



# CSR International Book Review Digest

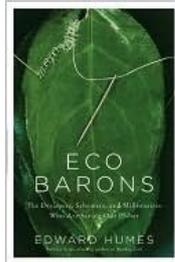
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## Eco Barons: The Dreamers, Schemers, and Millionaires Who Are Saving Our Planet

Author: Edward Humes  
Publisher: Ecco  
Year: 2010  
Pages: 384



This book is a treasure trove of stirring stories that bear testimony to 'the power of one'. It is commonly acknowledged that determined individuals can make a change. But imagine what could be accomplished if all individuals were to not only use their wealth and fortune but also their abundant determination and resourcefulness to save the planet from ecological destruction.

Humes paints masterful portraits of personalities behind famous brand names and their struggles and challenges to do what they can while still possible. Whether it is the former fashion magnate and founder of Esprit who has saved more rainforests than any other person, or the college professor who patented the plug-in hybrid while the biggest names in the auto-industry were busy going on record saying that battery technology was still too weak, or for that matter the former owner of Burt's Bees who has used sheer gumption and her counterintuitive insight to bring together groups with a very different vision from her own to 'roll up their sleeves and develop a solution that works', or

the former Malibu pool cleaner who worked closely with Republican governor Arnold Schwarzenegger to tackle climate change head-on with the pioneering Global Warming Solutions' Act of California, or the stories of several other people, *Eco Barons* offers revealing and rousing accounts that you'd want to come back to time and again. The book offers insight not just into people, but also into how nations are reacting to the crises at hand. Particularly exciting is the narrative of how Sweden, contrary to the rest of the world, has reduced its greenhouse gas emissions by 9 percent below 1990 levels, an achievement that far exceeds the mandates of the Kyoto treaty.

The book ends with a bonus offer of various resources on living like an eco-baron, driving like an eco-baron and eating like an eco-baron. Get yourself a copy to learn more about the Dreamers, Schemers and Millionaires who are saving the planet and you may well be inspired to become an eco-baron yourself.

Review by: Kiran Pereira, CSR International

## Valuing Corporate Responsibility: How do Investors Really Use Corporate Responsibility Information?

Author: Rory Sullivan  
Publisher: Greenleaf Publishing  
Publication Date: 2011  
Pages: 202



The investment community is one of the key audiences for annual Corporate Responsibility (CR) reports, but companies often fail to focus their communications on issues that are relevant to investors. Responsible investment is a relatively new discipline and it encourages companies to develop governance and management systems and policies that improve their CR reporting and their environmental and social performance. It provides an insight into the quality of the company's management of social and environmental issues, and a company's ethical values. The lack of a CR report suggests to investors that social and

environmental issues are not on the corporate agenda.

The uncertainties and limitations in CR reports and the implications these have on the investment decision-making process are explored in the book, which suggests that there is still a lack of understanding between investors and companies, relating to each party's needs and interests in CR reporting. The book offers some guidance and recommendations to companies on the content and detail of the information in their CR reports, to make these more useful to investors.

Companies trade off management's own objectives, the interests and needs of different stakeholders and the time and resources available for reporting, and CR reports usually focus on good news instead of a balanced review of social and environmental performance. The scope of reporting is rarely comprehensive and there are inaccuracies with environmental and social performance data, due to the technical difficulties in measuring performance and processing information. Although there is evidence that good environmental and social processes and policies ensure legal compliance, there is limited information on how well companies are meeting their own CR policies and targets and whether CR reporting is improving the company's environmental and social performance in practice.

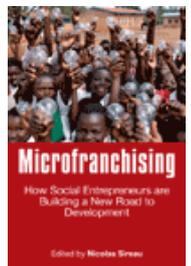
The book describes investors' expectations of companies to explain how environmental and social issues affect their business strategy, to list their major environmental risks and opportunities, to highlight those that are financially material and provide evidence of how they are performing against their policies. The influence of investors is most effective when there is a clear business case for action and investors should clearly communicate their views on the importance they give to high standards of environmental and social performance, how these issues are built into their investment decisions and which issues are seen as financially material to the company in question. Companies should also clarify what they hope to achieve from CR reporting. The reported information should be accurate, clearly outlining the quality and materiality of the data and issues should be reported on consistently, to allow for comparison between different companies' performance.

