



ADDRESS BY PSOJ PRESIDENT CHRISTOPHER ZACCA AT THE CANADIAN HIGH COMMISSION'S CSR FORUM – MONA VISITOR'S LODGE – MARCH 25, 2013

Salutations

The World Business Council for sustainable development defines corporate social responsibility or CSR as, “the continuing commitment by businesses to contribute to economic development, while improving the quality of life of the workforce and their families, as well as of the community and society at large.” Simply put: business is not divorced from the rest of society. Instead, the two are interdependent and it must be ensured that through mutual understanding and responsible behaviour, business’ role in building a better future is recognised and encouraged by society.

However, not everyone agrees that CSR is a good thing. A few companies and executives believe that businesses should stick to business and leave social matters to others. Those who argue against CSR say companies that use some of their resources for social purposes are lowering efficiency at their core business. Others argue that business people are usually not trained to solve social problems, and so businesses shy away from getting involved in these issues.

The fact is though, that the benefits of engaging in CSR, far outweigh the perceived disadvantages. First, CSR can serve to enhance a company’s relationships with its customers and staff, which helps to improve the company’s social and business reputation in the long term.

Despite being an intangible asset, social reputation works in helping to attract and maintain good employees and loyal repeat customers, as both customers and employees want to be associated with “good” companies. It is important to note that stakeholder perceptions of company behaviour are now among the leading

drivers of enterprise value. In fact, studies show that companies with high reputations are worth as much as 150% more than those with low reputations.

CSR at its best also promotes long-term profit and viability for businesses by contributing social cohesion and development, and in so doing, influences citizens who may become future employees and customers. CSR can also serve as a conduit for encouraging team building activities among employees, and increasing employee morale and motivation.

An informal survey done some years ago revealed that many Jamaican companies associated CSR with philanthropy or charitable giving. But as the International Standards Organisation in its May 2012 ISO 26000 Guidance on Social Responsibility notes, CSR incorporates every element of a business' operations and includes seven core subjects: human rights, labour practices, the environment, fair operating practices, consumer issues and community involvement and development.

While all of these are important, I would like to highlight four elements that I believe Jamaican businesses should utilise, in their efforts to broaden their CSR activities.

1. Labour practices: companies have a duty to ensure that they are adhering to the country's established labour laws, and are actively seeking to include the marginalised sectors of society. Therefore, Jamaican businesses can do more to employ groups such as recent high school and university graduates without any professional experiences, and also today I repeat my call for Jamaican businesses to do more to hire more persons with disabilities. I recall seeing a news report late last year in which persons with disabilities were lamenting how they felt they were being discriminated against because of their respective challenges. If we are to achieve the Vision 2030 mandate of becoming the place of choice to live, work, raise families and do business, then Jamaican companies must do more to ensure that all sectors of society are represented in their various businesses.

2. The environment: It has been predicted that by 2050, the world's growing population will need 50% more food, 50% more energy and 30% more water. Yet the basis on which most businesses run and on which most consumers live their lives, is not sustainable. In 2007, Jamaica was ranked as being "in serious trouble" in a survey conducted by the National Geographic Traveler, which focused on the integrity of the environment of resort destinations. As you all know, last year we celebrated 50 years of independence, and I'm certain that it is the collective goal of the country to be able to celebrate 100 years in the future. The key to achieving this milestone is through the preservation of the environment for future generations, with the implementation of sound environmental policies and responsible environmental management. Investing more in recycling and developing an island wide programme for waste minimisation, collection and disposal, is a good place for us to start as a small country. The businesses that thrive in the future will be those that are not just producing useful and innovative products and services, but those that are also doing less harm to the world.

3. Community involvement and development: Companies have a special responsibility to the communities in which they are located. Many of our youth today lack guidance and are getting involved in activities that negatively impact our social and economic development. Through strategic engagement in our communities, many companies will be able to steer our youth on the right path towards upliftment and in doing so, will ultimately result in us creating an environment in which both businesses and the wider society can prosper, grow, and do well.

Another way to encourage public involvement in our communities is through the establishment of a national corporate volunteering programme, in which corporate volunteers visit classrooms in schools located closest to their offices, carrying out several projects that are designed to inform and educate students. This is a most important activity: our young people need solid role models to guide their growth and development.

4. Lead the fight against corruption by walking the walk not just talking the talk. The Jamaican Private Sector needs to shun corrupt bureaucrats and politicians and not encourage or participate in corrupt practices. We need to reject Foreign Investors who try to invest here corruptly, and also take a position that we will not fund political candidates who are known to be corrupt.

