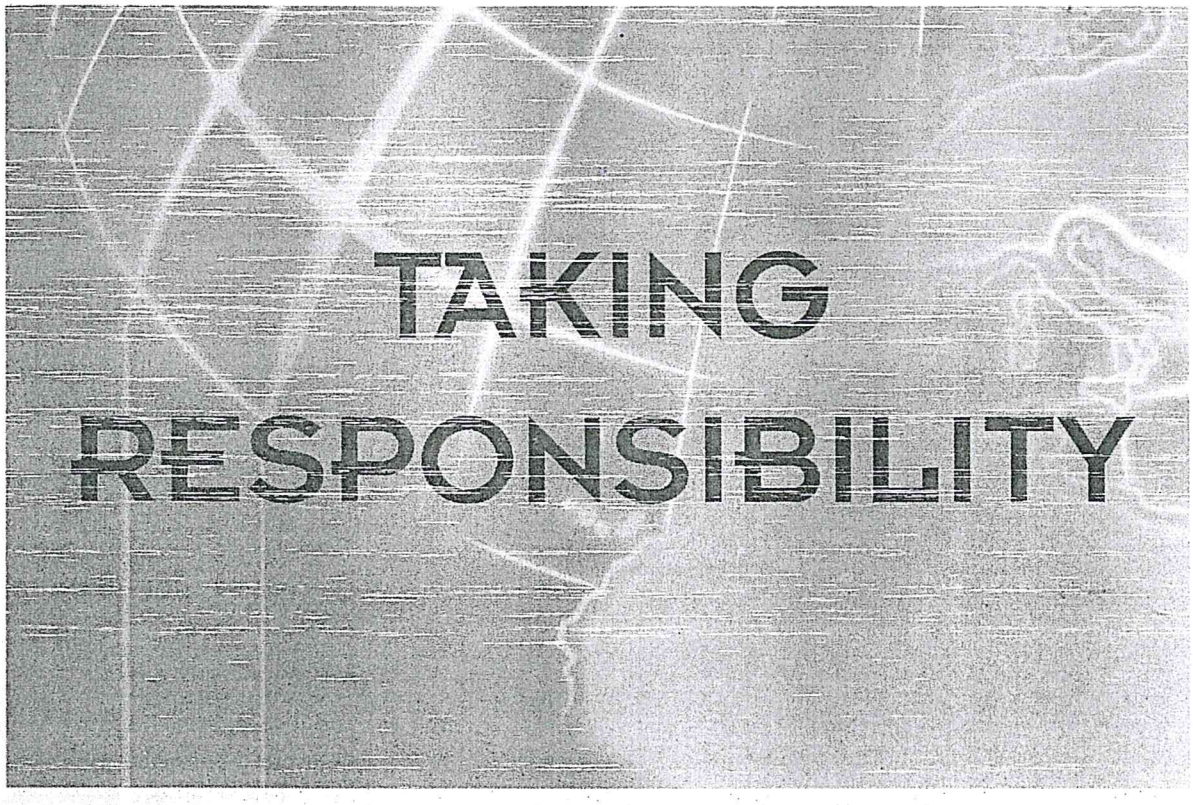
Consumer Citizenship:
Promoting new responses

Vol. 1



Edited by Declan Doyle

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TAKING RESPONSIBILITY

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The nature of 'responsibility' and the various definitions of 'responsibility' are numerous. A simple web-search for the term 'responsibility' yields 349,000,000 hits! How can consumers be educated into taking responsibility if the term itself is so vague. A dictionary definition suggests that responsibility is a 'duty, obligation, or burden'. Yet some of the examples contained within this collection show that the taking of responsibility need not be a burden; though it may be a duty and may become an obligation. One dictionary defines responsibility as 'the social force that binds you to your obligations and the courses of action demanded by that force'.

These papers form part of the debate on the courses of action demanded by a prevalent social force today. This force is leading us towards demanding a sustainable future, one in which all consumer citizens play an active part in determining the social and ecological landscape we are shaping for ourselves and future generations. We, as educators, have an important role to play in guiding future consumer citizens and we must accept this responsibility also as our duty -- not as our burden.