Investors' engagement with companies can only succeed with clear policy drivers and incentives and

the possibility of mandatory CR reporting is considered as a way of shaping future contributions of responsible investment to sustainable development.

Review by: Amy Butterworth Fernandes, CSR International

### **Microfranchising: How Social Entrepreneurs are Building a New Road to Development**



Editor: Nicolas Sireau  
Publisher: Greenleaf Publishing  
Publication Date: 2011  
Pages: 216

*Microfranchising: How Social Entrepreneurs are Building a New Road to Development* provides the reader with an excellent overview of the opportunities and challenges that microfranchising presents for lifting communities at the base of the pyramid (BoP) out of poverty. There are numerous contributors, with a wealth of experience, that offer their perspective and guide the reader through the history, theory, practice and lessons learned of all that is microfranchising.

The book begins by reviewing the history of franchising and the various types of business models that have been used over the last century. It then proceeds to explain how the franchising model can be applied to developing countries, particularly the rural poor. One of many definitions put forward is "microfranchising is a development tool that adapts the proven operational principles of traditional franchising to the needs of very small businesses located in the developing world."

Microfranchising is compared to microcredit; "where very small loans are provided to impoverished people to enable self-employment". However, it highlights that not everyone receiving a loan is an entrepreneur nor do they always possess the business skills required to run a business therefore not all loans result in thriving businesses. Microfranchising is deemed an effective and potentially transformative alternative.



Microfranchising provides a standardized business model with brand recognition and access to a supply chain. Franchisees follow in-depth training and develop skills in operations, marketing and customer service. Since franchisees are required to follow a strict business model and continually receive ongoing support and supervision, it aims to minimize risks and maximize returns. Microfranchising can be very effective in: providing people with the skills required to grow a business; creating jobs; providing much needed goods and services to communities; and, generating income for households.

This book does an excellent job of guiding the reader through the requirements and challenges of developing and implementing a microfranchise. It is an invaluable tool for anyone wanting to know more about the mechanics of microfranchising. To this end, numerous case studies are presented that span the information and communications technology (ICT), energy, healthcare and consumer products sectors. These case studies emphasize the unique challenges of implementing a microfranchise in the developing world, particularly in rural areas.

Ultimately, this book highlights the shortcomings of traditional aid and international development as it is often based on hand-outs which create a culture of dependency instead of sustainable long-term solutions. The contributors effectively emphasize the many advantages of utilizing social enterprises and microfranchising among communities in the BoP. As it is a relatively new concept, further coordination among social enterprises is needed in order to gain a better understanding of techniques and learning. Educating donors and investors is also needed in order to bring this potentially transformative concept to the forefront.

Review by: Jennifer Roynon, CSR International

## Red Alert: Saving the World with Indigenous Knowledge

Author: Daniel R. Wildcat  
Publisher: ReadHowYouWant  
Publication Date: 2010  
Pages: 168



In *Red Alert*, Daniel Wildcat issues an alert about

the importance of turning to indigenous knowledge as a way of solving issues of global climate change or, as he calls it, global burning. The first three chapters of this book offer a foundation on the need to include indigenous knowledge in policy making and practical solutions to global climate change. Although scientific inquiries and environmental writings have been contributing to research and documentation on environmental crises, Wildcat argues that indigenous wisdom of “knowing through doing” have not been taken seriously. Indigenous experiential knowing is important to take into account because the effects of global burning have been lethal to the indigenous communities whose everyday lives depend on close interactions with landscape features and ecological systems. First-hand experiential knowing in addition to media and technology-mediated experience is also important to situate our history within and produce technology that fits, or even comes from, local landscapes and ecosystems.

