The Network Effect series creates and nurtures networks between the next generation of influencers. European societies face a set of challenges over the coming decades that do not lend themselves to technical, managerial solutions: from placing their economies on a sustainable low-carbon footing, to managing the demographic transition of an ageing population, to building cohesive communities in the face of social diversity.

Influencers of the future, in all sectors, face these new and compelling challenges in a world where the understanding of leadership itself is in flux. Lacking any respect for geographical borders and institutional boundaries, the most pressing problems we face place a premium on forging a type of leadership that can span boundaries and foster collaboration.

This series provides forums for both debate and creativity on the cutting edge of the crucial issues at stake. Participation and creative teamwork generates close collaboration and lasting ties between future leaders. Momentum is maintained between events through generating a variety of outputs. The forums take place every few months and are hosted by the British Council in a variety of European countries.

A commitment to connect
Participants must leave the one and a half day event with a commitment both to stay in touch with one another and maintain an active interest in the issues they have discussed. The inaugural event on Media and Legitimacy in European Democracy was held in Stockholm in October 2005. The second event on Social Diversity and Cities took place in Amsterdam in June 2006. The third event on the remaking of civil society took place in Bratislava in October 2006. This report describes the fourth event in Istanbul in March 2007 which considered the social responsibility of the business world.

Read more about the Network Effect on www.britishcouncil.org/networkeffect

Business and social development
Istanbul, March 2007
The Network Effect:
Connecting Europe’s Next Generation Influencers

Business and social development
Istanbul, March 2007
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Foreword

This booklet is a record and souvenir of a remarkable weekend, when 50 young people from all over Europe came together in Istanbul to explore the role of business in social development. The event was the fourth in the British Council’s Network Effect series, which is creating a new network amongst Europe’s next generation of leaders and thinkers.

The intensive programme at Sabancı University, on the Asian side of the Bosphorus, included papers, debates and panel presentations - plus of course the “real world investigations” which are such a key part of the Network effect experience. In Istanbul, as before, they gave participants the chance to put theories to the test, and confront leading local organisations with direct and challenging questions. All these programme elements are captured in this booklet, and the photographs show something of the participants’ energy and enthusiasm.

The Network Effect project began in northern Europe, but in Istanbul it engaged with the dynamism of Europe’s south east for the first time. In particular, it was an opportunity to experience Turkey’s changing economy, politics and society. As Yvonne Zonderop writes on the last page, participants from NW and SE (I do not like to say “old” and “new”) Europe brought very different attitudes towards government, business and social development, and this made for some lively discussions. Everyone, though, accepted their responsibility for finding new European solutions to European problems – which is what the Network effect is all about.

Chris Edwards
Director
British Council Istanbul

Introduction

What is the business case for altruism?

Can the notion of “public good” be reconciled with profit making?

Are corporate social projects merely a drain on resources by opportunistic managers?

Should business care about people who survive on 2 dollars a day?

The Network Effect discussed all these questions and more in its fourth event which took place in Istanbul between 29 and 31 March 2007.

The discussions mainly focused on the question “How do business and social development connect?” Or, to put it another way, should Corporate Social Responsibility (CSR) be a core activity for companies?

The aim was to connect and support the learning of younger leaders from a range of European countries on this issue, helping them to explore the long term challenges facing their societies relating to the issue of the role of business in social development and Corporate Social Responsibility.

Over 50 participants took part, aged 25-35 and drawn from 32 different countries, from Armenia to the UK. They had a wide range of special interests and their roles ranged from CEO of a high-tech company to chair of a social development NGO.
The Istanbul event highlighted a number of issues that confront all the actors in business and social development: corporations, companies, civil society institutions, NGOs, public private partnerships (PPP), shareholders, governments and trade unions. As well as presentations and discussions, the participants carried out “real world investigations” in such diverse locations as a trade union, an advertising agency, a textile company, a women entrepreneurs association and a cultural foundation.

By the end of a very intensive two and a half days, through a combination of learning by doing, teamworking and challenging content, the participants had a new awareness of the issues, and how they are perceived in very different environments across Europe. New partnerships were created and new cross-cultural initiatives were begun.

As several of the speakers pointed out, the CSR in business has an important role in the social development of societies... but it is not enough. Business cannot, and should not, be responsible for solving all our problems.
The Istanbul Network Effect brought together a talented group of young people – twelve from Turkey and thirty seven from other European countries - who are showing leadership potential in their own countries. Three were past participants of Network Effect events. In addition there were eight moderators and five speakers. Backgrounds ranged from public relations to economic development, finance, campaigning and political consultancy. Here’s how they describe themselves:

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Ioannis studied chemistry at University of Ioannina, and obtained his PhD degree from the National Technical University of Athens. During his studies he organized, coordinated and participated in numerous research programmes, initiatives and projects at the National Centre of Scientific Research “Demokritos”. His major research interests included applied nanotechnology and semiconductor chemistry. Dr. I. Arabatzis, is now the CEO of NanoPhos SA, and is proud to realise his dream of dedicating himself to transferring technology into every day applications. The company aims to “tune the nanoworld to serve the needs of the macroworld”.

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Maciej is the chairman of the Society for Social Responsibility, an NGO set up in April 2006 in Ustroń, Poland, focusing on sustainable development, women's rights, and civil society. He earned his MA in Polish Philology at the University of Silesia and is currently a Ph. D. candidate at the Faculty of Philology there. He is also a member of AIESEC Corporate Social Responsibility (CSR) Learning Network.

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Eylem Certel is a youth worker actively involved in the youth work field for the last 15 years. She started as a voluntary youth leader through international voluntary work camps and hasn’t been able to escape (!) from the field since then. She worked as a full-time youth worker in GSM Youth Services Centre for seven years. Then she continued as a freelance youth trainer and a year after she started to work for a World Bank project, Youth Social Development Programme, in the Youth Sport Foundation as a monitoring, evaluation and outreach expert. Currently she is working again as a freelance youth trainer and as the voluntary general coordinator for the Youth Development Association in Ankara. She is also the board member of a Strasbourg-based international youth organization, Youth Express Network. At the same time she is continuing her graduate degree in the Department of Social Work, Hacettepe University, with a focus on the youth field. She has been a part of several local, national and international youth projects and worked with various young people from diverse backgrounds.
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Alex Gocharenko was born in 1980 in Odessa. In 1996 he graduated from the Ukrainian National Gymnasium №2 with a gold medal. He has completed two periods of higher education, at the Odessa State Medical University from 1996 to 2002, and at the Academy of National Economics, Moscow, from 2002 to 2005, specializing in economics. In January 2003 he founded and became a president of the NGO Zelenka. From April till November 2005 he was the chairman of Odessa municipal organization of the political party Souz. In November 2005 he became the head of NGO Extraordinary Committee for the Defence of Odessa Citizens. In March 2006 he was elected Odessa city councillor. In June and July 2006 he took part in the John Smith Fellowship programme in the UK.

