



LUND UNIVERSITY
School of Economics and Management

Internal and external drivers of Corporate Social Performance in developing countries

A case study of Tetra Pak India

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Authors: André Agnesson Franzén
Johan Nilsson
Joakim Wikström

Advisor: Gösta Wijk

Examiner: Hans Knutsson

Sammanfattning

Titel: Interna och externa drivkrafter bakom Corporate Social Performance i utvecklingsländer

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Författare: André Agnesson Franzén, Johan Nilsson, Joakim Wikström

Handledare: Gösta Wijk

Nyckelord: Corporate social responsibility, Miljö, Driving forces, Sustainability, India

Syfte: Syftet med denna uppsats är att identifiera vilka drivkrafter som ligger bakom hur ett multinationellt företag i ett utvecklingsland väljer att genomföra sociala initiativ. Vidare ämnar författarna att utifrån de i fallföretaget genomförda initiativen analysera huruvida en trade-off mellan samhälle och företag går att urskilja.

Metod:

Den metodologiska utgångspunkten i studien är av explorativ karaktär varvid insamlingen av empiriskt material har genomförts i samarbete med fallföretaget Tetra Pak i Indien. Den primära insamlingskällan har bestått i intervjuer utförda i värdlandet.

Teoretiska perspektiv:

Som teoretisk utgångspunkt för studien har framförallt teorier som behandlar externa och interna förhållanden som i samspel bidrar till utfallet av företags sociala ansvarstagande varit aktuella. Detta inkluderar påverkan från intressenter samt företagets interna förhållanden i form av värdegrund samt förmåga att integrera sociala aktiviteter i strategin.

Empiri:

Empirikapitlet är byggt på intervjuer med respondenter på fallföretaget samt företrädare för samarbetsorganisationer kopplat till genomförda sociala och miljörelaterade initiativ. Vidare har sekundärdata i form av offentliga rapporter och internt tilldelat material används som komplement.

Resultat

Resultaten av vår uppsats har visat på att det finns tydliga interna och externa element som påverkar ett företags sociala initiativ, som i sin tur påverkar deras CSP. Vi har även i viss grad kunnat påvisa en tydlig trade-off mellan företaget som vi har undersökt och samhället i dess omgivning.

Abstract

Title: Internal and external drivers of corporate social performance in developing countries

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Authors: André Agnesson Franzén, Johan Nilsson, Joakim Wikström

Advisor: Gösta Wijk

Key words: Corporate social responsibility, Environment, Driving forces, Sustainability, India

Purpose: The main purpose of this study is to sketch how a developed country MNC in India utilizes social responsibility activities especially from an environmental perspective and from that point be able to identify elements in the internal and external environment that act as drivers of CSP. Additional, the authors attempt to investigate the trade-off between business and society associated with various CSR initiatives employed by the case company.

Methodology:

The methodological starting point undertaken is of exploratory nature where the collection of empirical material has been realized in collaboration with the case company, Tetra Pak in India. The primary source of collection consists of interviews conducted in the host country.

Theoretical perspectives:

The theoretical framework mainly consists of theories and concepts related to drivers of the outcome of CSR. This includes the influence of stakeholders and the firm's internal drivers in terms of value-systems and the ability to integrate social activities into strategy.

Empirical foundation:

The empirical chapter is based on interviews with respondents at the case company as well as with representatives linked to the social and environmental initiatives executed by the company. Moreover secondary data mainly consisting of public reports and internally assigned material was used as a supplement.

Conclusions:

The results of the thesis have shown that there exist clear internal and external elements that affect the outcome of MNC's social initiatives in India. We have also to some extent been able to demonstrate a clear trade-off between the company that we have investigated and society.

Acknowledgements

We would like to express our gratitude to the people that made our field study possible. Especially we want to thank Jaideep Gokhale, Amrita Choudhary and Peter Hane-Weijman at Tetra Pak India that coordinated and helped us during our amazing visit in India. We would also like to express our gratitude towards the NGO's and corporations that we visited. Among all persons that we met we especially want to say many thanks to Tushar Shah at Daman Ganga Paper Mill, Wilma Rodrigues at Saahas and Md. Faiz Ullah Khan at DLF, which helped us enormously during our stay and to whom we had the possibility to build up very good relationships with.

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NOMENCLATURE

CSR	Corporate Social Responsibility
CSP	Corporate Social Performance
MNC	Multinational Corporation
CC	Corporate Citizenship
GRI	Global Reporting Initiative
SM	Stakeholder Management
TP	Tetra Pak India
Poly-al	Polythene and aluminium
DLF	Development Links Foundation
NGO	Non Governmental Organization
DGPM	Daman Ganga Paper Mill
TERI	The Researches and Resources Institute
INR	Indian Rupees, Exchange rate 2010-01-12: 15,51 SEK/100 INR (VALUTA.se)
Ragpickers	Wastepickers in India that live on selling post consumed waste to different waste shops.
WWF	World Wide Fund for Nature

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1. INTRODUCTION

1.1 Background

"It is the combination of population increase in the developing world and unsustainable consumption levels in the developed world that poses a stark challenge to sustainability"
(Sustainable Packaging, 2009)

India is a country of contrast. In terms of Purchasing Power Parity it is the fourth largest economy in the world (Indian Economy) with an economical growth (GDP) of 9.6% in 2006 and 9.2% in 2007 (India Country Overview 2009). Despite the current world economical crisis, India's economy continued to grow steadily during 2009 with more than 6% in the quarter ending June, 2009 (not to be mixed up with the typical fiscal year in Sweden), which, according to the India Country Overview is one of the highest growth rates in the world. With a population of 1,16 billion India is the second most populated country after China (India's Population, 2009), and, combined with a skilled, abundant workforce, it is a very attractive market for investments and business (Indian Economy)

Despite the steady economical growth and a growing middle class, a large proportion of the population is living their lives in poverty, with the population below the poverty line estimated to 25% in 2007 (CIA world factbook). The literacy rate (defined as the literate percentage of the population over the age of 15) was estimated to be 61% in 2001 with a difference between men (73.4%) and women (47.8%) (Ibid). Furthermore, the risk of contracting major infectious diseases has been classified as high. (Ibid). The poverty in India has decreased with almost 50% since their independence in 1947 (India Country Overview 2009), and the current income gap between the richest and poorest states has been estimated to be five times (India Country Overview 2009).

Due to the uncontrolled urbanization, environmental degradation has occurred rapidly, causing shortages in housing, worsening of water quality, excessive air pollution, dust and heat, with disposal of solid and hazardous waste products. (Social and Environment update, 2009). Businesses as well as governments play important roles in the environmental outcomes of urbanisation. Logsdon (2004) points out that: *"businesses can create environmental problems for society in virtually all facets of their operations"*. According to Udayasankar this seems to be the case for larger companies, which are more likely to have a greater impact on society. Based on this, a challenging case for managers in Multinational Corporations (MNC)s is to find an optimal level *"of environmental performance that takes into account environmental realities, fundamental ethical principles, and stakeholder needs in addition to economic costs and benefits and legal requirements."* (Udayasankar, 2007).

Despite being one of the fastest growing economies, India has limited resources available to tackle its environmental and socio-economic problems (India Country Overview 2009). Investing companies should therefore consider taking responsibility and help India recover. A company has the knowledge and resources to solve problems (Garriga & Melé, 2004).

With over 21 000 employees worldwide, Tetra Pak (TP) is a company, that is active in more than 150 countries (Tetra Pak i siffror, 2009). In the later part of the 1980's, TP set up their first representative

office in India, back then only consisting of a couple of dozen employees. In 1997 they began with manufacturing and selling TP cartons in India. Today they've got over 350 employees (Tetra Pak, Swedish Chamber of Commerce India) and having a full scaled production selling 23 800 tons of cartons each year (Sustainable Packaging, 2009)

Consumption growth is a challenge for India; for example, the food and drink cartons used by TP and other companies are made of timber, a finite resource which has to be felled rationally. This also increases the importance of recycling, not least for a company such as TP. The average paper consumption in India radically increased to 8.3 kilo/year/person in 2008, compared to 7.5 kg during 2007 (Pulp & Paper News, 2009-01-12). With an estimated population of 1,16 billion that would mean a total paper consumption somewhere around 9'636'300 tons of paper/year. As 17 trees are needed for the manufacturing of one ton of paper (Peter Hane-Weijman, 2007-11-17), the total demand to satisfy the Indian market would be an estimate of 163'817'100 trees /year, if it was not for the fact that the recycling rate is relatively high for many kinds of virgin and reused paper (Authors own calculations). With a growth of 10%, India was the fastest growing market for paper consumption in 2008 (Pulp & Paper News, 2009-01-12). Assuming an average growth rate of 10%, the paper consumption would rise to 24'994'080 tons of paper/year over a 10 year period, which would mean an estimated felling of 424'899'368 trees to cover the demand if no recycling is done. The need for a high rate of recycling is therefore essential for a sustainable development within the paper/packaging industry in India, which plays and increasingly important part of the CSR strategy for companies in this industry.

1.2 Problem discussion

The question of how corporations take responsibility for the social consequences generated from their business activities is gaining increasing attention as the pressure from government, activists and media has steadily increased (Porter and Kramer 2006). In 1970 the economist Milton Friedman argued that the only social responsibility of business is to increase its profits. Furthermore he declared that the corporation is a tool in the hands of the stockholder who owns it, and it should be their individual decision and not that of the corporations, to decide whether additional societal contribution should be made or not. Although many of Friedman's early thoughts still are of great importance, we are now seeing an extension of the concept as corporations are increasingly integrated into society, which requires them to act as good citizens. An enforced shift has taken place from a shareholder orientated view of business towards a stakeholder (Freeman 1984) orientated approach, where corporations are set in an interdependent context, not only between internal stakeholders but from a number of external forces, which as above mentioned are gaining an increased influence. Consequently CSR has developed into an inescapable phenomenon for business leaders all over the world and furthermore the stakeholder management (SM) has become an important tool to transfer ethics into management practice and strategy (Porter and Kramer 2006; Fassin 2009).