The rest of the book looks at examples of indigenous knowledge in the present, past, and future that policy makers and wider societies may learn from about nature-culture duality to find solutions on global climate change. Wildcat discusses the legacy of Hohokam society’s irrigation system in Phoenix, Arizona, the Menominee nation’s successful forestry program and wood-product manufacturing business, and research on wind energy conducted by the Intertribal Council on Utility Policy (ICUP) centred in North Dakota, South Dakota, and Alaska. Although written specifically about American Indians and Alaska natives, this book is a useful framework to approach other indigenous knowledge from communities outside of the United States.

His provocative language might make some readers uncomfortable as he critiques scientific inquiries as a solution that postmodern societies have been heavily relying on to not only change our environment, but to save us from impending environmental dangers. Wildcat is aware of this possibility for discomfort when he states, “those expecting to find reassuring romantic reveries about noble savages living close to nature should turn elsewhere for their reading pleasure”. The purpose of *Red Alert* is clear in this statement, that global (physical) climate change should be solved, first and foremost, with global cultural climate change.



Enacting global cultural climate change means that we should refuse to participate in stereotyping Native Americans as savages, "other," and enemy needs to be destroyed on the one hand and as a defeated community bound by poverty on the other hand. The global cultural climate change requires us to critically examine what tribal and tribalism mean and come with an understanding that American Indians and Alaska Natives consist of people "living, working, sometimes struggling in contemporary society to maintain unique tribal lifeways and knowledge that remain useful and may offer humankind its last best chance to develop a human maturity". To all people, Native and non-native, who understand the need to explore useful and practical indigenous knowledge, Wildcat offers an alert of hope written on every page of this book.

Review by: Pamela K. Sari, CSR International

## Coming Clean: Information Disclosure and Environmental Performance

Authors: Michael E. Kraft, Mark Stephan, and Troy D. Abel  
Publisher: MIT Press  
Publication Date: 2011  
Pages: 249



What role should governments play in creating a more sustainable global economy? While CSR is often defined as corporate behaviour that improves social and environmental performance above and beyond legal requirements, it is clear that government frameworks can play a significant role in promoting corporate citizenship. In *Coming Clean*, Michael E. Kraft, Mark Stephan, and Troy D. Abel evaluate the effectiveness of mandatory information disclosure as a regulatory mechanism that governments at various levels can use to improve environmental outcomes. Kraft, Stephan, and Abel analyse recent data from the Toxics Release Inventory (TRI), a programme that requires American companies - in particular industries - to disclose the release of potentially harmful chemicals (at present, the list includes nearly 600 chemicals). Their findings indicate that while the TRI has been successful in improving overall environmental performance (release of TRI chemicals has declined by 61% since the

programme began in 1988), at the facility-level, progress has been uneven.

*Coming Clean* may be a tough read for those outside academia (the authors are all professors at American research universities), but it does address a critical question for anyone interested in sustainability: why do some companies do so well in improving their environmental performance, while others show few signs of progress? The answer, it seems, has to do with context. As Kraft, Stephan, and Abel argue, "Information is not provided in a vacuum, but rather contextual variables mediate the impact of information on the behaviour of corporations and communities." In other words, the impact of information disclosure on corporate social and environmental performance depends not only on the capacities of corporate facilities but also local governments, communities, and media outlets.

The history of the TRI should give hope to environmentalists and other activists searching for alternatives to traditional command-and-control style regulation, yet we should proceed with caution. First, programmes like the TRI require that regulators strike a balance between the public's right to information and the cost to companies of providing that information - something easier said than done. In addition, the consequences of information disclosure depend (as mentioned) on the capacities of local actors. It may turn out that, as a policy approach, mandatory information disclosure works only for particular issues or in particular industries or countries/regions. What is certain, however, is that without books like *Coming Clean*, policymakers, business professionals, and other leaders will not have the information they need to determine the most effective role for government in leading us down the path toward sustainability.

Review by: Matthew Maguire, CSR International

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