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Tommi is a Finnish freelance journalist and a cultural worker living in Amsterdam. He moved from Helsinki to Amsterdam in 2005 to work as programme officer at the European Cultural Foundation, an Amsterdam-based independent NGO supporting cross-border cultural cooperation. His work focuses on cultural diversity in youth and popular cultures. Current projects include a network of independent European popular culture magazines (next meeting in Morocco summer 2007), a workshop on hiphop journalism, and an international youth video project theoneminutesjr (www.theoneminutesjr.org). His professional areas of interests include youth empowerment, youth cultures and media. Additionally, he contributes as a journalist to a Finnish weekly Suomen Kuvalehti (www.suomenkuvalehti.fi) on issues such as politics and documentary film. In the last few years he has also done consultation work and written reports for the British Council Finland, Finnish Business and Policy Forum EVA, and SITRA.
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In 1999 Ewoud founded happyChaos, a foundation aimed at stimulating a young and urban public debate. After this he completed internships in the Palestinian Territories and the Dutch Ministry of Foreign Affairs, Middle East desk. In 2004 he founded the City Games Foundation, an organisation aimed at organising ‘local olympics’ to increase bridging and bonding social capital within the city. In 2005 and 2006 he was a board member of Forum2020: a foundation providing a national platform on Europe for key players in profit, non-profit and governmental organisations. In these years he was also engaged in the foundation of AVV, an alternative labour union for freelancers and young workers, and LuxVoor (a new cross-party political movement). During daytime, he works on several participation projects at the Dutch Centre for Political Participation. He has a Masters degree in Modern History from the Universiteit van Amsterdam.
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Ioan studied Communication and Public Relations at Babes-Bolyai University, and is an active member of Romanian political life, as chief of a press bureau for a political party at regional level. He is currently working for Orange Romania and participates in various British Council projects. He has always searched to gain practical abilities, by getting involved in Romanian political life, and by participating in different British Council projects such as UKSEE Forum. Ioan is aspiring to a career in public diplomacy.
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Mei Li Vos is a political scientist, and since 2007 member of parliament for the Social Democrat party in the Netherlands. She studied at the University of Amsterdam and obtained her PhD in 2001. Her dissertation discussed bilateral relations between Indonesia and the Netherlands. She has worked as a teacher and researcher for the university and a think tank. In 2005 she founded a new labour union for outsiders on the labour market: flexworkers, the self employed and young workers whose interests are not represented in the decision-making process.

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Ahu studied at the Guidance and Psychological Counselling Department of Boğaziçi University. During her university years, she worked as a trainee for two companies; in her sophomore summer she worked for Ram Foreign Trade Company, in the human resources department for three months. In the third year of university, she worked for PriceWaterhouseCoopers human resources consultancy for nine months as a part-time trainee. She graduated from Boğaziçi University in 2003. Her job includes recruitment projects at all levels as well as “Career Days - Graduate Recruitment” events in universities all around Turkey. She also volunteered to join the executive committee of “HSBC People”, social activity and social responsibility club of the company.
The opening presentations and debate

Where does philanthropy end and CSR start?

In the first session participants listened to the representatives of two large, UK-based multinational corporations: Levent Dokuyucu, assistant manager in the Human Resource Training and Development Section of HSBC Turkey, and Eric Bourland, Deputy General Manager of Vodafone Turkey.

Under the title *Promoting corporate social responsibility from within: challenges, pitfalls and successes—the HSBC case*, Levent Dokuyucu described the volunteering activities of the people who work at HSBC. He said that these “HSBC Volunteers” had been doing work like constructing or decorating village schools, or reading books for blind children. In four years they carried out 344 social, development and volunteering activities. He also added that CSR is an HSBC Group policy, and they spend $100 million on it each year. Their priorities are children, education and environment. They have fourteen environment projects in the world. He also talked about the Volunteers’ social activities, trips and sports events such as a popular “Volleyball tournament”, but the general feeling was that these could not legitimately be called CSR.

Indeed, at the end of Levent’s presentation Carien Duisterwinkel of CSR Europe questioned whether any of the projects he had described were really CSR. “Isn’t giving wheelchairs to disabled children really charity work?” she asked. Also, it was noted that the HSBC Volunteers used their free time to do these volunteering activities, they didn’t happen inside working hours.

At this point, participants’ questions and comments were about drawing the line between “philanthropy” and CSR. And it was a clear and common opinion that doing such kind of “charity work” was not CSR.
Is CSR good enough?

Vodafone Turkey Deputy General Manager Eric Bourland drew attention to the connection between developing countries and business. According to his thesis, private companies have an interest to extend their business. And in his opinion, which probably represents the approach of not only his company but all the big corporations, there is a “win-win” situation between business and development. He said for many years Vodafone had invested in emerging markets and in the last 18 months they had invested about 25 billion dollars in South Africa, Turkey and India. Beyond these, CSR is one of Vodafone’s real responsibilities, he added.

“We invest in the community where we operate with equipment and services. In 2006, Vodafone donated around 40 million pounds (approximately 80 million dollars, 58 million euros) to charitable institutions and various foundations.”

In Turkey Vodafone is setting up the “Vodafone Turkey Foundation” for social development activities. Eric said they have been already supporting two projects dedicated to education. “We have to go beyond the business activity and play a role within the community’s social development. Vodafone has 21 foundations in 21 different countries and activities that we are doing in these countries are really specific to these countries. We have a framework which has been set globally and which is saying that we are going to support social development.”

“I believe in our industry there is great potential to generate social and economic development … Vodafone sees real potential in emerging markets.”

In conclusion, Eric quoted the CEO of Vodafone, Arun Sarin: “Vodafone is one of the largest companies in the world and when you are running a large company today you have to be ethical and transparent”.

At the end of the presentations Gerard Lemos chaired a debate to elaborate on the main issues discussed, talk about controversies and discuss political perspectives. He said these two models presented very different examples of CSR. The first was “volunteering like a charity.” And the other was about “legitimacy, transparency and ethics.” Both might be legitimate, but are they enough?

At the end of the session Gerard answered this question but posed many others. He said that it is commonly agreed that CSR brings charitable benefits – for children, for the environment and so on. But we should not forget that there are corporate benefits too, benefits for employees, for brand reputation and for sales. His list of questions then probed deeper:

- Is the core business activity itself a developmental activity?
- Is it really possible for global companies in competitive environments to operate ethically?
- Is CSR compensation for the damaging impact of the corporation’s activities – for example on the environment?
- Is CSR ever an adequate response?
- Is CSR capable and reliable enough to take over tasks from the state?
- Is CSR an adequate response to the failure and withdrawal of government in many areas?
- Is CSR random and uneven?
- Is it equitable, fairly meeting genuine needs?
- How is the relationship between government and private companies changing, as service delivery is out-sourced?
- Is CSR drawing new boundaries between government, business and society?
Philosophical approaches

Is the “good character” missing in the picture?

On day 2, participants heard two presentations, by Ahmet Öncü and Leendert Bikker, with very different philosophical approaches.

Leendert Bikker, CEO of Branson & Guevara, had a background in journalism but started working very early to have his own private company. He now owns 200 aeroplanes and in addition, he is the chairman of a private hospital and university, and of a large European environmental association.

He talked about Leading Positive Change: the case for socially driven business; and stressed the importance of the individual and how s/he has been getting more powerful through globalisation.

