

made them better able to appreciate the value of employment opportunities and the ability to participate in the economic life of their adopted countries. They emphasize creating good working conditions for their employees, some of whom are their own family members, as well as contributions to the community with which they identify.

Despite the evolution of entrepreneurship, the CSR market remains underdeveloped in Latin America.² By market we do not mean the market in which businesses operate, which is an efficient competitive and developed market, but rather, to the environment of incentives (or disincentives) faced by market participants and other CSR stakeholders. This relatively underdeveloped market limits the spread of responsible behavior.

In order to understand the development of corporate responsibility, we must remember that 99.8 percent of Latin American businesses are micro, small and medium enterprises. Only 0.2 percent of the region's businesses are large. Analysis of CSR in the region is generally based on 10, 15 or 20 anecdotal cases that tend to be treated as the norm. Unfortunately, they are not the norm but the exception. There are very few businesses in the region that include CSR as part of their corporate strategy. And, those that do are generally large enterprises (mainly multinationals) that are exposed to the effects of globalization. Philanthropy, which should not be confused with corporate responsibility, remains the dominant modality. In some cases, strategic philanthropy can resemble CSR more closely.

Yet, much progress has been made in the past 15 years. The Inter-American Development Bank and IKEI (a Basque consulting firm) undertook a survey³ of 1300 small and medium businesses in Latin America and found that a significant number of activities could be construed as CSR, even when, at times, the businesses themselves did not characterize them as such. These activities were related to their philanthropic actions or were a natural reaction to demands (i.e., community or environmental activities), or resulted from efficient management practices (dealing with human resources, resource use, recycling, etc.).

Measuring CSR in terms of weighted averages of the level of corporate activities that include social responsibility components (in all dimensions: internal, external and environmental), the country whose small and medium enterprises (SMEs) have the highest CSR is Chile, followed by Argentina and Mexico. Surprisingly, Brazil does not rank very high in measures of SME corporate social responsibility, despite the fact that it normally ranks at the top with respect to CSR by large businesses.

Despite the relative lag compared to other regions of the world, CSR activities in Latin America are moving forward at a feverish pace. Every country of the region has a business association that promotes social responsibility. There also exist regional groups such as the Foro Empresa, which brings together business associations whose objective is promoting CSR. Foro Empresa also includes institutions from Canada and the United States and is similar to CSREurope. In addition, civil society organizations have shown

² Below I explain what I mean when I refer to "the market" and who are "market" participants.

³ See www.csramericas.org

increased interest in the topic and the concentration on traditional philanthropy by large enterprises is losing prominence. Yet, much remains to be done. A rough, subjective, comparison of Latin America with the most advanced nation in terms of CSR, the United Kingdom, would place the region at a ranking of 5 on a scale from 1 to 100, compared to the UK's ranking of 25. The United States and Spain would have similar classifications (15 out of 100), despite the different styles of CSR in those countries. It should be noted that the fact that there may be tens of businesses that are highly responsible does not mean that we can generalize this to all other businesses

Factors Affecting Corporate Social Responsibility

Corporate social responsibility in Latin America, Europe or anywhere else in the world is determined by the environment in which the business operates. There are some factors that play a determining role in corporate behavior. We will review these factors and how they apply to both regions to gain a better understanding of the differences in CSR in each case. We will also review the role that corporate responsibility can and should play in each case. This will be done through an analysis of the general characteristics of each region that could have an influence on corporate behavior. Unfortunately, to do this we will have to make some generalizations that the reader has every right to question. We remind the reader that all generalizations are false (including this one!). In the end, what is important is whether or not these abstractions allow us to carry out the analysis. If the reader wants to undertake a more rigorous or more pertinent analysis of a particular country, this paper provides the methodology to do so.

In order to understand the role that corporate responsibility should play, we analyze a list of the characteristics of each region. While the list may seem very long and tedious, it is key to understanding the role that CSR plays in Latin America. Again, we repeat that these are generalizations that we find useful.

The boxes that follow show the main factors affecting CSR (they should be read in parallel, first Europe and then Latin America, in order to gain a better understanding of the differences between the two regions). From the analysis, we can conclude that some CSR activities that can be considered important in Europe may not be important in Latin America and vice versa.