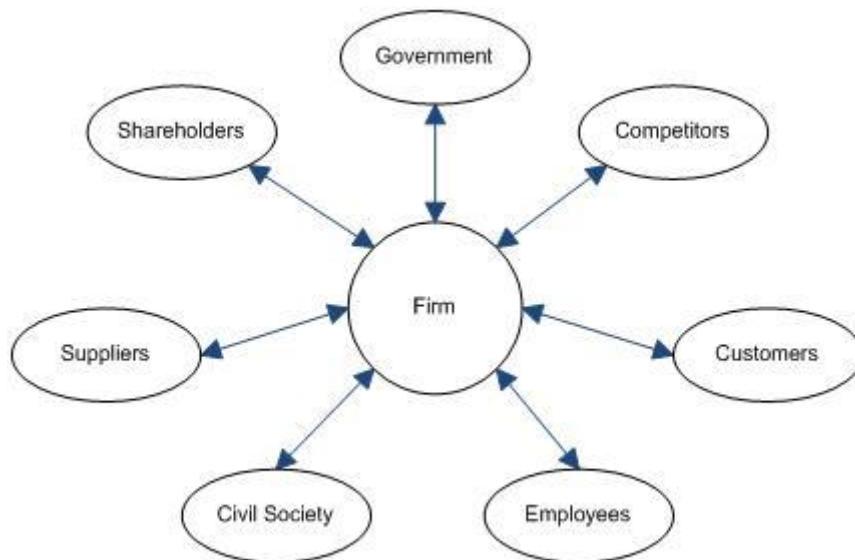


Figure 1: The original stakeholder model

Source: Adapted from Freeman (1984)

Since the earlier model of stakeholder (Figure 1) was established, the theory has been target of much debate and attempts of refinements. Freeman's primary intention was to deliver a strategic tool for organizations to broaden their vision of management and to highlight the importance of participants in the organization beyond the shareholders as well as taking the interests of the surrounding business community and the socio-economic region into account (Freeman, 1984). Although the basics of the original stakeholder model is preserved, the research of today focuses on making it more adaptable in a modern context, to cover pragmatic managerial and organizational implications more efficiently as well as the complexity in the dynamics of different stakeholders (E.g. Fassin, 2008).

Carrol (1979), often referred to as the father of CSR, developed the pyramid of CSR consisting of four layers each categorizing the importance and prioritization grade for a company to achieve sustainability in its businesses. The first and fundamental layer in the pyramid is economic responsibility, which is based on the principal process of a company to produce goods and services that the society wants and out of which they can make an acceptable profit. Profitability is consequently, in line with Friedman, the most important aim of a company, while without it the other layers become unattainable. At the same time companies, however, have "codified ethics" consisting of laws and regulations, which they are expected to fulfil during their economic activities. Ethical responsibility further embraces activities and practices that are expected from society even though they are not codified into law. The final layer, discretionary or philanthropic responsibility, is humanitarian initiatives associated with good citizenship, which goes beyond what is expected in an ethical and moral sense.

Originating from the ongoing debate it is clear that the fourth level of the CSR pyramid, the philanthropic responsibility, has gained an increasing importance along with a growing public

awareness followed by rising expectations of businesses. Social initiatives and responsibilities towards the environment that in theory are not strictly compulsory, have become a necessity for companies to remain competitive and secure their long term sustainability. The principle of sustainability is to develop a long term self-interest that integrates the areas of the so called triple bottom line of economic, environmental and social performance into a single perspective. Broadly speaking, companies should be driven to operate in ways that sustain their long term economic performance by avoiding short term behaviour that is socially or environmental harmful (Porter and Kramer 2006). It is thus clear that the concept of sustainable development is strongly connected with both thoughts of CSR and Stakeholder theory. As a result of the thoughts of good Corporate Citizenship (CC) and increased demand for transparency, both in terms of social and environmental initiatives, GRI received over 1000 sustainability reports in 2008, which is an increase with 46% compared to 2007. At the same time, the meltdown of the financial markets in 2008 has further emphasised the importance of including the shift from moral and emotional levels of development and the overall purpose of the company to cover not just the shareholder needs, but also social, stakeholder, and ecological needs and interests, in leadership and management education (Waddock et. al. 2009).

1.3 Problematization

From the problem discussion it is apparent that CSR related issues is a topical and important research area. Though traditionally the CSR revolved around developed country MNCs and their behavior in the developing countries, the debate has now changed direction due to globalisation and the fact that no developing country would consider excluding MNCs because of potential negative impact (Evans 1998, Bury 2001 in Idemudia, 2008). In general the literature provides a broad range of reasons to what drives a company to employ corporate environmental or social initiatives. Greenville et. al. (2008) state that CSR practices may provide competitive advantage, financial savings, enable access to technical assistance or help corporations to pre-empt or weaken regulations or shape future regulations. Other frequently mentioned motives include the creation of a 'good' image through environmental friendliness or the demonstration of the ability to respond to environmental or social issues (Khanna 2001; Gunningham et.al. 2005 in Greenville et. al. 2008).

However, in practice according to literature, a MNC's environmental responsibility results from a number of factors, including the requirement of regulations, competitive and economic pressure, social demands and institutional norms as well as potential adoption of technological innovations (Grenville et. al. 2008). There might be huge costs associated with a specific action in terms of money or time etc. Several researchers emphasise the fact that companies are possible targets to unique constellations of external pressures, which are shaped by the community, location, economic sector and overall interactions with critical stakeholders (Ibid, 2008). For a country's specific perspective, however, CSR is suggested to depend upon the social problems that are prioritized in that specific country, the relationship between MNCs and the local government as well as the relationship with stakeholders (including social organizations) and the overall role of the citizens (Cramer, 2006). Although much research has been done Gunningham et al (2003) points out that: *"we still now little about why individual corporations behave the way they do in the environmental context, about why some companies, but not others, choose to move beyond compliance, or what motivates them to do so"* (From Grenville et al 2008). Even though it is clear that external factors substantially affect

companies' environmental actions, these actions are originally shaped by internal factors in terms of how a company identifies problems and chooses to address them. In conclusion this implies that aspects such as organisational culture and identity, managerial perceptions and self-monitoring play a crucial role in the adoption and shaping of CSR activities.

1.4 Research questions

- 1. From a MNC point of view, what are the driving forces of CSP in developing countries, particularly from an environmental perspective?*
- 2. Is a mutual trade-off between business and society achieved?*

Within the framework of this thesis the authors was given the opportunity to conduct a field study at Tetra Pak in India, a MNC, which is one of the largest suppliers of packaging solutions in the world. The study was focused on the environmental CSR initiatives the company operate in the country. Although the research was focused on the activities actually employed at the time of the investigation, the concept of Corporate Social Performance (CSP) was used as a starting point of the research question to seek out the societal outcome of firms CSR activities.

1.5 Purpose

The main purpose of this study is to sketch how a developed country's MNC in India utilize CSR activities especially from an environmental perspective and from that point be able to identify elements in the internal and external environment that act as drivers for CSR actions. Additionally, the authors attempt to investigate the trade-off between business and society associated with various CSR initiatives employed by the case company.

1.6 Delimitations

The concept of CSR is a divided area consisting of a broad range of different social and environmental choices to be taken into consideration along the whole value chain. The authors are limiting the scope to primary focusing on the environmental pillar of CSR further to focus on specific internal and external factors that form how and why a MNC utilize CSR activities in the context of a developing country. This choice was made primary while the chosen case company showed out to employ a large part of its CSR resources into efforts connected to this particularly field. Furthermore local circumstances, as the waste problems, have made this field more important than ever. Also the global CSR strategy of TP together with the stakeholders have influenced this environment oriented CSR, with an emphasis on waste management.

Moreover this research was carried out as a field study based on interviews and meetings with representatives at the case company and its most important stakeholder considering environmental responsibility in India. For that reason it should be declared that the study mainly concentrates on issues related to the packaging industry which further can limit potential benchmarking between different companies and line of business.

2. THEORETICAL FRAMEWORK

The theoretical section aim to deliver a presentation and a discussion of theories and concepts believed to have an influence on the researched area. The starting point of the chapter will be a discussion and distinguish of background theories then turning over to explain what is shaping CSR within business organizations.

The field of business and society is a divided area without a clear definition, which allows for a variety of interpretations and research areas, however, an attempt to explain the most important notions necessary for the understanding of the researched case will be made. Schwarz and Carroll (2008) point out that the field of business and society often appear to include: CSR, business ethics, stakeholder management, sustainability and CC. As previously mentioned these five constructs are closely related and used by academia and business in different and sometimes confusing ways. Gobbels (2002) has gone as far as saying that the lack of an *“all-embracing definition of CSR and subsequent diversity and overlap in terminology, definitions and conceptual models hampers academic debate and ongoing research”* (Marrewijk, 2003, p. 96 from Schwarz et. al. 2008). However, despite these deficiencies, the authors' intention is to provide an overview of the available literature describing what is shaping CSR practices within a developed country MNC, further focusing on external and internal business environment.

2.1 CSR – Background theories and Interpretations

CSR, often referred to as corporate ethics or CC, is not a new concept. There is a wide range of literature available aiming to describe the importance of CSR to MNC business, regarding social and environmental issues and information on what businesses are expected to do to be considered as good corporate citizens (Carroll 1991; Porter and Kramer 2006). CSR is described as vague and indefinite both in theory and in practice (Coelho et al. 2003, Schwartz 2008). Thus the definition of CSR in general appears to fall under two different schools: Those who argue that business only have the responsibility to make profits within the boundaries of minimal legal and ethical observance (e.g. Friedman, 1970; Levitt, 1958), and the ones who suggest a broader range of responsibility and obligations towards the society (e.g. Carroll, 1981). Many scholars of the first school of thoughts claim there is a close connection to laissez-faire capitalism and agency theory with an overall support from Friedman's (1970) classic definition of CSR, *“that the only social responsibility of business... is to increase its profits within the rule of the game”*, in other words to believe in the power of flawless open and free competition, without fraud. In contrast, the second school suggests that corporations have a broader responsibility towards society, above economic and legal obligations (McGuire 1963; Carroll 1979).

