

Hartz & Minds 34: A Brief History of CSR in America

Social Responsibility begins with the participation of businesses in the American Revolution, and grows with the pioneering spirit and barn-raising. People help others because it is right and necessary. Fast forward to post-WWII, GI's return and are assisted by both Federal support in the GI Bill and the rapid growth of the private sector, pursuing education and jobs, building families and homes. The prevailing mindset is, "What's good for General Motors is good for America."

The 1960's bring a seismic shift, not only via the Civil Rights Movement, but also through consumer advocacy. The Chevrolet Corvair becomes known as "Unsafe at Any Speed," because of the success of Ralph Nader's book of the same name. This launches the campaign for consumer protection rights. Rachel Carson's book, "Silent Spring," presents scientific evidence of the dangers of DDT and other pesticides for people and the environment. This launches rules that decrease toxic chemical use by 50% over 10 years. Today, consumer *Right to Know* laws go well beyond chemicals.

Milton Friedman, 1976 Nobel Prize-winner, foreshadows *Trickle-Down Economics* or *Reaganomics*, stating that, "the social responsibility of business is to increase its profits." The 1970's energy crisis brings, *Reduce, Reuse, Recycle* into common use. There is a sense that business operates in opposition to the citizenry. The cradle-to-grave product development strategy has its genesis in this period.

In 1986, American Express inaugurates the next generation of corporate social responsibility – cause-related marketing - when the company proactively runs a company-sponsored, consumer-based campaign to restore the Statue of Liberty. With the activism around boycotting companies (reminiscent of the Civil Rights Era) with investments in Apartheid South Africa, the private sector becomes globally interconnected with government and the nonprofit sector. *Give-back* programs, product tie-ins, and executive leadership multiply.

The 1990's bring an awareness of the increasing diversity of our population as well as the proliferation of stakeholders in business. Diversity seminars and sexual harassment trainings spread to help companies navigate these realities. The Consumer Reinvestment Act of 1977 gets modern legislation and more enforcement in the banking and financial industry; proper consideration for women and minority owned businesses becomes a mandate. Socially responsible investing and supply chain scrutiny appears.

In the 2000's, companies no longer ignore the impacts of their actions on people, partners, neighborhoods, and the environment. Strategic integration arrives. Leaders get in front of potential issues, leverage opportunities to contribute, build relationships with nonprofits, and engage employees, customers, and vendors. Business begins to see that, "What's good for the world, is good for The Company."

Today, corporate social responsibility means, "capacity building for sustainable livelihoods around the globe. It respects cultural differences, and finds the business opportunities in building the skills of employees, communities, and governments." It is up to each of us to drive how this develops in the future! Thank you, Jennifer Hartz, 404-285-4725