Factors That Affect CSR in Europe

- Mature economies
- Consumer intensive; need to increase savings; recycling
- Limited territorial expanse; need to import raw materials
- Regional policies (health, welfare, environment, labor, etc.)
- Lobbying for good governance
- Stakeholders exert their influence
- “Competition” among countries
- Good infrastructure (infrastructure is not a limiting factor)
- Governments are pressured to make sustainability efforts
- Globalization is natural
- High income
- Trust in the private sector
- Skilled workers
- CSR is promoted throughout Europe
- Countries have signed the Kyoto Accord
- Efficient public services with wide population coverage
- Long history of political and economic stability
- Enterprises are “close” to the government

Factors That Affect CSR in Latin America

- Emergent economies
- Subsistence efforts
- Wide territorial expanse, less of a need to conserve
- Unstable policies; poor or limited sustainability policies
- Inefficiency is tolerated; there is corruption
- Underdevelopment of CSR stakeholders
- Each one for himself
- Main concern is resolving daily problems
- Sustainability is not a luxury, but it is not a priority
- Some sectors are isolated and look within
- Inequality in the population is a problem (it defines consumption)
- Lack of trust
- Make do with what you have
- Incipient CSR institutions
- No restrictions on greenhouse gas emissions
- Government failure in providing basic services
- Stability is a recent phenomenon
- Enterprises are “inside” the government

Europe’s economies are mature, while those in Latin America are emerging. The European economy is consumption-intensive; resource savings need to be increased. In addition, it is relatively small (Brazil is larger than all the European countries put together). Finally, Europe has to import raw materials. The situation in Latin America is quite the opposite. The region has vast land expanses and, as a result, a dispersed

population. It is rich in natural resources, which means that conservation is less of an imperative. European health, welfare, labor and environment policies are supranational and well established. It is possible to speak of European environmental and labor practices and guidelines, for example. Latin American policies are unstable and environmental sustainability policies are limited and poor.

All European countries face pressure to ensure good corporate governance. Unfortunately, inefficiency is tolerated in Latin America. The people of the region have learned to live with inefficiency and, even though corruption is not unheard of in Europe, it is more generalized in Latin America.

Stakeholders are able to exert their influence throughout Europe, while in Latin America the focus is on resolving problems, as stakeholders are rather underdeveloped. While people pressure European governments to enforce environmental sustainability, in Latin America sustainability is not a priority.

In Europe, globalization is seen as something, more or less, natural, while many sectors in Latin America are still focused within their countries. Europe is a high-income region, while inequality remains a major problem in Latin America. Inequality is an important factor in determining the role that social responsibility must play. Inequality should be a concern of business and should guide its actions, even if it is not the responsibility of business to solve it.

Europe has skilled workers. This is not the case in Latin America and the region must make do with the workers it has. Although social responsibility is promoted throughout Europe, institutional development to promote social responsibility in Latin America is still incipient. The countries of Europe have ratified the Kyoto Accord and are concerned about environmental pollution and committed to reducing greenhouse gas emissions. There are no such restrictions in Latin America, at least for now. The ability of the countries of Latin America to sell emission credits to the countries of Europe through the Kyoto Accord's clean development mechanism is a matter of concern. There are fewer pollution restrictions in Latin America than in Europe, despite the fact that it is a concern in some of the larger cities.

Public services in Europe are efficient and widely available. In Latin America, there is a failure of the state in the provision of basic services, which in some cases becomes a critical deficiency that is reflected in the behavior of businesses. It is believed that businesses have a responsibility to correct these failures in some cases. Even when some of these problems are not strictly the responsibility of business, it is sometimes forced to find a solution.

In Europe, businesses are "close" to the government. In some Latin American countries, businesses are "within" the government. Again, this affects business behavior in general and their vision of corporate responsibility in general.