Dahlsrud (2008) divided the term CSR into five dimensions: the environmental, the social, the economic, the stakeholder and the voluntariness dimension. He then developed a coding scheme and looked at the frequency search on 'Google' where he noticed that many of the dimensions fell under the same roof. The current most popular definition is probably the one made by the Commission of the European Communities in 2001, which defined CSR as:

“A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”

The Business for Social Responsibility defined CSR in 2000 as: *“Business decision making linked to ethical values, compliance with legal requirements and respect for people, communities and the environment”* Both of these two last definitions represent all of the five dimensions stated above.

2.1.1 The Pyramid of CSR

For a company to know what society expects from it, Archie Carroll (1991) came up with a pyramid model that was meant to cover the whole perspective, both economically as well as socially. The pyramid was a refined version of his four-part model originally presented in 1979. This model has been refined further over the years to become suitable in a global context. A corporation has to see not only to its economical and legal obligations, but also to its ethical and philanthropic (then discretionally) responsibilities Carroll states that CSR should be *“framed in such a way that the entire range of business responsibilities is embraced”*. He also suggests that the total CSR should be constituted by four kinds of social responsibilities: economic, legal, ethical and philanthropic (Carroll, 1991).

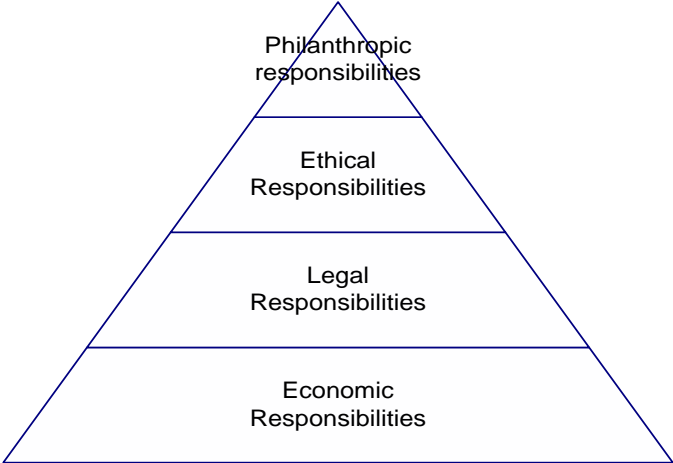


Figure 2: Carroll’s CSR pyramid

Source: Adapted from Carroll (1991)

Carroll's pyramid (Figure 2) is one of the most used and cited models in CSR (Crane & Matten, 2007). The pyramid is a four-part model in which a company's responsibilities are divided into the four layers described above, and in order for a company to be completely socially responsible, all of these four layers of responsibilities should be reached (Carroll, 1991).

Economic Responsibilities

Economic responsibility is placed at the bottom of the pyramid, representing the base on which the other responsibilities rest. A corporation should be working toward being as profitable as possible, maximizing earnings per share, being competitive and creating jobs, providing suitable employment conditions and effectively deal with operational matters. Without this foundation, the very existence and survival of the company is impossible. (Ibid, 1991)

Legal Responsibilities

Every company has to obey the law, which include national -, “supra-national” laws and regulations. The provided goods and services have to meet the minimal legal requirements, while the laws we are abiding, are constituted by the people’s moral principles. (Ibid, 1991)

Ethical Responsibilities

According to Carroll (1991) the ethical responsibilities are embraced by “those activities and practices that are expected or prohibited by society even though they may not be codified into law”, i.e. corporations are not obliged to take ethical responsibility, but as depicted, the society may expect it. Good CC is what is expected morally and ethically by the society. (Ibid, 1991)

Philanthropic Responsibilities

At the top of the pyramid lies the philanthropic responsibility. According to Carroll (1991) this final step is neither an obligation nor an expectation but a desire of the society. Philanthropic responsibility can be seen as "good will", i.e. providing financial aid and participating in (managers and employees) charitable activities/events. It is important to enhance the quality of life in the community, wherein the corporation is active.

2.1.2 Sustainable development

Crane and Matten (2007) states that since the new challenges of globalization has emerged a lot of focus has been direct towards the development of ways to addressing problems related to business diverse impact in society. The idea of sustainable development has become of widespread general interest especially since World Commission on Environment and Development (WCED) published the “Brundtland Commission” in 1987. This was one of the first more substantial steps towards an integrated social and environmental thinking in businesses and in general where the concerns of the need for sustainable societies were raised. Sustainable development then was defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”(Bruntland Report, WCED 1987). The notion of sustainability has further become one of the most promoted concepts used by corporations and government (etc.) when speaking of business ethics (Crane and Matten, 2007)

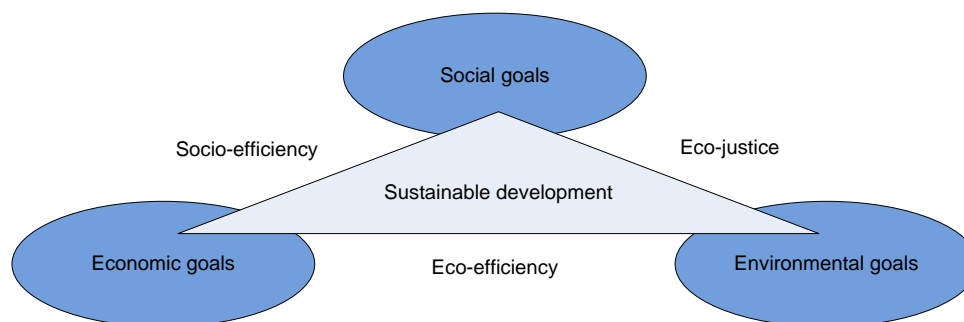


Figure 3: Sustainable development

Source: Adapted from Schaltegger et. al. (2003)

To achieve sustainable development three important areas- the environmental, social and economic- that must be fulfilled and integrated into a single perspective (Schaltegger et. al. 2003).

2.2 CSR within business organizations

2.2.1 Stakeholder Theory

Carroll (1991) argues that there is a natural “fit” between the idea of CSR and an organisation's stakeholder. The stakeholder theory gives more specific directions for CSR along with an explanation of to whom the corporation is responsible. The concept of stakeholder personalises social or societal responsibilities by presenting the specific groups or persons most urgent to business, which consequently should be considered in the CSR work. Even though many scholars see potential limitations in the definition of stakeholder there is a substantial agreement that stakeholder theory originate from the strategic management field (Freeman, 1984) further providing a powerful organisation tool for businesses, especially in planning its corporate strategy (Schwarz et.al)

“A stakeholder in an organization is ... any group or individual who can effect, or is affected by, the achievement of the organization’s objectives.” (Freeman, Ibid)

The above written definition of a stakeholder is perhaps the most used definition. Although the term “Stakeholder” was already used in the 1960s, Edward Freeman developed it in 1984 in his book *Strategic Management: A stakeholders approach* (Crane & Matten, 2007). According to Crane & Matten (2007) the main starting point is that there are other interests regarding the corporation than just shareholders, i.e. there are stakeholders that have *“a legitimate interest in the corporation as well”* (p. 57).

The stakeholder approach focuses on the groups which have interests regarding the corporation, to whom the corporation has responsibilities to. Fassin (2009) suggests that potential stakeholders may be divided into three groups. The first group include those who have a real stake in the company, i.e. the internal and real stakeholders. The second group, the "pressure" group, includes those who influence the company indirectly and the third group include those who may impose external control, i.e. the regulators, who have no claim over the company.

In 2009, Fassin introduced new terminology. Due to the existing confusion he divided the stakeholders into three other groups, namely ‘Real’ stakeholders, stake watchers and stake keepers. The real stakeholders are those loyal to the firm, those with a real stake. The stake watchers are said to be like “watchdogs”, i.e. they protect the interests of the real stakeholders, an example would be the work union that guards employees. The stake keepers are those to whom the firm has little *“reciprocal direct impact”* on, i.e. the ones who have not got a stake in the company but influence as well as control the company, examples include the media, courts, regulatory agencies etc. Fassin (2009) refined the stakeholder-model by using his new definitions regarding the three different stakeholders, the reason being *“A strong need for clarification and a clear delimitation of the stakeholders was thus urgently needed”* (p. 128), due to criticism over its vagueness and ambiguity that the impressive amount of work had led to. Thus, in the framework of this thesis the model below made by Waddock et.al. (2002) clearly illustrate the different kinds of pressure faced by MNCs today.