Bikker believes that today individuals can make their own life. Achievement no longer has anything to do with countries, with where people come from. We can really manage to create our own destiny thanks to economic development, to liberalisation and to new technology.

He quoted the founder and director of the MIT Lab, Nicolas Negroponte: “If you want to predict the future, invent it. If you have this frame of mind, you can do everything.”

Talking about institutional roles, Bikker said “you can’t inspire institutions, you can inspire only people.” And according to this belief, in order to set some moral rules, there is only one thing you can do when you are running a business or managing a country: have shared values.

Ahmet Öncü then spoke about the importance of the individual in the concepts of “self” and “character.” According to him, “character” is the ethical side of the individual. Business is based on the idea of “success” and it requires establishing, creating and constructing “successful” characters. “According to Greek philosophy, this is not the character of democracy”, he said. “The character of democracy is ‘good’. This is missing. From this point of view, as the author of the well-known book No Logo, Naomi Klein said; “You can have a good character, but this is not what is asked by the corporation.”

“For instance think about the CEO of a big company; he can be a good person, but when it comes to representing the interests of the shareholders, he has to act in a particular way to “maximise the value of the business.” Yes, the importance of the individual is rising, but there is still need to create a new ‘good character’ who is so often missing from the picture!”

60 of 100 largest budgets in the world are companies, not countries!

Bikker stressed the power of globalisation and its impact: “Microsoft for instance is way more powerful than any administration of a country. The leaders of large companies can make really important changes if they want to…. Corporations have awful power”.

60 of 100 largest budgets in the world are companies, not countries!
Do you want to be a “good” person or a “successful” person?

Anita Oğurlu, Turkey

The growth of multinational corporations and their dominance over citizens, governments and countries is of no surprise to us. Almost anyone you discuss this issue with today, whether it is at street level or in the echelons of government or advocate bodies, the response will be similar: they are out of control with wielding power. If we accept this as a reality then how are we to act toward this situation, and what if any chance is there for these corporations to ‘give back’ to society in philanthropic work what they have taken from it in their ‘profits’? In other words, can corporations be held responsible to act to change society for the better? It becomes an ethical and moral question.

The first day of the event was strategically organized to allow for us to divide into groups and go out into ‘real world’ situations here in Turkey whereby we had the opportunity to meet business leaders and understand what their aims and visions were and get an insider view of what really goes on behind closed doors, ask questions, discuss and write a report on our findings. The second day of the event was reserved for presenting these findings to all the other groups and then in conclusion to have two influential speakers from opposing camps present their ideas and vision for the future on our key ethical question of social responsibility and business.

Whether we debated in our own individual groups or later in our general discussions together, the key philosophical point concluded around the following, the “good” person versus the “successful” person. One speaker supported the “successful person” who has the ability to do everything for him/her and clearly be an agent of change. He cited Bill Gates as such a person. He proposed that the individual can still be successful (in monetary terms) by opening up a business, nurturing it and growing it profitably if one possesses knowledge. It is all in the individuals hands, if he/she believes in an ‘idea’ wholeheartedly. This speaker argued that the people have more power now than they have ever had, as we all agreed upon the fact that government and religion have now fallen back in their power roles they once occupied historically.

The second speaker, however, built his powerful argument around ‘the good person’ posing the critical question; “by being successful can we be good?” By drawing from Zygmunt Bauman and Richard Sennett and fusing their critical views on capitalism combined with the philosophical question of the act of being or the duty to be ‘good’ via Kant and the Ancient Greeks, he concluded that the two terms are at opposite poles in our post-modern world. Individuals are pressured, shaped and categorized into being ‘successful’ in terms of fitting into the mould of capitalism and globalization that are factors for the cause of the ‘thinning of democracy’ and democratic values. How can one be or feel ‘good’ when others are in such distraught unjust situations? Can one feel ‘successful’ when thousands of others are left with nothing, no life chances, and no futures? In other words, the term ‘success’ is a double-edged sword, filled with dangerous consequences behind its definition. Success undoubtedly strips us from the possibilities of being/doing ‘good’ and upholding ‘good values’.

As we experienced real life situations, that opportunity made it clear that in business, there is currently very little or perhaps non-existent space for doing the ‘good’ and the ‘ethical’ because all issues are focused on the bottom-line of ‘profit’ and ‘success’. This intersection between the two was filled by the NGOs who felt that they could be essentially important figures in being active bodies between serving the public interest and keeping corporations in check, kind of modern day Robin Hoods. There was a consensus that it is now crucial for there to be active involvement from all three: government regulatory bodies, the public sphere of citizens and the corporations who provide us the so-called goods and services we need in our everyday lives.

Perhaps this conclusion will not seem startling or ground-breaking. However, I would like to make several final points on the act of this event itself. We have the tendency to be cynical these days and to retreat to our own individual space. What I found most important out of this event is the fact that the people who came together from all across Europe (fifteen different countries) definitely held like-minded values about the fragile situation that globalization has put us in. Each individual represented a little fire, burning with a passion for change. We learned that our countries are all inflicted with similar problems to
The closing debate

Is business filling the gap?

When Gerard Lemos chaired the closing session, he raised a fundamental question: Is business filling the gap? And at the end of two days of discussions, debates, real world investigations and presentations, the final answer was “no”.

People all over the world are questioning the role of government. Perspectives may differ, but nobody is saying that the role of government is stable and secure. The questions arise from concerns about both the legitimacy and (perhaps most important) the effectiveness of government. Together, they form a fundamental question of “trust.” Trust in government, trust in democracy.

Business is not filling the gap, and cannot. Business can do a lot of important things, but it can’t do the job of government.

Are we stuck between the government and private sector?

We are now defining new boundaries between government and business, but these boundaries are in different places in different countries. The most powerful conversations that I heard during this meeting were over the situation in Kosovo where they were talking about the question of how you provide public services in an emerging country. Government is not perceived to be effective. But on the other hand, privatisation can bring corruption and perhaps is a kind of rape and pillage of public assets. We seem to be between those two positions.

Should NGOs question their values?

The second dimension was: where are the boundaries being defined with NGOs? Any sector that defines itself by what it is not is in quite
a lot of trouble. People in the NGO world stake their reputations on transparency and ethics. But whose ethics and whose transparency are they? NGOs are self-appointed guardians, nobody voted for them, they are not accountable to anyone except to people like members of their governing trusts, and that is not real accountability. In whose name do they act? Who really trusts them? People seem to trust the professionals who have been much criticised in this event. NGOs are not the expressions of collective interest. They stall on their values. So they have to question them. Otherwise they are going to join the smug minority who is not being listened to by the majority.

Can CSR deal with the mad, the bad and the sad?

It is ridiculous to demonize business. Increasingly, businesses are becoming suppliers of public services. When the question arose if CSR could deal with the mad, the sad and the bad; the answer was that it will be increasingly expected to. In many European countries and in some developing countries the days when the government is seen as the deliverer of a service may be gone. So we had better get some arrangements in place so that we can trust and believe businesses, and not treat them as an enemy and to demonise them. More than ever we need government to put in place structures and regulations.

The most important question that we have so far left unaddressed is: “Where are the citizens in this debate?”

What does the citizen want?