A Comparison of CSR in Europe and Latin America

We have no knowledge of studies that compare corporate social responsibility activities in Europe with that in Latin America. However, the aforementioned survey about the status of CSR in small and medium enterprises in Latin America could help us make some limited comparisons. The survey was designed by the same team that undertook a survey of CSR in European SMEs, and was carried out using some common questions to the European survey. While the behavior of SMEs cannot be used to give an indication of the practices of large enterprises, the comparison can shed light on the different roles that socially responsible activities can play. The survey covered internal responsibility activities (personnel, corporate governance, suppliers), external responsibility activities (that is, toward the community), and environmental responsibility activities (environmental impact, natural resource use such as water, electricity, recycling, and the use of byproducts).

The survey shows that Latin American SMEs, on the aggregate, engage in more socially responsible activities than their European counterparts. Without going into details, we can still discuss the reasons that businesses behave in a responsible manner. For instance, in Spain, businesses engage in socially responsible behavior toward the community largely for ethical and religious reasons. The same is true in Latin America, but to a lesser extent than in Spain. Businesses in Latin America face greater community pressure, probably because the community identifies more with the businesses. Pressures from workers, associates and clients play a relatively more relevant role in Latin America than they do in Spain, although, in general, this type of pressure is exerted for different reasons.

Much greater emphasis is placed in Latin America to providing support to education and to disadvantaged groups, such as the disabled and indigenous persons or those of African descent. The reason for this has to do with the factors discussed above: social and environmental needs are much more evident in Latin America and shortcomings in the public provision of services must be filled. European SMEs devote a relatively larger share of their resources to sports activities. SMEs in both regions devote roughly the same proportion of their resources to health, cultural and environmental activities. In Latin America this support is more likely to be provided through direct grants or donations and to take place with the participation of workers and managers rather than through sponsorship, which is the mechanism favored in Europe.

The survey results are not strictly comparable with respect to questions regarding the environment because the European survey did cover those issues. However, a qualitative analysis shows that environmental responsibility has different causes in Europe and Latin America. While economics plays an important role in both regions, environmental responsibility in Latin America is driven by ethical and regulatory concerns. In Europe, on the other hand, corporations behave in an environmentally responsible way to improve both efficiency and their corporate image. This does not mean that environmental responsibility in Europe is not undertaken to comply with the law. Instead, the implication is that in Latin America it is done because the law requires it. That is,

legislation is required in Latin America to force businesses to behave in an environmentally responsible manner. This fact should be taken into consideration when designing public policies. In some cases, public policies are not needed because adequate behavior occurs spontaneously. In most other cases, however, that behavior must be compelled.

According to the survey, the main reason that European SMEs do not engage in socially responsible practices is because of lack of time. In Latin America, the reason they do not do so is for lack of resources and knowledge about the benefits of socially responsible behavior.

The CSR Market

To understand the intensity of corporate responsibility activities in a country or region, it is important to first study how the CSR “market” works; that is, one must look at how the promoters of CSR operate. The analysis of CSR factors and of the CSR market in a particular country allows us to determine the role that CSR should play and the likelihood that it will play that role as well as the intensity with which it will do so.

The box shows ten drivers that promote corporate social responsibility. Corporate social responsibility will be greater or lesser to the extent that these drivers are well developed within a particular country. It is unlikely that a country will have socially responsible

Ten Drivers of CSR
1. Enforcement of laws and regulations
2. Engaged civil society
3. Developed financial markets
4. “Educated” buyers and consumers
5. An activist media
6. Monitoring institutions that report corporate behavior
7. Activist workers
8. Structure of the private sector (“capture” of the state by the private sector)
9. Exposure to competition and globalization
10. Executives who are committed to action

businesses if its environmental and labor laws are deficient or are not enforced; or if civil society does not put pressure on the public and private sector; or if financial markets do not demand responsibility before and after making loans or investments. The same is true if buyers and consumers lack knowledge about these topics or about corporate responsibility, or when they do have this information, they do not act on it. If the media does not disseminate information about the behavior of businesses, or if monitoring institutions are not well developed, then it is unlikely that businesses will behave in a responsible manner. Similarly, workers cannot be indifferent to the behavior of the businesses that they work for (particularly because there are few other employment options), and the private sector cannot be allowed to become so powerful that it can control the government and avoid supervision. Finally, if an enterprise is not exposed to

competitive pressures and markets that demand responsible behavior, and if business executives are not committed to CSR, then it is unlikely that it will exist.