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CONSUMER
CITIZENSHIP
NETWORK

INTERACTIVE CITIZENSHIP : COULD THE "RESPONSIBLE CARE" INITIATIVE OF THE GLOBAL CHEMICAL INDUSTRY BE A CASE MODEL TO ALL OTHER INDUSTRIES TO INCREASE THE AWARENESS AND SOCIAL INVOLVEMENT IN THE CONSUMER CITIZEN?

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Methodology

Various sources were used with the purpose of collecting relevant information in the literature, material from the internet, surveys from NGOs, legal texts, articles from journals, working papers and handbooks. Additionally, managers in the implementation of Responsible Care in the companies and executives and experts in consumer and industry associations have been contacted, who had provided valuable information

Introduction

Today's dominant and economic paradigm promotes ever expanding economic disparity and ever increasing resource extraction and consumption at the expense of the earth and future generations. Collaboration between government, business and individuals is vital to moving forward with sustainability. All sides have to be willing to engage in honest dialogue for continuous improvement and new models and leadership for socially and environmentally sustainable life in the 21st century. As McNamee and Gergen pointed out, only dialogic process for promoting mutual learning and applying relational responsibilities (Payne and Calton 2003) within all parties could strengthen the community and realize this shared vision.

Community forums, initiatives, principles have been developing to advance the movement for more sustainable world where all sides can connect, learn, educate, brainstorm, execute ideas and make a difference. In the 21st century, the most successful societies will be those that embrace solidarity where corporations, local communities, individual and governments join together to build a better world for all. Confronted with increasing pressures to limit

government spending on social welfare, more and more public policy makers welcome the growing social involvement of corporations. Global Compact, ILO's Tripartite Declaration of Principle Concerning MNC and Social Policy, OECD Guideline for MNC and EU Green Paper are some of them. (Buyukuslu, 2001). World Bank has put its shoulder behind corporate citizenship to forge key partnerships with companies and communities alike in its founding quest to banish poverty and improve the lives of millions of the world's poor. (Asiaweek 1997)

On the other side the need has arisen for discriminating consumers who can interpret relevant information and corporate messages and become consumer citizen in order to make choices that emphasize the demand for corporate social and environmental responsibility. Prudent choices that contribute to universal human development and intra-generational equity as declared by UNDP in the Human Development Report (Thoresen, 2003).

CORPORATE CITIZENSHIP

Multi-sides dialogues emphasize goals of dialogic learning, relationship building, and social responsiveness within a more reflective practice of corporate citizenship (Payne, S. & Calton 2003). Corporate Citizenship (CC) functions as a new way of presenting existing concepts of Corporate Social Responsibility but applied to a wider range, or perhaps a different set, of issues. According to Maignan and Ferrell (2001) the notion of CC has been tackled more or less directly by two streams of management research: firstly the social performance model (Carroll, 1979) and secondly the stakeholder management framework (Clarkson,1995). Carroll's widely cited CSR model conceptualizes four types of responsibilities for the corporation:

- The economic responsibility to be profitable
- The legal responsibility to abide by the laws of society;
- The ethical responsibility to do what is right, just, and fair;
- The philanthropic responsibility to contribute to various kinds of social, educational, recreational, or cultural purposes.

Secondly in the stakeholder theory, stakeholders are persons or groups that have, claim, ownership, rights, or interests in a corporation and its activities, past, present, or future (Clarkson, 1995). These groups are sometimes also called fellow citizens.

Clarkson (1995) counts five groups of primary stakeholders including shareholders or investors, employees, customers, suppliers, and the government and communities that provide infrastructures and markets, whose laws and regulations must be obeyed, and to whom taxes and other obligations may be due .
The corporate social responsibility and stakeholder management frameworks can be combined to define corporate citizenship as the extent to which businesses assume the economic, legal, ethical and discretionary responsibilities imposed on them by their various stakeholders (Maignan & Ferrell, 2001).

Conceptual model for Interactive Citizenship

Consumers are obviously one of the most important stakeholders for any organization, since without the support of customers of some sort, such as through the demand for or purchase of goods and services, most organizations would unlikely survive for very long. (Crane & Matten, 2004).Therefore the role of the consumers in shaping the social and environmental impact of corporations become evermore critical. Consumers' support of corporate citizenship is very important as Maignen & Ferrell (2001) point out that the Corporate citizenship is likely to be acknowledged by businesses as a worthwhile investment if its activities clearly supported by consumers through their evaluation of purchasing alternatives .