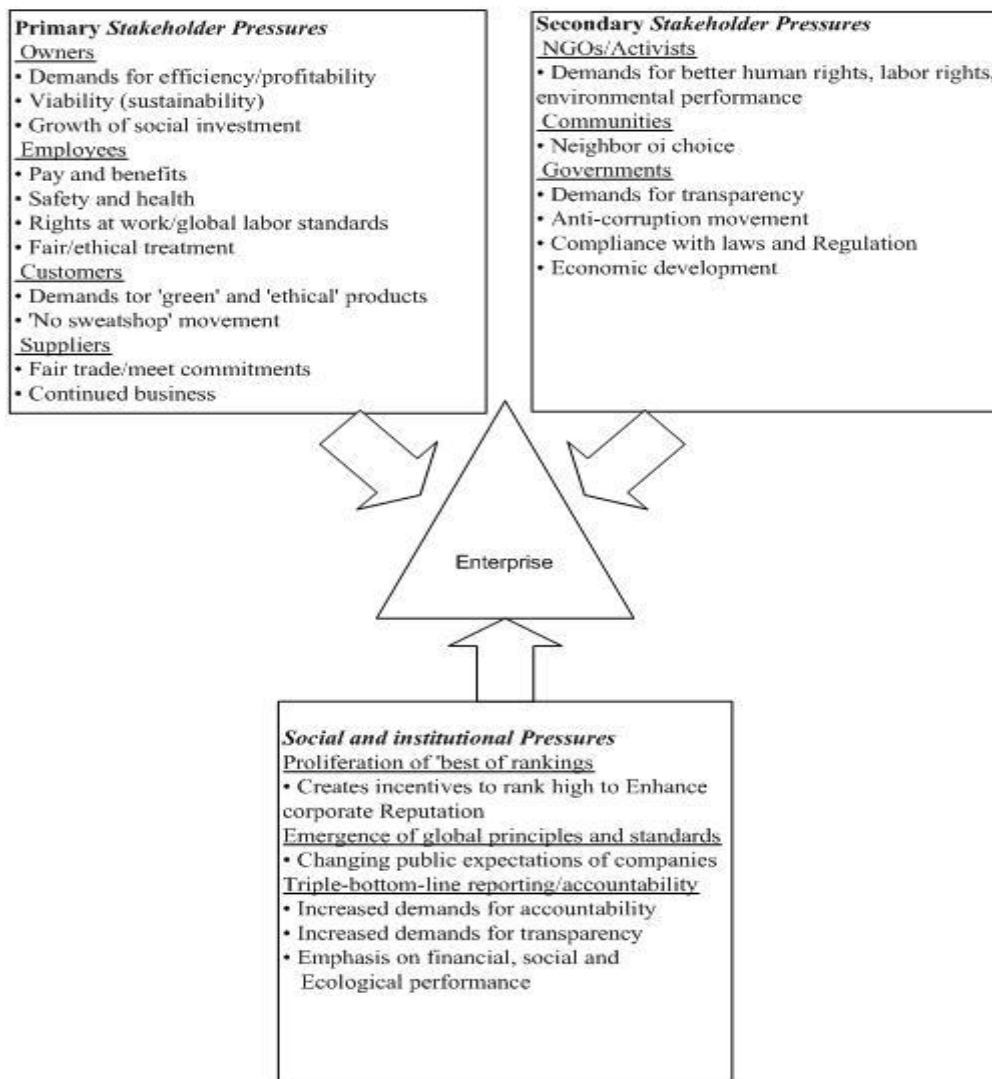


Figure 4: Stakeholder model

Source: Adapted from Waddock et. al. 2002

2.2.2 Corporate social performance

The concept of CSP seeks to represent the societal outcome of companies' CSR activities. Donna Wood (in Crane & Matten, 2007) came up with a model where CSP can be observed as the principles of CSR, the process of societal responsiveness and the outcomes of corporate behaviour. The outcomes are divided further into three areas consisting of *societal policies*, *social programmes* and *social impacts*. Social policies represent clear societal and environmental policies stating the company's values and beliefs with regards to its social environment. It is currently common practice for several companies to include social and environmental objectives in their mission statements and overall corporate policies. Social Programmes represent specific social and environmental programmes consisting of different activities, measures and instruments implemented to achieve the stated social and environmental policies. The social impacts can be measured at any time by observing concrete changes that a corporation has achieved through the implemented programmes. In summary, CSP can be defined as a snapshot of a corporation's overall social performance at a

particular point in time, which represents an aggregation of a corporation's individual acts of CSR up to that point. (Muller and Kolk, 2009)

2.2.3 Internal and External drivers of CSP

Muller and Kolk (2009) argue that scholars' views are divided with regards to whether CSP is externally or internally driven. In general, the main focus has been on the external drivers on a corporation's social behaviour. This approach is seeking to establish a link between the external pressures and the CSP and confirming that social behaviour is a responsibility to society (Ibid, 2009). Such external pressures may occur by confronting specific stakeholder groups in terms of regulation, competitive pressure or public concern. In the context of developed country MNC active in emerging markets, the roots of the responsibility often seem to arise from international regulatory or "western" influences in general (Wisner and Epstein, 2005; Chapple and Moon, 2005, in Muller and Kolk, 2009)

The internal, or value based, perspective on the other hand emphasizes what a corporation can do in terms of their inborn willingness to engage in social initiatives with consideration to resources. This perspective tends to focus more on managerial motivation and argues that CSR is primarily driven by morality and is consequently a "good in its own right" (Muller and Kolk, 2009). The main view is that forces within the corporation itself have a large influence on the company's CSP. Companies' social and environmental behaviour is therefore a product of the value system, which forms the ethical orientation of the managers operating in the firm. Consequently, MNCs will present higher CSP as they are target to higher expectations of CSP, which is embedded within the organisational values and processes. Likewise, Heugens et. al. (2008) emphasizes the importance of shared value systems within organisations, as they represent a source for corporate social behaviour, especially in emerging markets where external pressure such as environmental protection typically are lower than in developing countries. The value systems within corporations are consequently frequently used as an argument to explain the social behaviour of MNCs in developing countries (Muller and Kolk, 2009). Moreover Cramer (2006) argues that the local circumstances to a large part can explain how corporations choose to execute particular CSR initiatives in different countries. That is according to the social problems given in a specific country and the relationship between MNC and the local government as well as with other external stakeholders (Cramer, 2006).

From an environmental perspective, Banerjee (2008) explains the influence of internal drivers for corporate responsibility toward the environment as the concept corporate environmentalism. This perspective embraces two separate fields, environmental orientation and environment strategy focus.

The concept of environmental orientation refers to the corporation's value systems, i.e. how a corporation recognises its impact on the environment as well as what efforts it makes to minimise these impacts. It also includes the corporation's tendency to be responsive to external stakeholder's interests and in a broader perspective to act as good corporate citizen.

According to Banerjee, environmental orientation can be divided into two perspectives, which focus on the different internal drivers of a corporation. The first perspective highlights the corporation's internal value, standards of ethical behaviour as well as the commitment to environmental protection. From this point of view more attention is put on environmental orientation that is

internally driven and which often tends to be a consequence of the corporation's overall environmental policy and mission statements. The second perspective, in contrast, refers to responsiveness towards external stakeholders and the strive for sustainable development as well as caring for a good image. The grade of environmental strategy focus is what integrates internal and external forces in terms of the ability of the corporation to adopt environmental issues into the strategic planning process.

Corporations with higher levels of environmental strategy focus can benefit by being proactive and surpass expectation among stakeholders (Banerjee, 2002). Consequently the "strategic choice" approach argues that it is the interrelated interaction between external and internal factors that is both the external expectations as well as the corporate value systems. To further explain this view the environment can be seen as a source of information and the ability of the corporation to integrate that information into their strategy depend on how attentive their internal systems are to this information (Lukas et. al, in Muller and Kolk 2008).

"Problems do not simply drop from the sky; they are formulated by managers as they selectively attend to cues from both insiders and outsiders" (Lyles and Mitroff, 1980 in Grenville et. al. 2008).

That is, managers are in practice guided in their choices by what is important and why it is important due to their individual experiences or to the group or organization to which they belong. (Grenville, 2008)

2.3 Strategic CSR

Porter and Kramer argue in their article "Strategy & Society - The Link between Competitive Advantage and Corporate Social Responsibility" that many companies working with CSR have failed to achieve productivity when they are working with improvement of environmental and social consequences of their activities. Accordingly, companies should use the same frameworks that guide their core business choices. Instead of looking at CSR as a cost, restraint or charity it should instead be seen as a great opportunity with innovations and competitive advantages. In that way corporate success and social welfare should not be seen as a zero-sum game. Smart business solutions, for example when McDonalds changed the food wrap materials to their hamburgers, did not only save a lot of money, but also lead to a reduction of its solid waste by 30%. This was originally a cost saving business decision without any thoughts of the environment benefits. This is a good example where not only the environment was essential for a CSR decision, but also the business sustainability itself and demonstrates the benefits of a "Strategic CSR"(Porter & Kramer, 2006)

2.3.1 Strategy and Philanthropy

According to Porter & Kramer (2006) several managers think that philanthropy contributes to a sustainable society, however, in many cases the long-term benefits do not answer to the short-term costs that they incur for the individual company. Several managers do not have a full understanding of strategic CSR. A company that sees CSR as a way to satisfy their stakeholders tries to enforce a series of short-term defensive reactions, often with minimal value for the society and no strategic value for the company. The problem with stakeholders in general is that they do not understand a

company's capabilities, competitive positioning and what tradeoffs the company has. The connection between a company's good deeds and consumer attitudes towards the company is so indirect, that it is hard to measure the actual effects of it. Because of the fact that there is no way to quantify the trade offs of a CSR programs, the CSR is standing on a very shaky ground and is also sensitive for changes from the management or a swing in the business cycle. The focus on interdependence between society and business instead of the tension between them is important in order to help a company identify, prioritise and address the social issues that are most important and which make the largest impact. The risk is that a company might focus on uncoordinated and philanthropic activities, which are disconnected from a company's strategy and business and therefore neither makes a social impact nor strengthen the long-term competitiveness of the company (Ibid, 2006).

Consequently, is not philanthropy good if a company's social activities do not involve their own core business? When do the society and companies need each other? According to Porter & Kramer the answer is simple. Health care, education and equal opportunities at the labour market are essential for a productive workforce, as well as efficient utilisation of land, water and energy in combination with a good government with the rule of law and property rights are essential for making a company more efficient and innovative.