Comparing Europe to Latin America, it becomes apparent that, in general, the CSR market and the drivers are much more developed in Europe. This has important implications for the behavior of those businesses that operate in both markets and for the role that CSR can play. Given that the factors that affect CSR will exert different degrees of pressure in each market, a business operating in both regions will react differently in each area, and its CSR activities will be determined by those pressures. While CSR in a Latin American business should play a particular role, that role will be affected and changed by the presence or absence of the determining factors that promote CSR. For example, while a business may consider it important to support community development, it could ignore it if the community in which it operates is not organized.

The Role of Corporate Social Responsibility in Latin America

Can we say that CSR has a role to play in Latin America? Could it be that CSR only plays a role within the firm? Should the particular conditions of each country in which it operates mold a business' socially responsible efforts? Can something that is considered socially responsible behavior in one context not be considered so in another? Should all firms have the same CSR behavior within a country?

There isn't (or there shouldn't be) much debate regarding the fact that CSR activities can be used by individual enterprises to further their business strategy. What is being debated is whether or not the concept of responsibility can be generalized from country to country and firm to firm. From the foregoing it should be clear that responsibility depends on the factors mentioned earlier and how they apply in each country. It should also be understood that the concept of corporate social responsibility could not, in fact, be generalized.

We can now ask whether the welfare approach seen in many Latin American businesses is the result of the philanthropic tradition or is the approach a result of a real need. In developed countries the welfare approach is not a necessity. If such an approach exists, it is likely to be as a vestige of the past when the country was relatively less developed. However, in developing countries, the welfare approach may be the only option to fill the gap left by various types of failures, be they deficiencies in the overall economic environment or of the State.

For example, should a business be responsible for building community infrastructure? Is that part of its corporate responsibility? In a developed country the answer is almost always "no." In a developing country, the answer is also "no," in principle; however, it is colored by the particular circumstances. For instance, local government failure may force the firm to get involved in some services, like water and sanitation or basic electricity service provision, to assure a decent environment for their workers. In a developing country, businesses must have a more comprehensive concept and a much longer-term vision than would be the case in a relatively more developed nation. CSR can be an

instrument of social development and cohesion, as well as help promote political stability. The negative reaction of some sectors of society to the private sector, particularly to foreign enterprises, is related to the fact that the entrepreneurial oligarchy has forgotten that it needs to operate in a successful society and cannot allow itself the luxury of segmenting the market, concerning itself with only one part of it and disregard completely the problems of the rest of society. In developing countries, businesses must realize that they do not operate in a vacuum, but within a developing society. While it is true that they interact with only a small percentage of the population, they can have an impact on a good portion of the environment within which they operate. For this reason, the role of corporate social responsibility becomes much more important.

When we speak of responsibility, are we talking about taking responsibility for solving society's problems? Unfortunately, those who criticize the CSR concept believe that its role is just that. When *The Economist* published a special supplement in February 2006 attacking social responsibility it was attacking the concept of responsibility as a synonym for being responsible for solving society's problems. It is true that in a developed country (*The Economist's* main market) economic and social development is not the responsibility of business, but rather of the public sector and civil society. However, in a developing country, economic and social development can become, to some degree, a responsibility of businesses.

An interesting example is the case of a business that includes, as part of its social responsibility, providing elementary education in a remote community where it operates one of its plants. Is it the responsibility of the business to provide elementary education in the community in which it operates? At first light the answer might be "no," since education is the responsibility of the government. However, a closer look at the problem shows that as workers leave the area (whether through emigration or because they retire), it becomes more difficult for the company to find skilled workers. A business with a long-term vision will see that it not only has to train current employees, but that it also needs to assist the community so that it can generate future workers. The question becomes, is providing training to its future workers the responsibility of the enterprise? Again, in the developed world the answer is, most probably, "no". However, in developing countries the answer is likely to be "yes." This example shows how the responsibility to solve a social problem can be part of the business strategy and can be justified from a financial point of view if a long-term perspective is taken.