The absolute basic that the citizen wants is “freedom.” We have agreed on what freedom should remove you from. Freedom should remove you from war, from poverty, from oppression, manipulation and so on. But what is really the answer to the question “What is freedom for?” Dictatorships claim they provide security, but people have rejected that. Look at Kosovo, Spain, Portugal, Greece – these places were all dictatorships. The European Union might be a faulty institution but it has done something about freedom and democracy. So people want peace and security but they also want prosperity, there is no question about that. They want a sense of identity. And I think we have departed from the age of equality to the age of identity. People also want to participate; it’s not enough for them to just vote anymore.

We are placing an emphasis on leadership. Vision is important but the moral responsibilities of our leaders are also important. The leadership obligation is in proportion to power and influence.

Do institutions matter?

Institutions do matter. The Roman Empire might have failed, everything might fail, corporations might fail, but in the meantime one of the ways that we express our values is in the institutions we create. For instance: how do we express our commitment to the rule of law in Britain? We have an institution which is an independent judiciary. How do we express our commitment to human rights? We have an institution which is a human rights commission. As Gerard Lemos said: “We don’t do revolutions in Britain, but we do do institutions”, and these two facts might be connected.
The real world investigations focused on real life practice of social responsibility in business, giving participants a chance to talk to people on the ground, in the workplace. They visited the following organisations:

1. Petrol-İş trade union, to look at the privatisation of TÜPRAŞ and the legal resistance by Petrol-İş
2. An advertising agency to look at the marketing of functional foods in Turkey and the effect on the consumer
3. Hey Textile company, to look at the ready-made clothing sector
4. The NGO KAGİDER, a women entrepreneurs association
5. The Dr Nejat F Eczacıbaşı Foundation, a culture sponsor
1 Privatisation of TÜPRAŞ and the legal resistance by Petrol-İş. How does the Turkish experience compare with the approach in other countries? A brief report on a privatisation story.

Gulshan Aghayeva, Associate Partner at InterjurService law firm, Azerbaijan

In the pre-meeting of the TÜPRAŞ group, the participants discussed the context of CSR in their own country. What were the differences and the common aspects of the role of business in each country?

Gulshan Aghayeva (Azerbaijan): The main problem is corruption. There is a huge amount of money coming from oil. Government should be providing the legislation.

Maciej Chowaniok (Poland): CSR is implemented only by big international companies. Local companies do not have any idea about it.

Vinzenz Kastner (Austria): It is possible in Austria but there are certain limits based on the understanding of the company.

Mustafa Erk (North Cyprus): Since North Cyprus is not an internationally recognised community, there are not any international companies, but there are only branches such as BMW and HSBC. Therefore CSR is not developed at all. On the other hand, the companies and the market are small. There is not any structural work, there is work done only by individuals. However the Chamber of Commerce is thinking of establishing a CSR organisation.

Biserka Jevtimijevic-Drinjakovic (Serbia): There is not any CSR. Currently, the main issue for the companies is health of employees. Either they do not know or they ignore CSR. There is no coordinated dialogue between the government, and business about CSR.

Matyas Gati (Hungary): CSR is not very common in Hungary. Zeynep Uluer Alptekin (Turkey): CSR is one of the aims of the NGO that she is working for. Currently, Turkey is trying to understand CSR. However it is a long road, it took 10 years to begin a dialogue between the 3 sectors.

Levent Dokuyucu (Turkey): There are many CSR activities in Turkey. Many companies got involved mainly in education projects, but there is much more to do.

Eylem Certel (Turkey): CSR is in a good situation but it has to switch from a donating culture to volunteering. Companies are not able to replace the role of government but there should certainly be partnership.

When I was given an opportunity to participate in Istanbul Network Effect, I found myself in the group assigned to investigate the case of privatisation of TÜPRAŞ, the leading petrochemical plant of Turkey, which used to be a state-owned enterprise. I do not know whether the organisers of the event did it intentionally or not, but I will dare to assume that participation of a professional lawyer in the investigation of privatisation process of the biggest refinery in Turkey and discussion of all the troubles that the workers of TÜPRAŞ are facing up to the present was a valuable asset to add to my portfolio. This case happened to be very controversial but at the same time exciting and challenging.

After joining our groups to exchange different country perspectives based on our local real life experiences of business, its social impact and role in social development, we joined the chair of our group, Ahmet Öncü, professor at Sabanci University, to meet the hero of the occasion; Petrol-İş, a trade union organised by the workers of oil, chemical and rubber sectors. Petrol-İş is the largest union in these sectors in Turkey with about 25,000 members. For years Petrol-İş has opposed privatisation of TÜPRAŞ, which became another victim of officials, obsessed with privatisation ideas. According to state officials the main ideological pillar of the privatisation is to improve efficiency in production and reducing “excessive” employment and waste in the state enterprise system which is not the case with TÜPRAŞ which proved to be very efficient with lowest number of employees.

Gulshan Aghayeva, Associate Partner at InterjurService law firm, Azerbaijan

Privatisation of TÜPRAŞ and the legal resistance by Petrol-İş. How does the Turkish experience compare with the approach in other countries? A brief report on a privatisation story.
We discussed various forms of manifestation of CSR either by charity or observation of rules, or organisation of PPP – private-public partnerships. What is CSR? Is it charity which is peculiar to our traditions and culture presented now in a new “wrapper”, or standards and rules of a higher level unilaterally settled and observed by businesses? And what is PPP? Should it provide for accountability and responsibility to be qualified as a real partnership? There are still many questions having no well-defined answers...

In 1990 TÜPRAŞ was placed for privatisation under the state privatisation programme. In the auction on 12 September 2006 the controlling stock of 51% was sold to the Turkish Koc-Opet (90%) and Shell (10%) consortium for 4.1 billion dollars. The auction was the last of a long series of privatisation attempts since 1990 all of which were combated successfully and found unlawful by the courts.

TÜPRAŞ is the largest single enterprise of the Turkish economy. It was constructed and designed initially for search, production, refining and marketing of petrochemicals. TÜPRAŞ covers about 70% of the Turkish market. It has a 2.6 million m3 stock capacity of crude petroleum (50.2% of the total storage capacity in Turkey), which puts it into a group of Europe’s five largest refineries.

Petrol-İş suspects that the new owner is more interested in TÜPRAŞ’s existing facilities for stocking and marketing refined oil, rather than producing it itself. The business seriously needs further investment and development. Nevertheless, there is a strong likelihood that the group will import refined oil and chemicals from abroad to Turkey and use TÜPRAŞ’s stocking and distribution facilities to market the products in the Middle East region. This will lead to a reduction of both production and employment at the Turkish plant leading to downsizing, and turning it into a sub-contractor dealing mainly with marketing and distribution.

Petrol-İş brought a case claiming that the sale had violated basic legal norms before and during the auction and argued that the sale is against social welfare. The Supreme Court of Turkey made a judgment that the auction was unlawful.