Although accepting the existence of many factors influencing the consumers' evaluations process, As Willmont (2003) argues that individual's ethical decision making process is triggered by combining a variety of information on the performance of businesses in terms of economic, legal, ethical, and discretionary citizenship. With a series of experiments, Brown and Dacin demonstrate that negative corporate social responsibility associations can have a detrimental effect on overall product evaluation, whereas positive associations can enhance product evaluations. Based on a survey of managers (Maignan & Ferrell & Hult ,1999) establish a positive relationship between proactive citizenship and customer loyalty. A number of industry surveys suggest that consumers are willing to make an effort to support proactive corporate citizens. For example, a 1997 Cone/Roper study shows that 76 percent of consumers are prepared to switch to brands or stores that seem concerned about the community. Similarly, a Walker Information national survey showed that 14 percent of US households actively seek do-gooders when making

purchases, while 40 percent judge corporate citizenship as a tie-breaking activity (Business Wire, 1997).

As surveys shows that consumers increasingly scrutinize company's records for environmental protection, workplace fairness, product safety, and human and labor rights when considering their purchases (M2 Presswire. 2002), on an other word they have started to make prudent choices and become consumer citizen. Consumer Citizenship should be stimulated and supported by corporations also. Because encouraging consumers to integrate corporate citizenship in their evaluation of purchasing alternatives is contingent upon the information they receive. Corporate citizenship communications increase the awareness and social involvement of the consumer citizens. Corporate citizenship communications refer to the promotional instruments produced by the company (or the reports provided by the media) that depict the initiatives undertaken by the firm to meet its economic, legal, ethical, and discretionary responsibilities. By using these evidences it can be suggested that there is an interaction between corporate citizenship and consumer citizenship as shown below and a conceptual framework for an interactive citizenship model can be proposed.