But at the same time successful companies are essential for healthy societies. Without the successful companies, society would not have any work places, wealth, innovations and if the government or Nongovernmental Organizations (NGOs) weaken the ability for companies to operate in the society, they will see competitiveness fade and the work places as well as the tax incomes will disappear. A good example of a good trade-off between business and society is when a company that needs to recruit human resources affects social factors in the society positively, as supporting the local education system or improves the availability of housing near the company's location. In this way, both society and the company gains from it and trade-off proceeds. A temporarily gain of either the society or the company, that disfavours the other side, will in the longer run lead to disadvantages for them both. And that is why Porter & Kramer underlines the importance of "shared value", which means that choices that are taken must benefit both society and business. Each company should select social issues to work with which effects the company positively, because as Porter & Kramer write "*No business can solve all of society's problems or bear the cost of doing so*". The writers have come up with a framework where the social issues that are affecting a company fall into three categories (Ibid, 2006)

1. Generic social issues - important for the society, but aren't affected of a company's corporations and don't influence the long term competitiveness of the company.
2. Value chain social impacts - social issues that are significantly affected by the company's activities.
3. Social dimensions of competitive context - factors in the external environment that affect the underlying drivers of a company's competitiveness in locations where the company operates.

According to this outlook every company should sort all their social and environment issues into these three categories for each of its business units and locations. The AIDS pandemic in Africa is most probably a generic social issue for the U.S. retailer "Home Depot", a value chain impact for the medical company GlaxoSmithKline and a competitive context issue for mining companies as "Anglo American" that are very dependent on the labour force in Africa. But there are issues that are more or less important for companies, even if they are within the same industry, as security is for Volvo

and environment is for Toyota in their work to develop their hybrid cars. For an individual company there are issues that are important for many of its business units and locations and have therefore an opportunity to start a corporate wide CSR initiative. If there is a social issue that affects many companies at the same time there is an opportunity for companies to collaborate (Porter & Kramer, 2006).

2.4 Responsive CSR

In addition to the concept of Strategic CSR there is also the so-called "Responsive CSR" that comprises two elements:

- Act as a good corporate citizen and make allowance to the stakeholders

Both NGO's and a company's employees are expecting the company to contribute to the local society as a good corporate citizen, but it is not as easy as writing a check. It is also important that the company plays an active role in the society, but just as long as the company gains from it.

- Moderate negative effects from the business

The problem with this element is according to Porter & Kramer that there are many possible value chain impacts for each business unit. Companies can use a value change as a tool to identify the social impacts of a business unit's activity in each location. The most difficult task for a company is to evaluate social impacts that are not well recognized. A company should list the impacts for each and every product they sell on the market and also evaluate which actions that has to be made before the company gets forced by the stakeholders to do something. Some companies will have advantages against others by being proactive and effective in moderating the social problems caused by the supply chain, but Porter & Kramer believe that these advantages are always temporary.

The Strategic CSR moves beyond good CC and is much more about innovation. When value chain practices and investments in competitiveness are integrated it is hard to separate CSR from the daily business of a company. An example of this is Nestlé who has helped small farmers in India who they buy their milk and other products from, by investing in local infrastructure, transfer of knowledge and technology that the society and not at least the farmers have gained from enormously. At the same time has Nestlé gained from it by securing the asset of raw materials in order to maintain a profitable business. The strategy of Nestlé is therefore very connected to its social work and impact. Of course can't every company build their strategy around social issues, but by adding a social dimension in the strategy, the company can achieve great competitive advantages. Government regulations, customer awareness and exposure to criticism are increasing. According to Porter & Kramer is it through strategic CSR that companies will make the most significant social impact and at the same time generate great business benefits.

3. METHODOLOGY

Following from introduction and description of theoretical framework this section aims to describe the research methodology undertaken in this report. This chapter will start with an explanation of the selected approach as a fundamental ground for tackling the research area. Further the research design and data collection will be presented followed by a discussion of reliability and validity in terms of gathered information.

3.1 Outline of the study

Most essential part of this case study includes empirical studies in the host country planned and organized together with case company in order to get in contact with key persons for interviews and meetings. This along with theoretical studies can be seen as the base for this learning process altogether combined with an always ongoing evaluation of gathered data in order to get a more relevant basis for analysis and to consequently be able to draw conclusions. This thesis formally started in November of 2009, although before that preparatory study was necessary to gain a base of knowledge in the specific research area as well as of the case company globally and their operations in the host country. Altogether this project has literary been a journey both in terms of real life experience as well as on the educational level.

3.2 Scientific approach

An explorative method was utilized in order to collect information of the backgrounds and courses of the investigated question. This approach was chosen because the author's opinion is that to understand the underlying processes of the researched field and further to provide a holistic view of the organization, it is fundamental to understand the social constructions that form it. In other words, with the applied research method it is expected to capture an understanding of factors that are shaping specific CSR activities in the case company and from there be able to generate hypotheses or statements of the reality which can act as ground in or recommendations for further studies. The aim of this study is to sketch how a developed country MNC in India utilize CSR activities especially from an environmental perspective and from that point be able to identify elements in the internal and external environment that act as drivers for CSR actions. Hence the approach can be seen as inductive as it is a form of theory-building regarding the authors attempt to emphasize patterns or relationship between observations (empirical material) which further will end up in some general conclusions. By closer consideration of the researched problem it becomes clear that the question is not straightforward and that the answer can differ a lot from one organization to another. Therefore the ontological standpoint that this thesis will rely on can be regarded as a constructionist approach which according to Bryman and Bell (2005) questions the objectivistic point of view that it is not possible to affect or manage social actors. Consequently this standpoint refers to knowledge as construct continuously shaped and re-conceptualized by the actors within the social context.

3.3 Research strategy: Case Study

This study was brought out as a case study in cooperation with Tetra Pak India whereby the authors under seven weeks got the opportunity to visit several selected locations and persons in order to

obtain an overview of the sustainability strategy executed in the country. This allowed the authors to get an insight into the roots of how TP has proceeded to strategize their CSR actions in India. Further an outside company view was captured through the visit of partnership organizations necessary for the realization of the environmental social initiatives. The gathered knowledge was processed by the authors as an individual case out of which was expected to make generalized conclusion and further provide interesting findings for future research.

A case study approach is often associated with an exploratory research where the researched phenomenon is difficult to capture outside its natural setting. That is perceived to be in line with this research since it seems difficult to understand the investigated phenomenon if removed from its social context. According to Gahuri (2005) the case study is especially recommended for research questions beginning with “How” and “What” and further where the objectives are to perform recommendations for further studies. Bryman & Bell (2005) suggests that when applying a case study it is the uniqueness of the case that alone makes up the researchers interest. Moreover the case studies are particularly suitable when the aim is to capture effects of organizational external environment and internal forces shaping the organizations decisions and practices (Eisenhardt, 1989). The goals are therefore to perform in depth analysis of the case and more to highlight distinctive and interesting dynamics in what is shaping organizational processes within the particular case. A case study further relies on the empirically findings from that point make use of theoretical analysis. The central question will accordingly be on the quality of the researcher’s ability of theoretical thinking. This further tends to put the case study in the inductive tradition in question of the relationship between theory and practice.

3.3.1 Choice of Case Company

The collection of empirical material necessary in developing analysis was as mentioned realized in cooperation with Tetra Pak one of the biggest suppliers of antiseptic packaging solution founded in Sweden 1951 by Ruben Rausing. The choice to utilize a research of Tetra Pak and its CSR operations in India was perceived to be very interesting for a number of reasons. To begin with TP is by the authors recognized as a MNC market themselves as environmental friendly and work to achieve sustainability both on a global and national level. Therefore it is considered interesting to observe its operations in a cross-cultural context in terms of how organizational values are transferred and eventually how it contributes to their CSP in India. Consequently it realizes to study global strategies formed by western values in the prospect of a developing country. Utilizing TP as a case can consequently provide an interesting example of CSR initiatives in a global perspective by observing influence factors such as legal structures, cultural contributions or country specific issues related to economic development and overall differences in the business context. Moreover the role of TP in the Indian marketplace steadily is increasing as the company is facing an annual growth of in average 30 per cent which reasonably would be likely to put an increased pressure on the company to address social and environmental issues that might occur from their operations.

3.4 Data collection

A case study often embraces data collection through multiple sources (Ghauri, 2005) something that is true even for this one. The data was collected primary thorough interviews but also, not to underestimate, through meetings (formal and informal) and observations which were executed in

the host country. Secondary data mostly consisting of CSR literature, published reports and internal shared material has also contributed with fundamental knowledge to this research.

3.4.1 Interviews

In this study the primary method utilized for data collection was interviews. The interviews that were brought out can be divided in two groups consisting of representatives at TP India and representatives for collaborating partners connected to TP environmental initiatives in India. To able further analysis and catch details in the interview likewise to avoid unnecessary breaks all of the conversations were voice recorded. The interview approach utilized was a mix between semi structured and unstructured interviews. In other words the authors in most of the interview cases prepared questions and specific themes before the interviews but was not strictly bound to steer the conversation in a certain direction. The combination of Semi-structured and unstructured interviews are a useful data collection method for this paper as it provides an opportunity for respondents to speak freely without being tied to predetermined questions (Christensen et al, 2001). The advantage of this approach is therefore that it enables to study the situations in favour of an everyday conversation but in a contextual connection. Here is the focus on the respondent which is the one carrying the interview forward as opposed to a structured interview where the interviewer has the control (Bryman and Bell, 2005). As the opportunity was given to meet many of the respondents on several occasions it enabled the authors to establish deeper contact with them as well as obtain a broader understanding of the processes within the organizations visited. This also made it possible to attain clarification of certain answers at a later stage as well as double check the correctness of the authors own perceptions. The interviews could moreover be adapted to situation given and prioritizations could be made along the discussion due to the importance of specific questions.

Two representatives were interviewed at Tetra Pak India. Interviews with Programme Head Jaideep Gokhale and Co-coordinator, Amrita Choudhary provided the authors a broad understanding of the organisational values of TP and the Indian market as well as of the management's efforts of implementing the sustainability strategy in the country. The interviews was conducted on several occasions and at different times most often followed or combined with informal discussions. This made it possible for the authors to check the correctness of the answer and further to also to fill in for gaps or with new questions as the knowledge was growing. The interview process was flexible and emphasis was on what the respondents perceived to be important in declarations and course of events. Though a large part of TPs environmental strategy lies in obtaining a sustainable waste-management solution, something which is a hard case in India, it was also a topic of much discussion. Additional the authors participated in two meetings, one at the TP head office in Delhi were an interdependent waste management consultant presented his findings and another at the WWF India where their work on mapping the carbon footprint of TP India was discussed.