There are less clear-cut cases such as, for example, that of an European oil firm operating in a Latin American country that believes that part of its responsibility includes improving the country's judicial system by providing training to judges. While these activities could improve the country's legal security, which would eventually benefit the firm, the link to the firm's activities is much less apparent and difficult to sustain in the long term. Indeed, the firm could be accused of trying to influence the justice system in its favor.

These two examples show, in a simplified manner, the role that corporate responsibility can take in developing countries. It also illustrates the potential danger of exceeding those

responsibilities because undertaking activities that are not in the firm's purview can create a dependency. This could be the case of a relatively powerful business in the community that is forced to decide to provide services that the local government is unable or does not want to provide, such as drinking water and electricity. The risk here is that the community could become dependent on the business, and the local government would face the wrong incentives, making it possible for it to shirk its responsibilities. In addition, the company could easily be accused of controlling the local government.

A company's social responsibility depends on the context within which it operates. There are no unique answers. For example, is community security a corporate responsibility? In principle, the answer is "no." But, what about a group of hotels at a tourist destination? If the local government fails to provide adequate levels of security, then the hotels would have no choice but to take matters into their own hands or risk losing their clientele. This is a rather common occurrence in developing countries.

Regardless of the level of development of the country, there is no debate about a firm's responsibility regarding the impacts of its activities on the local environment and community. Businesses cannot evade their responsibility for the consequences of their actions, be they short or long term, measurable or not. We cannot adopt the extreme and shortsighted position that only that which is measurable or obvious matters!

The role of social responsibility in Latin America includes understanding that the region's societies have a significant concern for improvements in the basic standard of living. These are things that, at first blush, may not be considered the responsibility of business. Issues such as health, education and basic infrastructure hold a very high priority in Latin America. Clearly, in order for some of these issues to be considered the responsibility of a particular business, some kind of tangible or intangible link with the firm's short or long-term activities needs to be established.

Similarly, stability and labor benefits are also highly valued in Latin America. Corporate volunteerism, particularly by a firm's executives, is much more valued in the region than in Europe. Business executives in Latin America need to roll up their sleeves and get involved in the community, using their know-how, expertise and access to technology to help improve local living conditions.

Another issue that has a higher priority in Latin America than in Europe is social inclusion. As mentioned earlier, the region lacks social cohesion and there are problems surrounding discrimination toward certain vulnerable groups, both of which are not as significant in Europe. Nevertheless, the influx of migrants into Spain is beginning to make these topics the object of some concern in that country. An example of corporate social responsibility and good business sense in this area is provided by financial institutions that are creating special programs for immigrants to developed countries to address their lack of access to financial services.

It is not surprising that there is less concern for the environment in Latin America than in Europe. While corporate actions in favor of the environment are appreciated, they do not

rise to the same level of concern as health, education and basic infrastructure. There is also relatively less concern with corporate reports, largely because few businesses are affected by the ups and downs of international markets, which are the ones demanding this type of corporate responsibility.

In sum, while the concept of corporate responsibility varies depending on the context and it is expected that enterprises operating in developing countries will have broader areas of concern, we must differentiate between responsibility and welfare. It is important to take care not to create community dependency on the enterprise because there can be negative consequences when it ceases “to provide these additional services.” Corporate responsibility must be exercised “responsibly.” It is important to avoid giving the impression that the company’s activities are a substitute for the government. Finally, businesses must listen carefully to society and to the government and take their views into account. Corporate responsibility should not be exercised in an arrogant fashion, which is the image that some international corporations portray (whether or not they deserve that image). Local knowledge should be valued because no one knows a country, its problems or how to resolve them better than the local population, whether or not they are able to address those problems on their own.

Implications for Spanish Businesses Operating in Developing Countries

This final section discusses the implications for the corporate responsibility of Spanish firms operating in Latin America. From the foregoing discussion we can conclude that the behavior of businesses in developing countries cannot be the same as that in Spain. However, this does not mean (as, unfortunately, some observers believe) that standards should be lowered or that given that the “CSR market” is relatively less developed businesses can behave in a relatively less responsible way in developing countries than in their home country. To the contrary, a business may have broader responsibilities in a developing country because of the lack of drivers that promote CSR and the lack of a CSR market and, in particular, because of public sector failures.