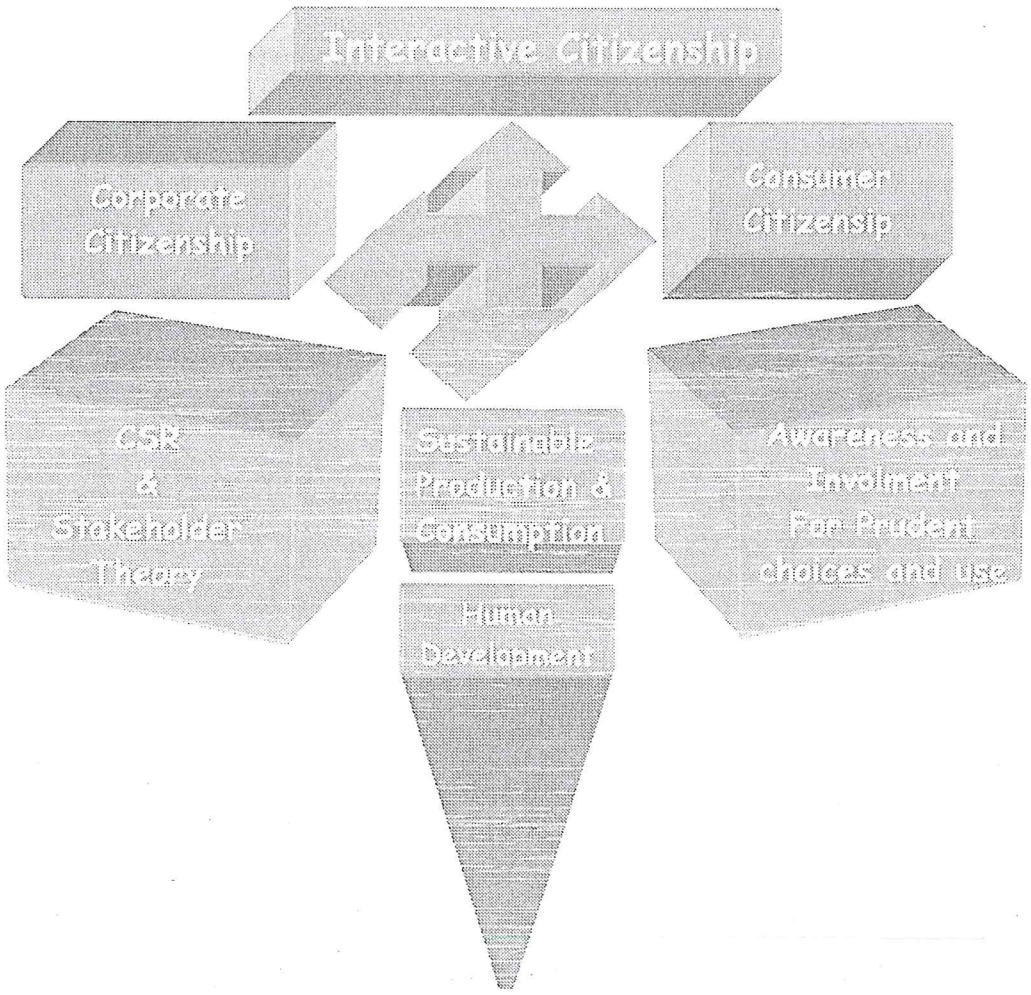


Figure 1. Conceptual model for Interactive Citizenship

Dimensions of corporate citizenship and types of initiatives trigger consumer awareness. Because of the interdependence between corporate and consumer citizenship, businesses could learn about the most desirable means of communicating corporate citizenship. According to Maignan and Ferrell (2001) there are two dimensions of corporate citizenship communications: intensity and trust in the source - likely to influence consumers' evaluations of corporate citizenship and impact on his/her attitudes and behaviors. One could assume that up to a certain point, the more consumers are reminded of the corporate citizenship of a given firm, the more likely they are to integrate these initiatives in their purchasing decisions. However, boundary effects may also take place: when corporate citizenship is promoted extremely heavily, consumers may perceive that it is mainly used as a promotional appeal, and may become suspicious about the intent of the firm. This reasoning

entails that consumer's trust in the source of the corporate citizenship communications is also likely to affect the relationship between evaluations of corporate citizenship and consumer behavior. Information regarding the activities undertaken by an organization to meet one or several of its social responsibilities may influence consumer decisions only if individuals judge this information as objective and trustworthy. According to Willmott (2003) corporate citizenship (as well as transparency and, to a lesser extent, communications activity) help to increase trust in the company.

Today, the impact of Corporate Citizenship is beginning to be seen in communities throughout the world from human rights and labor practices to health care and the environment. (Lockwood , 2004). Corporations have started to organize their community and consumer involvement activities to provide the greatest strategic benefit to the firm in the long term by applying Corporate Citizenship. On the global level where the administration of citizenship rights may be beyond the reach of the nation-state government, corporations may take on a role in reforming or creating transnational institutions that administer rights where national governments cannot act effectively as explained by Dirk and Crane (2005). With increasing privatization of regulation, through programs such as the Chemical Industry's Responsible Care or the Apparel Industry Partnership, corporations have stepped in and taken an increasingly active role in the global political arena (Ronit & Schneider, 1999; Schneidewind, 1998).

RESPONSIBLE CARE INITIATIVE

As one of the remarkable corporate citizenship examples, Responsible Care can be defined as a transnational institution and voluntary initiative of the global chemical industry in which companies, through their national associations, commit to work together to continuously improve the health, safety and environmental performance of their products and processes, and so contribute to the sustainable development of local communities and of society as a whole. It is managed by industry and focuses on improving performance, communication, transparency and accountability. Starting in 1985 in Canada, this initiative have been spreading in many countries by identifying good management practices through the publication of codes , guidance documents and checklists.

Responsible Care Implementation in Turkey

Turkey's chemical industry through the national association called Turkish Chemical manufacturers Associations (TKDS) has adapted to the transnational initiative at the beginning of 1993. Responsible Care is mandatory for all new members since 1994. By the end of 2004, 57 companies had signed up and members represent about 60% of Turkish chemical industry by turnover and 20% by employees. Revised guidelines on Codes of Management Practices including management system guidelines published in 1999 and these are : Pollution prevention, Process safety , Distribution, Employee health and safety , Product Stewardship, Community Awareness and Emergency Response .