Besides obvious violations of the law and the privatisation process we observed when discussing this case, it became apparent that there is an unwillingness to enforce the court’s judgement. There is a judgment made by the Supreme Court of Turkey but there is no organization responsible within the system of executive power willing to enforce this judgment. Most probably no organ of executive power will show an interest to do something against itself even if this something is the judgment of the Supreme Court of the country.
2 How healthy are healthy products?
Kristiina Tõnnisson, Lecturer and Head of Department of Public Administration, University of Tartu, Estonia

Products cannot exist without at least some material or nonmaterial benefits to the customers. While advertising “healthy products” the questions arise - how “healthy” are they? And are they “healthier” than the competition? Usually “healthy products” are niche products for the companies, not the main ones, though there are also other examples where companies try to market themselves as the ones following always some healthy or green ideas/principles.

There might be situations where a new product is believed to be healthy, but with the passage of time it will emerge that it is not as healthy as promised or it might even be unhealthy. Thus, marketing of “healthy products” might have conflicting outcomes. First, people might replace bad products by the healthier ones while increasing the general healthiness of their life. In this case people have become more conscious and aware about their health. Second, as a result of a good advertising campaign, people might try new healthy products, even if their previous consumption patterns have been even healthier. If a person replaces olive oil with a healthy margarine, is his/her health improved? Selling ‘health’ without enough research is also a rather common practice. Usually the positive aspects are analyzed and researched in the beginning and only later the negative side effects will be discussed, discovered or analyzed. Often we do not have scientific proofs for real outcomes and/or benefits to decide if a product is a “health product” or not.

Advertisements often inflate desires and hopes. In doing that they might confuse aspirations that become unreachable or might even create addictions while giving the feeling – something is good, right, “in” even if it really is not. Using or buying or having something might give us psychological approval: “I am one of them”. While talking about “healthy products”, especially “healthy chocolates, candies, etc.”, advertisements often approve guilt-free appetite. People might consider eating “healthy unhealthy stuff” as some insurance against risks and problems, while actually it is not the case. From this perspective, advertising “healthy products” might even increase vulnerability and unintended consequences. They might make us lazier while limiting our own wish to know the truth. It is so much easier to trust some independent scientific laboratory in Switzerland or some dentist union approving a certain product than to gather more deep information for ourselves about the product.

Taking into account the possible contradictory effects of advertisements, regulations and ethics play an important role in controlling the impact of advertising and marketing in societies. Regulation offers the framework for business, and sets the basic standards. Since it is not possible to regulate everything and regulations themselves are not the answers, just the tools, ethics plays an increasing role in marketing as well. Competition itself is healthy, but it must be regulated by a clear, transparent framework. In developed societies the concerns of customers are often raised by active stakeholders pushing the companies to act in a more responsible way in the given framework. In transitional societies the rules of the game are much fuzzier, leading often to the common situation - implementation gap. Whatever the case, very often we lack enough public and transparent debate about issues on our plates.

The above are just a few of the ideas discussed by Anita, Baris, Cenk, Karl, Kristiina, Krzysztof, Pinar, Tiffany and Vitor in Istanbul. Last but not least: being an active citizen, following ethical rules, and paying attention to balanced development of the society, might look like short term altruism, but often it is a long term egoism. And that is one of the central points of our discussion - ethics is crucial for a long term success whatever you do.
In the beginning of the nineties global companies and brands like Levi, Nike and Reebok were accused of not implementing social standards at company level or in their supply chains in the following areas:

- Non-discrimination
- Lawful working hours/overtime
- Forced or compulsory labour
- Wages and benefits
- Child labour
- Freedom of association and right to CBA
- Harassment
- Healthy & Safety at Work

These criticisms at first reduced their share value and damaged the image of their brands and reputation. The companies reacted swiftly, focusing on their auditing process, establishing human rights departments and creating codes of conduct.

Meantime, implementation of social standards in Turkey has been subject to a big debate as it is a global player in the textile industry. The retail industry in Europe imports much of its products from Turkey, which now exports goods worth USD 15 billion. As of 2002, according to the WTO, Turkey was the fourth biggest clothing supplier and tenth biggest textile commodity supplier in the world.

With these internal and external drivers the Turkish textile industry has focused on social standards. The German development agency GTZ convened a national round table in Turkey on social standards under the auspices of AVE, the Foreign Trade Association of the German Retail Trade. The national round table has been holding regular meetings since 2004, with the aim of promoting and supporting social dialogue between companies and labour unions. This process has been an important tool for solving disputes as it represented an industry rather than an individual company.

The Joint Initiative is the first effort at bringing together key organizations in different aspects of code implementation and/or enforcement in a programme of collaborative work. These are: Clean Clothes Campaign, Ethical Trading Initiative, Fair Labour Association, Fair Wear Foundation, Social Accountability International, and Workers Rights Consortium. Each of these organizations is involved in the global effort to improve working conditions in global supply chains. All believe that codes of conduct can only make an effective and credible contribution to this effort if their implementation involves a broad range of stakeholders, including governments, trade unions, employers’ associations and civil society.

The founder of Hey Textile, Aynur Bektas lobbied for a law known as Aynur’s Law, giving women the right to work from their homes. By doing so, the law enabled women to participate in the economy. This example shows that the government can provide a framework for positive solutions.

Topics arising out of the discussions during the visit to Hey Textile included the following:

- **Businesses have an important economic role as they provide jobs and economic liberty for many people. In this sense the most important social responsibility of business is to sustain its operations.**

- **Trade unions are losing power. However, companies/brands are now challenged by the media and the non-governmental organizations. They have positively influenced customers through creating awareness, so that customers force companies to ensure their supply chains are aware of and implement social standards. The media and NGOs are also putting pressure on companies through their monitoring.**

- **Consumers in the developed world want cheap but quality products, but they do not want production in the developing...**
In Slovakia, we have a tale of an old Slavic king who had three sons. One day he asked all three to come to him, gave each a bundle of sticks and told them to break the bundle. None of them managed to do it. Then he gave each a single stick and asked each to break it, which they succeeded in doing easily. And what was the main point he wanted to make? He intended to teach them a lesson. True power is when several bound together by the same goal unite in a group. By participating in the Istanbul Network Effect event and being a member of the Kagider group we had a chance to experience this in full.

Kagider is a Women Entrepreneurs’ Association in Turkey established in 2002 with the aim to support and promote women entrepreneurs to become effective in shaping both Turkish business and the social environment. Their mission is to increase the number of women entrepreneurs who contribute to generating added value, to strengthen existing women entrepreneurs and to integrate Turkish women entrepreneurs into the global community.

How successful can a network of Turkish women be in accomplishing their mission? Kagider has 152 members from various sectors of industry who, as a group, have the economic power of around 9 billion EUR. Their outreach is even greater – almost 4000 women in 17 cities in Turkey. Their activities include helping women start small businesses (providing training, mentoring, internships), lobbying, and organizing both national as well as international events and seminars. In addition, they have a special “Women’s Fund” which raises funds from national and international institutions, individuals and communities in order to support women’s NGOs that operate to empower women economically, politically and socially.

The presentation of the outcomes of the association as well as hearing individual stories of women was impressive. As an association, they have so far managed to display quite a strong influence in social and...
political life and are among the strongest women associations in Turkey. This is even more striking when taking into consideration the general status of the role of Turkish women and the issues they have to deal with in many regions. For instance, the average length of education of women is 1.5 years shorter than that of men (women 5.3 yrs; men 6.8 yrs); only 4.48% of seats in the Turkish parliament are held by women; just 25% of women (compared to 72% men) participate in the labour force while earning 40% less than men; only 12.5% of the entrepreneurs are women, meaning that only 0.9% in the labour force are women entrepreneurs.