The foregoing discussion is even more important for Spanish businesses operating in Latin America than it would be for a local company or for companies from other countries. The reasons for this are several:

- **Type of Businesses.** Spanish businesses operating in Latin America, particularly those that are most visible, are working in the public services area, including infrastructure and financial services. In both cases, their activities affect a large portion of the population. Infrastructure services, in particular, are highly sensitive politically and in many cases were previously provided by public enterprises that provided them at subsidized prices. Many of these infrastructures services are considered a public “right.” For various political and economic reasons, foreign participation in the provision of these services has been discredited. This places additional pressure on the responsible behavior of the enterprises that remain in the region. In addition, these are sectors where investments yield returns only in the relatively long term so that corporate responsibility has to be thought of in this

context. Financial services are also prone to political interference, although to a much lesser extent. People have always considered this to be a private service and because financial institutions are borrowers and lenders at the same time there are fewer expectations that they will engage in development support activities outside of their direct area of action.

- **“Conquest” Perception.** In the 1990s, when the Spanish economy was booming, Spanish businesses landed in Latin America en masse, making significant investments in most countries of the region. Many people have perceived this a sort of a new “conquest” of Latin America. Following their recent success in Spain, some entrepreneurs jumped at the opportunity of applying their success strategies in a developing market where they enjoyed the comparative advantages of language and culture. Some of these entrepreneurs behaved in ways that have led people to think that they were, once again, looking for the mythical El Dorado without much concern for the cost that their activities would have on the local population and environment. This perception gave rise to popular rejection. Indeed, this popular rejection was much stronger in the case of Spanish businesses than those from other countries, for example, Anglo-Saxon ones. Thus, one of the responsibilities of Spanish businesses must be to take steps to become close to the host country, and get to know and understand their national counterparts. A common language does not automatically mean that we know each other. In addition, Spanish businesses must undertake further efforts to counteract the existing negative perception. It seems indisputable that Spanish businesses have a higher degree of corporate responsibility in their Latin American operations than they do at home, and that their responsibility is also larger than that of foreign businesses from other countries.
- **We Were Equals.** It should also be borne in mind that until the 1970s, some Latin American countries were relatively more developed than Spain and migration was from Spain to Latin America, while remittances went from the region to Spain. Spain’s economic liberalization and its entry into the European Union led to a sharp increase in the country’s development, becoming the ninth largest economy in the world. However, Latin America has lagged on virtually all measures of social and economic development. There is some resentment in Latin America about the relative success of Spain. This means that Spanish businesses operating in the region must behave in a socially and environmentally responsible manner to counteract this perception.

Thus, Spanish businesses operating in Latin America have to be very careful regarding their activities and the image that they project. Their CSR strategy should take all the factors discussed earlier into account. Although this might affect businesses in differing ways, there are common elements that must be counterbalanced by means of an effective communications strategy. The Government of Spain has an important role to play in the development of a collective vision and strategy for Spanish businesses.

Conclusion

Businesses have a responsibility regardless of where they operate. That is, they must assume responsibility for the short and long-term impacts of their activities on society and the environment, whether those impacts are tangible or intangible. And they must take measures to compensate for or mitigate those impacts. In addition, businesses have responsibilities that vary with the context in which they operate. They have a responsibility to contribute to the economic development of less developed countries that goes beyond their daily activities, such as paying taxes, creating new jobs and producing the goods and services to meet social needs. That type of responsibility is a function of the degree of development of the community or country within which the company operates and the degree of development of the stakeholders that affect corporate responsibility. In the case of Spanish businesses and, in particular, in reference to their activities in Latin America, in addition to factors relating to the relative degree of development of the host country, businesses must be aware of historical and cultural factors that, depending on how they are used or perceived, will unite or separate. Let us understand this and turn the corporate social responsibility of Spanish businesses in Latin America into a good business for all.

This article was completed on October 12, 2006, Columbus Day.