Interviews with collaborating partners were mainly consisting of managers of four different NGOs (Non-governmental organizations) as well as one recycler. The visit at these organizations and the interviews held were contributing to get a more nuanced picture of the collaborations of the different TP initiatives. Also we got to know what other companies do and what distinguished the collaboration with TP to the ones with other companies. Additional much was learned about the Indian culture both political and societal and further how the Indian business climate works. The interviews were all conducted with tape-recorder and all the data was continuously analyzed to

ensure validity. To mention much useful data also was captured by informal meetings with the respondents.

3.5 Validity and Reliability

Important measures for this thesis will be the external and internal validity, which according to Bryman and Bell (2005) in a qualitative study can be replaced by the creditability and the transferability. The creditability, which means whether the collected data has been properly understood by the researcher was tried to be establish through continuously evaluating of interview material further to be confirmation by the respondents.

The transferability, or external validity, questions if the results of the research are transferable to any other situation than the one studied. Though this research ultimately aims to investigate a specific case and highlight details in a cultural context, the transferability is not a relevant measure for this thesis even though it is believed that the processes within corporations with same background and stakeholder constellation could be considered similar to this case. Concerning the objectivity of respondents' answer it is not anything that can be fully guaranteed though we are aware of the sometimes existing interdependent interests among our respondents as well as the role that corporate image can play. Although it is believed that the fact that the authors in most of the cases could meet the respondents several times moreover that the interviews were combined with many informal discussions as well as observations, will contribution to the reliability of the external sources. Furthermore it was possible to discuss questions both from an inside and outside company perspective, something that also is supposed to heighten the reliability.

4. EMPIRICAL FINDINGS

In this chapter the authors will present their empirical findings that have been collected through primary and secondary data. The collected data has been divided into relevant groups; social initiatives, in order to enlighten the work TP is doing aligned with their CSR as well as the surrounding environment, forming their work with CSR.

4.1 TP's global CSR

The mission of TP is according to what is written on their website: *"We believe in responsible industry leadership, creating profitable growth in harmony with environmental sustainability and good CC".* TP writes in their global environment policy: *"we take a long term and life cycle view, continually improving environmental performance, communicating openly with our stakeholders and reporting regularly on our performance"* (Tetra Pak, Policy & Goals, 2009).

TP has in the last years made efforts on a global level, realizing their environmental responsibilities. One example for their progress is a certificate introduced by TP, called "Chain of custody". This certificate makes it possible for a consumer to see from which forest the package he is using originates from. In this way TP shows that their packages are made from responsible tilled forests and not illegal desolated forest. The FSC Mixed Sources Label, which is printed on each carton assures that the carton comes from responsibly felled forests that are controlled. One year after the introduction of the chain of custody, 100 Million cartons with the FSC certification (Forest Stewardship Council) have been sold on the world market (Tetra Pak News archive, 2009-02-09).

TP's CSR involves cooperation between TP and different NGOs. WWF and TP signed a global agreement in 2006 regarding the forest enterprise and climate changes. The agreement involved responsible purchasing of timber and also an agreement that the carbon dioxide emissions will be reduced by 10% in 5 years (WWF News archive, 2006-02-17). In 2008 this goal had already been surpassed. In June 2009 TP could report that their carbon dioxide emission had been reduced with 12 % between 2005 and 2008. At the same time the output of packages had increased with 16,5% (Cisionwire News archive, 2009-06-12). This means that the goals that TP has for 2010 most probably will be achieved, as long as any larger failures will occur. WWF describes TP as a player that shows that they in a serious way contributes to the battle against the climate changes and welcomes TP as the 11th member of the Global Climate Savers Programme (WWF News archive, 2006-02-17)

On the 15th of December 2009 representatives from TP, Carrefour and Coca Cola met in Copenhagen to discuss what actions the governments and the industry could take to reduce the environmental problems and what they already are doing: *"Only by working together can we help mitigate the impact of climate change"* said Jörgen Haglind, Senior Vice President at TP. Jörgen Haglind thinks that bold targets from the society work better than if companies set up their own targets: *"Our industry is normally very target oriented, so it's much easier for us to have a bold target to go for"*. Jörgen Haglind accentuated that: *"I think that it is important for us as a society to sometimes have very bold targets, because that forces us to change. If we just do incremental changes we will for sure change, but not necessarily in the way and the speed that we need to change"* (TP COP15, 2009).

4.2 TP's CSR and social initiatives in India

In TP's 2009 corporate Environment and Social Report TP explains their progress on the environment and social front for India and Bangladesh. The environmental philosophy of TP is characterized by the 4 "R"'s – Renew, Reduce, recycle – responsibly! Though the deliberate emphasis in India has so far exclusionary been "recycle" and "responsible". The Managing Director, Peter Hane-Weijman says that TP will work hard to establish carton collection and recovery facilities. This work includes an identification of more recyclers; create awareness and also *"drive a responsible behaviour about carton recyclability in particular and waste management in general"* (Environment and Social Update, 2009).

TP is investing in their CSR in three different ways:

- working towards identifying waste collectors and implementation agencies (typically NGOs or waste management agencies) and educating them about TP package recyclability; and often extending support to incentivize collections
- working with recyclers (as Daman Ganga Paper Mill) to make available appropriate recycling technology and connecting collectors to recyclers.
- working with education partners and environment conservation organizations to spread awareness amongst consumers, waste trade and other stakeholders (government, media etc.) about the environmental profile of the TP package.

(Ibid, 2009)

TP has also started a number of ethical initiatives by cooperating with the following NGO's and companies of which the most important of them we will describe closer in this work:

- with Saahas NGO in Bangalore on education and waste collection across educational institutions, corporates, public gardens, apartment complexes and malls
- with Stree Mukti Sanghatana NGO in Mumbai on collection of empty school milk packages from over 1,200 municipal schools across Greater Mumbai
- with WWF India through the Young Climate Savers programme – an effort to sensitise 20,000 children across 10 cities annually on climate change
- with TERI through Project SEARCH – an initiative to educate schoolchildren across 60 schools in Delhi and Bangalore about waste management and helping schools become zero-waste zones.
- with DLF (Development Links Foundation) waste collector in Delhi area. Primarily focused on collection of TP cartons and PET-bottles (FAQ, Tetra Pak)

4.3 Active and passive recycling of TP cartons in India

TP in India talks about the “active recycling” as the best way to recycle the TP cartons in India. The collectors that cooperate with TP like Saahas, Kagad, Development Links Foundation, Stree Mukti Sanghatna and the Corporation of the City of Panjim are called "active collectors". These collectors have a deal with TP, to segregate the TP cartons from other dry wastes. They also have an agreement with TP only to send the carton waste to the recycling partners of TP. These recycling partners are recycling "actively" in cooperation with TP and are therefore called "active recyclers" according to TP's definition. Recyclers that aren't actively recycling from an active collector or waste dealer the recycling is called "passive recycling". At the moment, TP has two important active recycling partners in India, of which Daman Ganga Paper Mill (West) is the most important one in several perspectives and Dev Priya (North) that recycles the paper content from cartons that are collected by DLF in New Delhi. The paper Mill ITC (South) is one of the biggest paper mills in India and is recycling huge amounts of TP cartons, but mostly as a part of the passive recycling. The question of which recyclers that really are active or not is a controversial question, because the answer differs depending on whether you are asking TP or the NGO's, but the reality is that Daman Ganga Paper Mill and Dev Priya are the only active recyclers, because they are the only ones that receives TP waste from active collectors and wastedealers (Jaideep Gokhale, 2009-12-10). The active recycling has consequently nothing to do with how much of the post consumed carton content that actually gets recycled.

In the brochure “Recycling of used beverage cartons in Europe” TP writes that the global goal for “active” recycling of their packages was 25 % worldwide for 2008. Because of the lack of legal demands in the most developing countries outside the EU, TP sees this goal as very ambitious (Recycling of used beverage cartons in Europe, 2009). But the active recycling rate in India has never been close to this number. In 2004 the active recycling rate for TP cartons in India was 0 % (Environment and Social Update, 2009). The recyclers were not interested and had not enough incentives to do the expensive hydro pulp technology investments that would have been necessary. The TP cartons were not as attractive for recycling as other materials, due to low market prices and to small amounts in the landfills (Tushar Shah, 2009-11-11). But all this would change. TP's growth rate at the Indian market in 2009 was 30 % and the TP cartons are obviously more common in the landfills and therefore more attractive for wastedealers around the country. But still there is a limited recycling of TP cartons on the market. The amount of TP cartons on the landfills and streets are not comparable to pet- and glass bottles, just compromising 1-2 % of the total paper wastes in India. The wastedealers are facing problems receiving TP cartons from ragpickers. Such as having lack of space to store the cartons and that the cartons often are containing liquids, which attract rodents. Several mills are not accepting TP carton, because of their lack of know-how in recycling TP cartons and the fact that a TP carton is multi layered, which is leading to that it would need more energy recycling them or a separate technology to pulp it. So when the mills are noticing TP cartons hidden or placed in the bundles coming from the wastedealers, this leads to a deduction in price. Only around 20% of the small wastedealers would buy TP cartons from ragpickers, even if they knew that they had an assured buyer (TP Auditing Report, 2009-12-21). A rag picker earns about 150 INR a day and is already struggling to pick up enough valuable material to survive the day (Wilma Rodrigues, 2009-11-22). DLF or an active waste dealer as Shabbir Shaikh can sell TP waste for 4,25 INR to Dev Priya and about 7 INR/kg to Daman Ganga Paper Mill, but the actual market price for other buyers

than Daman Ganga Paper Mill and Dev Priya, TP is not higher than the one for mixed paper, that is between 1-2,5 INR/kg (Shabbir Shaikh, 2009-11-09).