Of course, I'm not just here talking the talk. The PSOJ itself has over the years, embraced and nurtured a strong CSR policy by initiating a number of projects which have allowed both our staff and our members to participate and contribute to Jamaica's sustainable development. I will speak about just a few of these:

- The first is the Youth Upliftment for Employment Programme, commonly known as YUTE which seeks to empower young people in troubled communities between the ages of 16 and 29 by: improving their employability through mentorship and skills upgrading; and providing opportunities for gainful employment. The programme has been rolled out in 15 communities including Denham Town, Parade Gardens, Olympic Gardens, Jones Town, Mountain View, Rockfort, Tivoli Gardens and Trench Town in the Corporate Area. We thank the numerous private and public sector entities for their tremendous support of YUTE which is focusing on re-socialising the most vulnerable of our young people and providing them with hope for the future and more importantly, skills and jobs.
- The PSOJ has also created a number of committees where members come together to develop and brainstorm ideas and policies that relate to issues of national importance. We currently have five of these committees, including the Standing Committee on National Security, Energy and Environment and the Economic Policy Committee among others.
- Perhaps our biggest and most well-known CSR initiative has been Crime Stop, about which I'm sure you're all familiar. It was established in 1989 with the help of the PSOJ and various other private sector interests, with the goal being to encourage the public to get involved in the fight against crime. Callers providing information that leads to an arrest, recovery of

stolen property or the seizure of illegal drugs or guns, are given total anonymity, and in return receive a cash reward. Last year alone, almost one million dollars in rewards were paid out.

For all of these CSR activities, we have relied heavily on the private sector for funding and the involvement of their staff. It is my fervent wish that even more private sector companies will join us in these and other efforts to engage in corporate social responsibility, even as they seek to establish their own CSR initiatives. CSR offers the perfect opportunity for businesses to introduce their perspectives on management systems, efficiency, oversight and governance among other areas, with the ultimate goal being to resolve Jamaica's social and environmental challenges.

CSR related activities are generally expected of private sector companies and to a lesser extent, those in the public sector, but I believe the media also has a CSR role to play. Originally, the media is seen as a watchdog, a guardian of public interest and a conduit between the government and the public. From time-to-time, we do see our local media attempt, with some amount of success to play this role, but more often than not, they appear to have a greater propensity for sensationalism and superficiality, perhaps in a bid to remain competitive in media markets that put a premium on the shallow and the sensational.

However, the media has a duty to carry out their mandate of being an effective and credible watchdog in a socially and politically responsible manner. Particularly, I would want to see the media play a greater role in helping to build trust and competitiveness in governance, especially within the government and its related public sector entities. Ideally, the media should keep citizens engaged in the business of governance, by informing, educating and mobilising the public. By doing so, the media will help to ensure that the government is held accountable. The fact is, that the public is more likely to trust the government of the day, if they know that strident efforts are being made to hold them accountable.

Jamaica is not the only country grappling with the issue of a lack of trust in the government. At a United Nations Global Conference on Governance that was held a few years ago, numerous surveys conducted by leading governmental and non-governmental organisations, including Transparency International and the UN Development Programme, found that there is a consistent and ubiquitous decline of trust in a range of political institutions across the globe, since 2004. Global dissatisfaction with the government was found to be 65% in Western Europe, 60% in North America and 69% in Latin America in 2005 (BBC, Gallup International, 2005).

So how can the media help to promote trust in governance? Simply by doing more investigative reporting on corruption, human rights violations and other forms of wrong doing. By constantly digging for information, forcing the government and the private sector to release documents and by subjecting officials and other powerful individuals to rigorous questioning, the authorities will become accustomed to an inquisitive press and act accordingly.

This will lead to informed, engaged citizens, and ultimately a more transparent, trustworthy and accountable government.

This approach has worked in countries such as those in Southeast Asia where sustained reporting on malfeasance in public life has resulted in the ouster of corrupt officials and raised public awareness on the need for reform. A bit closer to home, in Latin America, it is widely acknowledged that sustained investigative reporting on corruption, human rights violations and other forms of wrongdoing has helped build a culture of accountability in government.

In closing, let me once again thank the organisers for inviting me to be a part of this forum, and congratulate the High Commission on its efforts to encourage both Canadian and Jamaican companies to practice corporate social responsibility and operate transparently in consultation with host governments. As the leading entity for private sector companies in Jamaica, we are appreciative of the efforts to encourage CSR engagement among our companies, and we look forward to collaborating with you in the future.

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THE PRIVATE SECTOR ORGANISATION OF JAMAICA

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