For the implementation assurance, annual facility visits are carried out by the TKSD technical staff to evaluate Responsible Care performance. Codes of Management Practices checklists are completed by the company and reviewed with a company representative and TKSD staff. Facility units are visited and graded, recommendations made in an audit report. Members are requested to report annually and indicators of performance revised in 2000 to enlarge the scope of monitoring and evaluating activities.

Responsible care through the Community Awareness code encourage companies and associations to inform their publics about what they make and do, about their performance including reporting data and about their achievements. In the implementation of this code TKSD staff attends many national technical symposia and make presentations on Responsible Care to communicate with interested parties. TKSD continues its active participation in the Istanbul Chamber of Industry's Environmental Affairs Commission, the Ministry of Environment's regulatory review committee and local government regulatory committees, and publicizes the principles of Responsible Care to emphasize the commitment of the chemical industry to environmental protection efforts. Seminars are held at different universities. A Responsible Care course is designed and run by Istanbul Technical University. In addition to the lecturers from TKSD, member companies present case studies and offer site visits for students. TKSD continued a program of meetings and workshops. Seminars held regularly at plant level for members.

Community outreach is a priority for the company's Responsible Care activities. Both companies and TKDS have found that putting time and effort into organizing Open Door events helps bring a different and more positive view of the chemical industry to the public. An example from one of the manufacturer named Soda Sanayii AS opened up its plant gates to the public in May 2004. The event targeted school children from the local community and invited them to bring their families and teachers along too. Starting from the school gates, Soda Sanayii staff accompanied over 300 visitors to the manufacturing site where groups went on guided coach tours and heard about the company's health, safety and environmental efforts relating to their production activities. Visitors also enjoyed snacks, live music and a performance by a school folk dance group during the open day, and the company reports very enthusiastic feedback on the event. Visitors expressed their very positive impressions about the overall appearance of the site and sincerely wished that this kind of event would be organized more frequently in the future. In 2002, the company provided support for the local Kazanli primary school by financing general repairs and construction of two additional classrooms. Meanwhile, Soda Sanayii sought to raise environmental awareness at Mersin district primary school by organizing painting contests with the theme 'nature and environment' in both 2002 and 2003, with the prize-giving ceremony held during World Environment Week. Responsible Care activities were also organized to improve awareness of the initiative and help employees connect it with company activities. Soda Sanayii has detailed these and other activities in a Responsible Care report which also covers objectives and targets for 2004-2006

Another example of community reach implementation is that the leading acrylic fiber producer AKSA has established the first community advisory panel that promotes mutual support between companies and associations through experience sharing and peer pressure, replacing the competitive approach of the past in health, safety and environmental areas. Launched in October 2001, the CAP included 23 representatives from regional NGOs and the authorities from surrounding municipalities, army officers, representative of religious affairs, environmental experts, housewives, civil defense experts, agricultural experts and elected representatives of villages. At the end of the panel, company had many recommendations on AKSA projects related to

environmental, public health, emergency response preparation and risk management issues. AKSA says it established the panel to gain access to the concerns of the community, to exchange ideas and contribute sustainability to regional development. AKSA's achievement was recognized at the national association's Responsible Care awards.