It is estimated that 5,2 % of the consumed TP cartons will be active recycled in 2009, a number that is relatively low in comparison to other types of packages, but as late as 2007, this number just compromised 0,9 % and in 2008 3,8 % (Social and Environment Update, 2009).

An independent survey made by Dr Sanjay Gupta, independent TP consultant and expert In Waste Management, came in September 2008 up to that the "passive recycling"-figure equalled 42%. The survey also showed that 20.1 % of the post consumed TP cartons were incinerated and that 38.1% went to landfills around the country (Sustainable Packaging, 2009). The problem with these figures were that they certainly showed that 42 % of the TP carton waste was sent to different recyclers around the country, but didn't tell TP anything of what happened when the TP had arrived at the recycling facilities (Jaideep Gokhale, 2009-12-10). Dr Sanjay Gupta therefore got the mission to do a new research that should be presented to TP in December 2009. At a meeting the 10th of December 2009, the new figures that were based on a research of several recycle facilities and wastedealers that did not have any cooperation with TP were presented. The research showed that larger Paper Mills, in most cases accepted the TP if it was a part of mixed paper waste. Larger Paper mills had no problems to recycle TP cartons if it didn't exceed 2 % of the total mixed paper waste content. If the number exceeded 2-3 %, several paper mills have operational problems.

For the big paper mills, the problems were at the moment bigger with other multilayer plastic materials, as chips packages, that more and more were a part of the mixed paper content by wasteshops and wastedealers, a trick to increase the total weight of the mixed paper bails (Dr Sanjay Gupta, 2009-12-10). According to the TP Auditing Report, TP cartons are bought by small and medium wastedealers from the ragpickers as a part of the lowest grade of mixed paper (along with waste like road sweep, brown paper, duplex etc.) and the cartons are seen as more or less worthless for them. The market price for this kind of waste is anything between 1 INR / kg to 2,5 INR / kg and sold to mills in bundles weighing 100 kg, in which TP cartons often are constituting around 0,3% of that weight (ie. 300 gram of 100 kg) (TP Auditing report, 2009-12-21). Some dealers are in an agreement with Development Link Foundation, and then the price goes up to 4.5 INR / kg, which makes the collection more profitable, both for the rag picker as well as for the waste dealer (Jaideep Gokhale, 2009-12-09). The passive recyclers inform wastedealers that TP cartons are hard to recyclers, why they simply should be avoided.

To avoid the refusal of the passive recyclers, several wastedealers are trying to hide the TP cartons in bundles, because they add extra weight to the bundles, i.e. TP cartons are simply used as a filler to increase weight by several ragpickers and dealers, in hope that the recyclers will not see or notice them among all of the other collected waste. When noticed, the dealer is as stated above, claiming a deduction of the price (TP Auditing report, 2009-12-21). Even if so, several recyclers are trying to recycle the cartons with the motivation: "we recycle it, but it wasn't what we asked for" (Amrita Choudhary, 2009-12-10). According to the survey, recyclers find it hard and energy-demanding to recycle TP cartons and that even though they gain 45% in paper fibre, this amount is low in contrast to the possible amount of 75% paper content in a TP carton. The paper fibres are stucked with the

poly-al and the pulp machines that the passive recyclers use do not segregate the materials sufficiently (TP Auditing report, 2009-12-21).

4.4 The waste management strategy of TP

TP's aim is to increase the recycling by convincing paper/pulp mills/recycling facilities/collectors to see the benefits of complete recycling of TP cartons. The strategy is to help the recycling facilities to identify collection networks and invest in education of customers about the recyclability of the TP packages. TP separate these goals in short-term and long-term goals where the convincing of paper mills is a short-term goal and the education is a long-term goal. These goals form the basis of the economic model where the buyer (recycler) pays an attractive price to the seller (waste collector or NGO) so that the model can feed itself (An introduction to TP, 2009).

Forming the waste management strategy in 2004, the Management of TP with the former Environment Director Amit Deep Singh in the front line, early understood the importance of doing a market research to understand where action had to be made (Amrita Choudhary, 2009-12-05). The first task was to identify the main markets. Of the TP cartons consumed in India and Bangladesh, 23'800 tons in 2009, the 8 biggest cities stood for 2/3 of the consumption. The management understood the importance of market segmentation, to recycle as many cartons as possible. The biggest markets for TP India (and Bangladesh), in terms of carton wastes, in 2009 were: Mumbai (3500 tons), Bangalore (3000 tons), Dhaka (2600 tons), Delhi (2500 tons), Hyderabad (1100 tons), Chennai (1100 tons), Kolkata (900 tons) and Pune (800 tons). The next step for the Management was now to prioritize the activation plan. The plan was separated into two phases, where the big cities in west- and south India were given priority. In the second phase, the cities in the east, Kolkata and Dhaka should be given priority. The second phase has to this date not yet been introduced, because the work in the first phase is far from completed. Amrita and Jaideep are for the moment looking for a recycling partner in the east, but haven't had any success in convincing anyone yet. The recycling efforts on the east market therefore have to wait (Sustainable Packaging, 2009). In an interview with Jaideep Gokhale, he says that: "*It's always a question about balancing the priorities, the other consumption centres in the country have more priority for the moment and because we are just two people working with the environment on TP in India we aren't able to prioritize the east for the moment and the priority now is to collect waste from areas near our recycling partners*". But Jaideep Gokhale admits that the priority plan can be changed if stakeholders, like media or a NGO, would remark on the recycling or collection situation of TP cartons in the east, with Kolkata as the biggest consumption point. For the moment there are other stakeholders that are much louder than the ones in Kolkata: "*the Indian army in Kashmir is a big pressure group, because of the big consumption of TP cartons in that area*" says Jaideep Gokhale. Also resorts, temples and tourist places on high mountains are places where stakeholders want TP to help out to actively collect carton waste and Jaideep Gokhale admits that it will be a big challenge for them to satisfy these wants (Jaideep Gokhale, 2009-12-09).

The next step was to find out where the post consumed cartons were located on a local level. In these efforts they called in Dr Sanjay Gupta to help them find out where the carton waste landed. Dr Sanjay Gupta sent out surveys to six different NGO's in the six biggest cities in India to get more understanding of the destiny of the post consumed cartons. These cities represented 60 million

people and 20 % of the urban population. Based on the information from Dr Sanjay Gupta and the NGOs they could ascertain where the post consumed cartons were (landfills, passive recycled and incinerated). With the knowledge where the post consumed cartons were they could focus on finding collectors who they could collaborate with in order to increase the recycling rates. The first collaborations were with Stree Mukti Sangathana in Mumbai and with DLF, Development Links Foundation in Delhi. The strategy was to convince NGOs, wastedealers and waste management agencies to collect TP cartons separately (Sustainable Packaging, 2009).

After the Management of TP had found collectors to cooperate with, next step was to identify the recyclers. The Management wanted to find a recycler who they could convince to recycle both the paper and the poly-al content; a hard task, as no one had done this before in India. The quantities of other paper materials than TP cartons were much higher and high investment costs were needed to separate the material in the paper mills (Amrita, 2009-11-30). And even if the money was there, how should TP convince a recycler to recycle a material that people did not recognize as having any value? Amit Deep Singh saw the chance to convince Tushar Shah, part-owner of the Daman Ganga Paper Mill, as one of Tushar's paper mills did not run for full capacity and the business was not as profitable as it should. Tushar became interested in taking the risk and turn the mill into a recycling facility just for TP cartons (Tushar Shah, 2009-11-10).

When TP now finally had a recycler and a couple of collectors, they had to look at how to achieve a high value output for the recycled products. The idea to not only recycle the paper, but also the poly-al content, is an idea that originates in Brazil (Tushar Shah, 2009-11-11). Tushar Shah and TP looked at the possibilities to recycle the poly-al into roofing sheets and it turned out to be successful.

TP then started to promote Tushar Shah as much as possible to make his business profitable, by finding more collectors and also helping him to find a market for the recycled end-products (Sustainable Packaging, 2009). Besides this, TP started the School Milk Program in Mumbai and started different initiatives with other organizations with TERI and Saahas to educate students in collection and recycling of TP cartons to achieve a greater awareness (Jaideep Gokhale, 2009-12-10).

4.5 Social Initiatives

4.5.1 The Saahas voluntary organization

The Saahas is a voluntary organization that collects different wastes in Bangalore. The Supervisor of the organization is Wilma Rodrigues. Established in 2001 it has 45 employees and is the only of its kind in Bangalore (Wilma Rodrigues, 2009-11-22).

The collaboration with TP began in September 2008, and the organization receives a financial support from TP of 1'000'000 INR this year. This money has been invested in vehicles and machines that have made it possible for Saahas to transport the carton waste from wastedealers and bins to the bailing facility, but also money to invest in the bailing facility itself. The money is according to Jaideep Gokhale necessary for Saahas to collect TP cartons in a large scale. Next year the financial support will not be as high as in 2009 and the goal is that Saahas should stand on their own feet. In 2010 the financial support will be about 600'000 INR (Jaideep Gokhale, 2009-12-09). This monetary support covers the costs for Saahas collection of TP cartons. But Wilma Rodrigues says that to make

profits on the collection is not a purpose on its own. The purposes that matters for Saahas are improved health and working conditions for people who collect wastes in Bangalore and also an achievement of sustainable development with a better environment as an effect. Saahas pays, in Wilma Rodrigues point of view, their collecting workers a decent salary and also offers them regular health checks, something that is not very common for collecting workers in India (Wilma Rodrigues, 2009-11-22).