After hearing long stories from the Kagider members and asking them numerous questions we concluded in our discussions that the role of women in Turkey is unmistakably changing. Firm gender roles and expectations still exist, but an increasing number of women are active in the labour market and with better access to higher quality education contribute to changing the perception of both men and women. The media, we all agreed, play an active role in this process and globalization accelerates the changes. The driving force, however, comes from within society, resulting in the new generation developing different expectations and values and thus contributing to further both the social and economic transformation of Turkey.

Kagider itself was a great experience. In addition, being part of the group provided us with an opportunity to experience the taste of eight different countries, cultures and historical backgrounds (each of us covering on average 100 years of our country histories in about an hour-long group meeting). In our discussions we were able to identify some shared features and trends, which are in some countries very similar to the developments in Turkey we heard about later. It seems that the existing global trends are taking their roots in many local communities around Europe.

Communication constitutes a basis of human existence and is present in all human networks. In Istanbul, it penetrated all activities and filled up the time we had the chance to spend together. Kagider was a special experience of seeing the power of building a network in practice. The Network Effect workshop at Sabanci University was a special opportunity for building a network in practice. In both cases, the potential for building a strong, unbreakable “bundle of sticks” has been great.
5 Dr. Nejat F. Eczacıbaşı Foundation

“Every investment in the arts and culture should directly contribute to the development of society’s wealth, to the economy and politics and the whole fibre of society”

These are the words of Dr. Nejat F. Eczacıbaşı, the founder of the Eczacıbaşı Foundation which is a big supporter of the arts and culture in Turkey. Dr. Eczacıbaşı set up the foundation in 1942, and it receives 3.1 million dollars per year from the Eczacıbaşı company group. There are 38 companies within the group, which is owned by the Eczacıbaşı family.

Istanbul Modern Museum, which the Network Effect group visited for their real world investigation, was established by the foundation. The museum building was donated by the government, whereas 80 percent of the art is owned by the foundation.

The aim of the company and its support to art is mainly to promote art to the general public. According to the group presentation, the family believes they have an obligation to contribute to society; the main purpose is “philanthropic.”

However there were some question marks in the participants’ minds regarding the activities of the company and the foundation. One of the most striking questions was whether a company should decide public art policy or not? Tommi Laitio, wrote about the debate:
Is the 21st century the century of philanthropy?
Tommi Laitio, Finland


The chorus of the Stalinist song from the 70s on the richest families of Finland sung with great passion out of tune by Kristiina Halkola popped into my mind while listening to the debate about corporate social responsibility at Sabanci University in Istanbul. The second day of the Network Effect paid a great amount of attention to the role of a few rich Turkish business families and their contributions to the society. We went through the richest family of Turkey (Sabancı) founding a private university and the Eczacıbaşı supporting classical music and founding the Istanbul Modern Museum. Some of the participants made highly critical remarks on the paternalistic models of these actions and whether they can fill gaps left by the government. “It is somehow worrying how the taste of one family can set the principles of modern art in Turkey”, one of the participants observed.

Continental Europeans often tend to ignore the development patterns of their own societies when assessing developments for instance in Turkey. As the list in the Finnish song points out, these families with a few others played a crucial role in nation-building. And it is not only Finland and Turkey where philanthropy has at some moment stepped in. You get the picture by thinking of surnames like Tate, Rockefeller, Bonnier, Bertelsmann or Wallenberg.

A Swedish journalist quoted a while ago an assessment made by I think The Financial Times that when the 20th century can be considered as the century of the welfare state, the 21st century seems to be the century of philanthropy. Bill and Melinda Gates Foundation’s engagement with the developing world was used as the most powerful argument. If one looks into the European and American history, one could make the statement that we are returning to an old model. As the recent defeats of Social Democrats show across Europe (the Netherlands, Sweden, Finland etc.), the ideal welfare state starts cracking up and someone else is called for rescue. In that sense I am not sure whether it is fair to state that Turkey is behind Europe in a development or whether they just skipped one step.

Although this development also has worrying consequences (in a philanthropy mode the poor need to stay grateful and obedient and priorities are set based on individual interests.), I would also like to see a positive side in all this. It can help in shaking off the “overdeveloped” notion in Western Europe of full dependence on the state and put more emphasis on individuals. We can also revise the stubborn notions of good money and bad money. As we can already see among the younger generations and their consumption patterns, achievements and personal driving forces get more emphasis over hierarchies and classifications.

The issue is not black and white. Business works based on the notion of success whereas democracies should work on the notion of good. We still need both but the shake-up opens a window of opportunity to re-negotiate these positions.

The most important re-realization of this event for me is the same one as from the Network Effect in Amsterdam. Societies are made of people. Successes are made by people. People are the ones that stimulate and are stimulated. And that the privileged people with connections and skills do have an obligation to share, enable and make things happen.
The Network Effect: developing the next generation of European leaders
Roger Budd, Sweden

Istanbul is the fourth event of The Network Effect series, after Stockholm (October 2005), Amsterdam (June 2006), and Bratislava (October 2006). As the project progresses, it seems to me that coherence becomes more and more evident: each forum takes up one aspect of the question What sort of Europe do we want to live in?

But the question we also need to pose increasingly is Who will lead Europe in answering this question, and how? In other words, it goes back to one of the original tenets of the project, developing new forms of leadership.

What has become increasingly clear with each forum is that the participants – bright, committed, aware, entrepreneurial and subversive thinkers and doers – feel dissatisfied with all the traditional routes to achieving power and changing the world. It’s perhaps a post-modern dilemma: what way do you choose if you are turned off by politics, the media, NGOs, business – at least in their current forms?

That’s why the presentation by Leendert Bikkers, subversive thinker and successful entrepreneur, was perhaps the most stimulating of the two days. We knew, when he started his presentation with a large powerpoint slide of a psychedelically painted VW minibus from the sixties, and the words “I am the product of the most conservative generation of the 20th century”, that we were about to sit down to a feast of provocative ideas.

For him the existing paradigm of business, and by extension CSR policy, no longer worked. This is characterised by the emphasis on analysis, market segmentation, hierarchy, planning, strategy, management, broadcasting and sequences. Bikkers believes this will not produce the successful businesses of the 21st century. Instead in the new paradigm, replace analysis with imagination, market segmentation with osmosis, hierarchy with networking, planning with spontaneity, strategy with culture, management with inspiration, broadcasting with sharing, and sequences with real time.

If he’s right, this new paradigm for business might yet appeal to the dissatisfied young leaders who attend Network Effect events. Let’s hope so.
Feedback

Back to Prishtina where I am very busy, I would like to take a moment to thank you and the Sabanci University for organizing a very interesting and valuable meeting in Istanbul.

As I promised back in Istanbul, as a follow up to Istanbul Network Effect, today I had a working lunch with Oliver Whittle, the Executive Director of Raiffeisen Bank Kosovo, which is one of the biggest corporations and actually the biggest private investor in Kosovo.