Responsible Care initiative as a case model

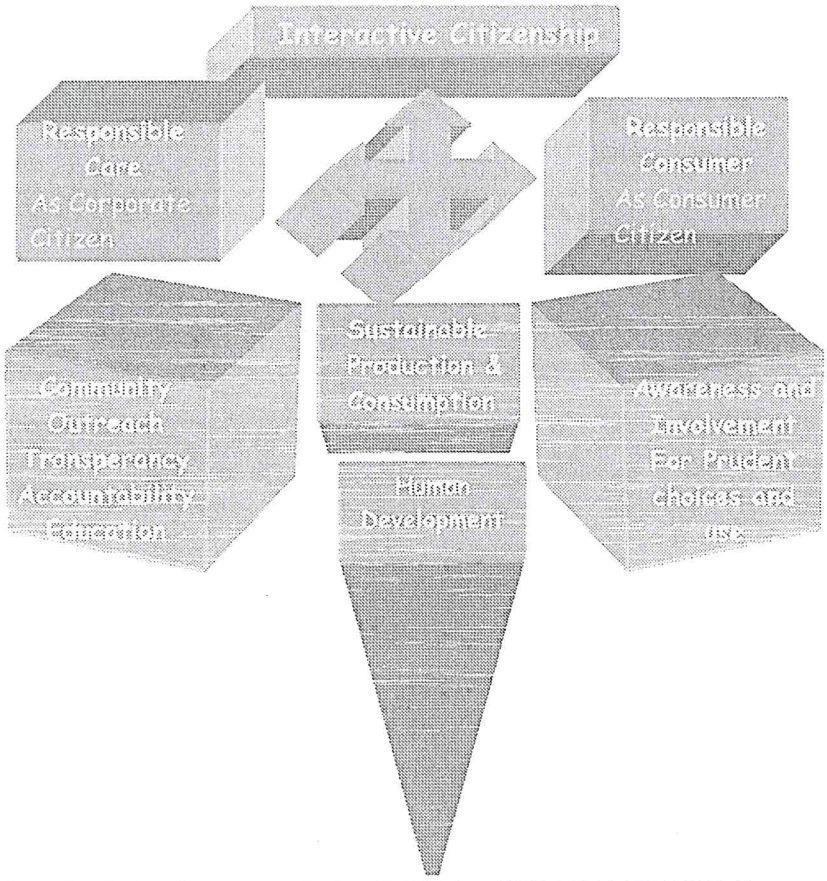
Responsible Care helps the industry to engage and work with stakeholders at local, national and international levels to listen and address their concerns and aspirations though the community awareness code as it can be seen by examining Turkey implementation examples. This code requires Responsible Care practitioners to design an implement extensive community outreach programs that requires companies to be open and transparent with all their stakeholders from local communities to environmental lobby groups, from local authorities and government to the media, consumers and of course the general public.

Companies are expected to be sensitive to community concerns and respond to them, and develop a process of regular communication with the community through local outreach programs. It is also expected to provide information about the hazards and associated risks of chemicals products and operations to employees, people on site and interested members of the community and work with governments to develop public policies, legislation and regulations governing community awareness and emergency response. These programs are based on openness and cooperation. Company representatives embark on a series of information sessions by going door to door or by other means. These representatives invite their neighbors and other members of the community to visit their plant, ask questions and voice their concerns. The company is obligated to answer these questions and take action... It has driven a transformation in the way that companies operate: from being secretive and defensive about their activities, to being more open, honest, and actively seeking dialogue and partnerships with stakeholders. Through this code, citizens and the environment are central to the planning and execution of chemical industry initiatives for the future the most significant result may be how the industry and an informed public determine their needs relative to those of the environment and

future generations. By assisting producers and consumers in balancing these competing needs, Responsible Care truly may be seen as a catalyst for trust and provide its greatest contribution to the creation of Responsible Care consumers.

As Manzini and Formentini (2004) explained that good and best practices can contribute to the social learning process that the transition towards more sustainable production and consumption patterns. Globally the process that is underway when realizing case histories on good practices mainly follows three steps: Telling the consumer what and how has been done and giving them the tools to actually change. Responsible Care initiative of the chemical industry could be a model to all other industries especially in terms of its achievements on awareness-raising process. This has focused on identifying what tools can be used to extend the program to new companies and industries. The use of the conceptual framework of the elements of interactive citizenship as given earlier can be suggested to develop similar initiatives either for a company or another industry sector in order to create Responsible Care consumer as shown below

Figure 2. Responsible Care as a case model in awareness rising



CONCLUSION AND FUTURE CHALLENGES

In conclusion, a global ranking report notes that the world's 100 largest companies have a poor record of accounting for their impact on society and the environment. A range of measures that include strategy, governance and stakeholder involvement show these companies scoring an average of 24 out of 100 points with only five companies scoring more than 50% (Financial Times. June 23 , 2004). These evidences suggest that companies have a long way to go to clearly demonstrate substantive Corporate Citizenship. With the growing importance of sustainable production and consumption, corporations and consumers will increasingly adopt a comprehensive view of interactive citizenship that includes interdependence between features of corporate citizenship and consumer awareness and involvement.

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