Among other issues discussed with Mr Whittle, I also brought up the issue of Corporate Social Responsibility (CSR). I tried to explain to him why it is important to have greater participation as well as greater awareness about CSR. It seems that there are already some initiatives on this issue at the Raiffeisen Bank, but not on a big scale. I hope that this meeting will trigger further CSR initiatives, I’ll keep you posted.

Also, be informed that I am intending to bring the CSR issue to the attention of the Government and the American University of Kosovo, too. I hope to be able to give a lecture at the American University of Kosovo.

Besnik Tahiri, Adviser to the Prime Minister of Kosovo

I enjoyed the Network Effect event organized by British Council and SABANCI University in Istanbul more than I ever thought or anticipated before. In addition to very well organized sessions, interesting presentations and a nice dinner with a sightseeing trip, the biggest asset of the event were for me the minds and hearts of the people I met and talked to. The discussions combined very well the ideas and perspectives from East and West, from developed and transitional societies, from public, private and third sector representatives and both from young people and from more experienced ones. During the next five days being back in Estonia after the event, I have already exchanged 10 emails with the participants and two more concrete joint ideas/projects are in my mind. I also checked my time planner in order to find out when I could visit some of my new friends in their home countries to deepen the friendship started in Istanbul even more.

Kristiina Tõnnisson, Lecturer and Head of Department of Public Administration, University of Tartu, Estonia

Many thanks again for the truly inspiring days in Istanbul. You did a great job. I think everybody went home with knowing new friends were made and fresh ideas.

Hopefully we - the participants - will find ways to capitalise on the inspiration and new cross-border projects will emerge. TNE fed us all pretty well, both intellectually as physical, so I’ll do my best to give the network an effect.

Ewoud Poerink, Netherlands
Melsa Ararat, from the Corporate Governance Forum of Turkey and Sabanci University Business School, wrote this provocation paper for the participants, to stimulate debate before the event.

Business and social development: how do the two connect?

Until recently, the majority view was that free markets were the best means of allocating scarce resources to society’s needs. From this perspective, when markets are competitive, value maximisation by companies results in economic efficiency, resulting in maximum aggregate well-being of society. This view was famously formulated in the writings of Friedman, who argued there was only one social responsibility for business:

“To use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.”

Time for a reality-check?

In reality, whether the pursuit of shareholder value is an effective means of advancing social welfare is debatable. Moreover, it has been established that market forces do not automatically result in inclusive and equitable economic development.

Today, nine out of ten citizens in the world live in countries where income distribution has deteriorated during the past three decades. Despite strong global growth in 2006, unemployment remains at an historic high.

People survive on $2 a day - should business care?

The number of people living on less than $2 a day has reached 1.4bn. Rising inequality has also suppressed efforts to secure human rights
and fundamental freedoms for all.

Parallel to these developments, as the economic power of governments has been eroded, the funds available for international development assistance have continued to move away from the internationally agreed 0.7%. As Kofi Annan put it in 1999, “the spread of markets has far outpaced the ability of societies and their political systems to adjust to them, let alone to guide the course they take”.

These developments have provoked social unrest and hostility towards business, and issues that once seemed peripheral to business performance, such as poverty, human rights abuses, racial discrimination, global warming, and terror, have become critical for business continuity.

Open and free competition is an idealised state which relies on honest, fair and competent rule makers (governments, regulatory bodies and agencies), alongside an active, functioning civil society to keep them in check. However, as markets can be imperfect, so can governments. What if governments are not effective enough to deal with market imperfections? Whose duty is it to address the needs of society under such conditions?

Some believe it is the duty of “business”.

The interests of business are closely aligned with the interests of societies in an open and free market. Many companies, therefore, also attempt to serve the needs of society by making charitable contributions, exercising self-regulation, and taking measures beyond those required by law to protect the environment. Creating a culture that builds mutual loyalty between business and society undoubtedly provides benefits to business, but can responding to community needs go beyond the scope of sound business practice?

**Boundaries of business: shareholder value vs. positive social impact?**

The sole pursuit of shareholder value maximisation is not necessarily inappropriate. Company strategies and activities should, however, also be evaluated in terms of moral principles and social impact. The debate therefore, is not around whether businesses should have social roles and responsibilities, but rather the extent to which such responsibilities should go and their underlying motives for social action.

The debate draws on two models of capitalism: the stakeholder model of Europe and the liberal model based on the morality of actors. The stakeholder theory defines the beneficiaries of the corporation broadly to include groups and individuals who can affect or be affected by the achievement of that organisation’s objectives. The proponents of the stakeholder perspective suggest that companies should create and maximise value for all stakeholders. According to this model, businesses are called to account for the social outcomes of their activities and are requested to adopt “social reporting” and “social auditing” schemes to display corporate acceptance of the idea that they must strive to strike a balance between social and economic goals.

Opponents, on the other hand, warn of possible negative consequences from the “contamination” of profits through the pursuit of other objectives, which may indeed reduce total welfare by potentially distorting performance reporting for companies. It is commonly believed that “profit” is the most reliable indicator of corporate success.

It has been argued that by adopting objectives other than profit maximisation, managers are advocating the use of political means to direct the allocation of resources. According to this logic, responsibility can only be driven from ethics and the moral grounds of decision makers. As such, any activity motivated by morality which may destroy value can only be justified by avoiding moral wrong.

Although there is no conclusive evidence on whether the overall impact of the social responsibility movement has improved performance, it is clear that business has not only been reactive to social pressures, but also proactive - by trying to exercise intellectual and moral leadership.

According to some views, which state that business may be more efficient than governments, certain social objectives can only be
achieved through direct corporate involvement. Others suggest self-regulation as an antidote to government regulations, arguing state intervention may prove to be detrimental for market competition and hence the well-being of society.

Meanwhile, governments are transferring more public assets to the private sector in the hope of improving public services, while wealthy individuals, having amassed their fortune through free markets, are increasingly channelling their personal assets and executive skills into charities which are immune to “free market” pressures.

Private Public Partnership: the good, the bad, or the ugly?

Public-private partnership (PPP) is another innovative approach. Public-private partnerships are alliances between governments, civil society institutions and business organisations. These partnerships are set up to achieve social goals based on pragmatic approaches driven and delivered by markets.

Some PPPs are based on the stakeholder approach associated with the notion of corporate social responsibility. According to this approach, corporations are expected to internalise social goals with economic objectives voluntarily. Some others are driven from principles of individual morality.

While there is a growing number of innovative business models promoting “wins” for all, opposition remains. Some argue that PPPs serve to legitimise economic systems moulded and controlled by global corporations and corporate elites. According to them, businesses playing a more active role in social development, promote a model of development characterised by soft regulation, strong corporate rights and corporate hegemony.

Food for thought...

- Where should the priorities of business lie?
- What is the business case for altruism?
- Can the notions of “public good” be reconciled with profit making?
- Does it matter whether the driver for ‘socially responsible action’ is market pressure or morality?
- Bearing in mind corporate philanthropy reduces governments’ tax income and strengthens the case for corporate tax rate reductions, can we trust business to allocate resources effectively when it comes to social development?
- Are corporate social causes merely a drain on resources by opportunistic managers?
- Can NGOs be seduced and corrupted by business?
- NGOs play a very important role in bringing social problems to the public’s attention. Is there a case for demanding accountability and transparency measures from NGOs?
- How can companies ensure competitiveness, while maintaining job welfare?
- How does advertising affect people’s “desires” and “aspirations”?
- What are the respective roles of regulation and ethics in controlling the impact of advertising and marketing on society?
- Do Public Private Partnerships offer a new way forward in social development (e.g. education and health)?
- How can we prevent businesses from misleading the public by publicising short-term, low-impact social actions to mask dubious business practices?
- Is state regulation more effective than relying on ethical self-regulation?
- In which areas would state regulation prove useful or harmful?
Appendix 2: 
Programme

Thursday – 29 March 2007

18.00  Registration
18.30  Welcome Drinks
   The drinks will be informal, but we ask that you arrive in good time
   as this session will provide you with important information.
   - Welcome to the Istanbul Network Effect; Roger Budd, British
     Council
   - Real World Investigations briefing: participants will be divided into
     groups and have a chance to get to know each other.
20.00  Dinner
21.00 – 23.00  Film
   Vote for your choice of film on the Moodle website, your options are:
   - The Corporation
   - Enron, the Smartest Guys in the Room
   - An Inconvenient Truth
   - No Logo
   - Darwin’s Nightmare

Friday – 30 March

09.00  Welcome
   Welcome, Nakiye Boyacigiller, Dean, Faculty of Management,
   Sabanci University

09.05  Setting the scene: the Corporation and its boundaries.
   Should the Corporation be a device for individual profits or an
   entity with rights and responsibilities?
   Speaker: Melsa Ararat, Corporate Governance Forum of Turkey and
   Sabanci University

09.20  The view from the top: a CEO’s take on corporate social
   responsibility
   Speaker: Atilla Vitai, CEO, Vodafone Turkey

09.30  Promoting corporate social responsibility from within:
   challenges, pitfalls and successes- the HSBC case.
   Speaker: Levent Dokuyucu, Assistant Manager, Human Resource
   Training and Development, HSBC

09.45  Questions, challenges and debate: Views from the floor
   A chance to elaborate on the main issues discussed, talk about
   controversies and discuss political perspectives
   Chair: Ahmet Öncü, Sabanci University
   Coffee
   Local Perspectives
   In this session you will work in small groups to exchange different
   country perspectives based on your real life experiences of business
   and its social impact and its role in social development. You will have
   the chance to discuss the issues that matter most to you.
   Chairs:
   Cenk Goksan, Sabanci University
   Ahmet Oncu, Sabanci University
   Melsa Ararat, Corporate Governance Forum of Turkey and
   Sabanci University
   Paul Dickinson, Chief Executive, Carbon Disclosure Project
   Lutz Blank, Head of Operations Support, European Bank for
   Reconstruction and Development

11.45  Sharing of country groups’ perspectives: food for thought
   for real world investigations
   Chair: Gerard Lemos, Lemos and Crane
   Lunch
   Real World Investigations
   These investigations will focus on real-life practice of social
   responsibility in business, where you will get a chance to talk to the
   people on the ground. Divided into smaller groups, you will visit an
   organisation at their own office or venue. A central question will
   guide your investigation, but you will be expected to shape the
   direction of your inquiries.
   Preparation for Real World Presentations
   Each team with their host will have space and a basic kit to prepare
   their Real World Presentation for the following morning.
   Boat trip along Bosphorus and dinner at Müzedechanga
Saturday – 31 March

09.00  Presentations of Real Life Investigations
       Your team will present the findings from your Real World Investigation, followed by questions and debate.

10.30  Coffee

10.45  Challenges of globalisation and its social impact on the world
       Speaker: Ahmet Öncü, Sabancı University

11.00  Leading positive change: the case for socially driven business
       Speaker: Leendert Bikker, CEO, Branson & Guevara

11.15  Questions from the floor
       Chair: Yvonne Zonderop, journalist, De Volkskrant
       You will get a chance to witness a journalist’s take on corporate social responsibility issues, and get a chance to pose your questions to the speakers.

12.00  Working Lunch

13.00  Closing reflections: the future of the Corporation in social development, where do we go from here?
       Chair: Gerard Lemos, Lemos & Crane

14.00  The Network Effect: The way forward – what happens next?
       Speaker: Roger Budd, British Council

14.15  Close
Afterword

Bien étonnées de se trouver ensemble.

That’s how the French describe their feelings when they get caught up with people whom they thought to be rather different but who prove to think very much alike. The expression neatly captures my feeling on the stimulating Network Effect event in Istanbul in March 2007. Looking back, I think we came to some interesting conclusions one wouldn’t have thought probable regarding our different backgrounds and beliefs. But many of us actually evolved in our thinking on the responsibility of business for the wellbeing of people. I certainly know I did.

One of the interesting aspects of the Istanbul event was the representation of so many countries from the eastern and south-eastern parts of Europe. Their perspective is quite different from, let’s say, The Netherlands, the country I come from. Especially regarding the role of government and the importance of the state, countries from ‘old’ and ‘new’ Europe – to quote a former neo-con secretary of state – would have different experiences and obviously hold different views.

I, for instance, was raised with the idea that the state was the best institution to look after the social wellbeing of people. The state would take care of the needy, the state was responsible for social welfare. Business would always try to maximise its profits, disregarding the wellbeing of people.

How differently many participants in the Istanbul conference were raised! To them, the state was an institution to be distrusted. The state was a power in itself, it would not look after the social needs of the inhabitants per se. For social improvement they would nowadays rather turn to public companies. As one participant said: ‘We all hope to work for an American or a European company. They set the standards in terms of transparency and accountability. Their aim is to bring prosperity to all concerned. They set our goals.’

So how would these two views combine? I actually watched a consensus grow during our conference. Participants from western Europe showed signs that their belief in the role of the state has deteriorated. They doubt the effectiveness of governments in improving the social wellbeing of their inhabitants. On the other hand, young people working for NGOs in eastern and south eastern Europe felt they had to stay on their guard because many companies in their countries will not take their responsibility.

We concluded that business can certainly improve social wellbeing. It actually should do so. But this will not happen automatically. Companies need to be made aware of their responsibility. Here is where politics come in and where the state is needed. There is no reason to choose between business or state. They both need to improve the life of citizens in Europe. Harvard’s Michael Porter was right when he wrote in last December’s Harvard Business Review that ‘a well run company can have a greater impact on social good than any other institution or philanthropic organisation’. But not all businesses are well run, and even if they are, they cannot solve every social problem.

But neither can the state. The only solution is for organisations and people to work together, to stay open minded and to feel a joint responsibility for social improvement. That’s exactly the spirit our Network Effect is all about!

Yvonne Zonderop
member of the advisory board of The Network Effect
Acknowledgements

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Another key factor in an event’s success is the willingness of organisations hosting the real world visits to devote time and personnel to making the visits as productive as possible. Our thanks therefore to the following:

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Dr Nejat F Eczacibasi Foundation Turkey
Petril-Is trade union Turkey
Grey Worldwide; Turkey

And last but not least, the whole event was superbly coordinated by the British Council colleague in Istanbul, Bike Basaklar.