Wilma Rodrigues is of the opinion that the financial support from TP should not be seen as a grant, but much more as a “recycling fee” that TP is obliged to pay in order to improve their image, but also in order to not get any problems with the government legislations, due to lack of recycling. Also, TP would, according to Wilma Rodrigues, have paid ten times more if they did the collection of TP cartons themselves. Wilma Rodrigues is optimistic when it comes to “advanced recycling fees” and compares with Europe where this system works, but warns at the same time that this kind of fee could be eaten up by the corrupt state officials if it will be implemented in India. Therefore Saahas thinks that the best is if NGO’s like Saahas gets support direct from responsible companies, like in the case of TP (Ibid, 2009-11-22). Wilma Rodrigues says that: “-the government isn’t interested in recycling” and points out that: “-the municipalities take the responsibility to collect wastes in India, but aren’t interested to be involved in recycling of wastes”. Though, Wilma Rodrigues is seeing some hope: “-the average Indian household is more aware of recycling and environment than they were when we started our organization in 2001, but there is still a long way to go” (Ibid, 2009-11-22).

Saahas collects TP carton from 40 different locations in Bangalore, including companies, parks, schools and also from the famous “Bangalore Club”. The cartons are collected in TP bins and on planned occasions Saahas picks the waste up and send it to their bailing facility. After the bailing process, the cartons are sent to Daman Ganga Paper Mill in Vapi. The ambition is to send 10 tones to Vapi every month, but this from a city where 3000 tons TP cartons are consumed every year (Sustainable Packaging, 2009). The distance to Vapi is about 1100 km and if the potential 10 tones would be sent, it would cost 16000 INR. Wilma Rodrigues says that this should be seen as a temporary solution and admits that that this solution isn’t sustainable in a long term perspective. Once, the cartons were sent to a paper mill in Chennai, 300 km away, but because the recycling in this facility wasn’t efficient and “active”, this alternative was excluded. This means that Saahas has to send the post consumed cartons to Vapi, due to lack of other alternatives (Wilma Rodrigues, 2009-11-22).

Wilma Rodrigues tries to encourage TP to take their CSR also in smaller cities, but emphasizes that this won’t be possible without collaboration with other companies within the packaging industry, as Unilever and Pepsico: “-the companies must take their responsibility for the poor ragpickers that are making a living, cleaning up after them”. The improvement for ragpickers should, according to Wilma Rodrigues be: a wage growth from the average 4’500 INR salary to 6’000/month, health insurance, health checks, a shelter where they could live and higher safety in the landfills. So far, TP is the only company that in some way has listened to these demands (Ibid, 2009-11-22)

4.5.2 DLF - Development Links Foundation

Development Link Foundation (DLF) is a nongovernmental organization that operates from New Dehli, in India. DLF engages not only in what they call “Environment-waste management, recycling and composting”, but also in providing education for underprivileged, helping children with specific learning disorders and by doing different awareness programs to enlighten teachers and students, i.e. schools (Our Activities, Development Links Foundation). To raise the incitements of collecting the cartons, DLF and TP made an alliance, which started in 2007. Since then, TP has been giving financial support to DLF, in order for them to educate ragpickers and wastedealers by setting up workshops etc. and to collect cartons from wastedealers and shops and schools around Dehli (Md. Faiz Ullah Khan, 2009-12-05).

DLF is a nongovernmental nonprofit organization, and by receiving funds from TP, they pay the wastedealers and wasteshops 4,25 INR/kg. When the cartons have been collected they are sent to the recycler Dev Pyriah, an active recycler that TP supports. DLF participates in the alliance between TP and TERI by helping them to collect the TP bins from schools, which so far constitutes around 100 bins out in 30 schools around Dehli. The collected waste from schools per month is about 1 ton and the total amount of cartons coming from wastedealers is about 25 tons (Ibid, 2009-12-05). Md. Faiz Ullah Khan states that TP cartons are quite hard to collect, while they are very light in weight and the fact that they are not worth very much in contrast to PET-bottles etc (DLF is exclusively collecting and selling PET and TP cartons). DLF is trying to increase the prize though, to 6-7 INR/kg TP cartons. But even though, around 4500 ragpickers in Dehli are daily giving their helping hand to collect the cartons and DLF and TP are both very eager to increase this amount (Ibid, 2009-12-05).

4.5.3 School Milk Program in Mumbai

In year 2000, TP set up a Food for Development Office (FfDO) wanting to support and implement different school and feeding programs worldwide. Today, TP is involved in more than “*50 countries benefiting 50 million children, of which 29 million are in developing economies*” along with different partners such as UN – agencies, governments, NGOs and local customers (Social and Environment Update, 2009).

In Mumbai, India, TP is, together with Nestlé, supporting 1200 municipal schools and 450 000 children by selling milk for a subsidized price, i.e. Nestlé providing the milk and TP the cartons (Jaideep Gokhale, 2009-11-09), wanting to make food “*safe and available, everywhere*” (TP News Release, 2008-09-24). The program was initiated in 2007 by the Municipal Corporation of Mumbai City (BMC) together with TP, GK Dairy and an environmental NGO (Ibid, 2008-09-24). Stree Mukti Sanghatana, an active collecting partner of TP, is responsible for the collection of empty school milk packages from the municipal schools across Greater Mumbai that participates in the School Milk Program (FAQ, TP). According to Jaideep Gokhale TP sees this as a starting point for TP, i.e. their goal is to initiate it in many more schools throughout India (Jaideep Gokhale, 2009-12-09)

4.5.4 WWF - Young Climate savers and carbon footprint recommendations

“*By just doing small changes in your everyday life, people can make huge difference helping the environment*” (Namita Khurana, 2009-12-08).

In November 2007, WWF India partnered with TP as a non-governmental joint initiative – the YCS program, trying to, as a phase 1, implement a program in 200 pre selected schools in ten cities, with an aim to create awareness to about 20000 students (and teachers) about climate change across India; influencing their lifestyles and convert them to sustainable low carbon lifestyles (YCS Report, 2008-11-15). Namita Khurana says that *“-students can make a huge difference, they are the pressure-group which goes and tells their parents at home”* and she also states that children/students are the ones that have to deal with the problems that the generations before them have created (Namita Khurana, 2009-12-08). Furthermore, three quarter of the Indian population is constituted by people under the age of 25. (Why children should join YCS?, WWF-India). By cooperating with schoolteachers and by using workshops, competitions between schools, making field trips, quizzes and such the aim was succeeded - the students and the teachers were educated on climate change, its impacts, its causes, mitigation and adaptation. Some of the outcomes the first year were for instance that merely 300 teachers had participated, students showed a change in attitude toward the environment and numerous schools had enhanced lower power consumption (YCS Report, 2008-11-15).

In December 2008, WWF India and TP were introducing the YCS website (the first of its kind in India) with an aim to, together with the 20000 students and teachers, spread the knowledge and over several years educate many more to become climate savers. Though, WWF are not accepting all of the companies that are willing to collaborate, for instance with companies that are doing it just to be seen as “environmental friendly”; as oil companies etc. Namita Khurana addresses that TP is not given any advertising space when in the YCS project, they are contributing money and help to the benefit for India and their environment. The company that wants to collaborate with WWF, will have to do more than just giving money (Namita Khurana, 2009-12-08).

Beyond the YCS program with TP, WWF tries to pressure TP by informing them about their carbon footprint and how to reduce it and also how they can do environmental improvements. This is a part of the Global Climate Saver program and TP India is the first country where WWF launch this program with TP locally (Amrita Choudhary, 2009-01-17). The 10th of December 2009 Jaideep Gokhale and Amrita Choudhary visited WWF for a meeting with two representatives from the organization. On the question from WWF on what TP's intentions are with the carbon footprint report and what they want to achieve, Jaideep Gokhale answered: *“-We want to reduce our carbon footprint because we are clueless about our carbon emissions for the moment. We want to do this in order to improve our image and it will be a talking point for us externally. Also, if a customer comes to us and want to do something similar, we can help them out”*. Jaideep Gokhale sees further advantages: *“-We can do environment improvements and at the same time achieve cost advantages in different ways”*. During the interview Jaideep discussed about how important a carbon footprint is in a stakeholder point of view: *“-No one is pressuring TP right now, but I begin to hear some noises from Coca Cola and PepsiCo. They are waking up now, not because of domestic pressure, but because they are facing pressure from other parts of the world”* (Jaideep Gokhale, 2009-12-10). The final footprint report with recommendation will be finished the 20th of December 2009. During the meeting Jaideep Gokhale was not that impressed of the numbers that were presented by WWF and demanded further improvements until the final report: *“-Your presentation isn't complete, there is no wow-factor! We want further analysis to be made and we want to have some kind of benchmarking so that the numbers you are presenting stands in relation to something”* (Ibid, 2009-12-10).

4.5.5 TERI's SEARCH Awareness Program in Bangalore and Delhi

TP together with the organization TERI, The Energy and Resources Institute, has launched a program called "SEARCH": *"-we launched the SEARCH program with TP this summer and it is running until next year"*, says Awanti Roy Basu, Research Associate at TERI in Bangalore. The project aims to educate pupils in Bangalore and Delhi about problems related to waste and to increase the understanding of recycling. The program also aims to initiate a habit of recycling amongst the youths and the recycling of TP cartons not at least (Awanti Roy Basu, 2009-11-25).

The purpose of taking this program is according to Awanti Roy Basu simple: *"-children but also their parents have the point of view that the TP cartons aren't recyclable and therefore have no value; we want to change that ignorance"*. Totally 30 schools in Bangalore and 30 schools in Delhi are involved. Two bins are placed in each school, which means 120 bins totally. In Delhi, 210 kg has already been collected through the bins by the pupils, but in Bangalore not much has been collected yet. In Bangalore the cartons are collected by the pupils from their households or campus and then collected in the bins. In Delhi they sell beverage drinks in the schools, which means that a higher collection rate is possible. Awanti Roy Basu also says that: *"-the students are less receptive for awareness programs like "SEARCH" in Bangalore than the more environment educated Delhi pupils"*. Amrita Choudhary, Environment Coordinator on TP, says that if the collection of TP cartons in Bangalore does not improve the collaboration with the schools that do not collect enough TP cartons will end, but in those schools that have a good collection rate, cartons should be collected also after the SEARCH program has ended (Amrita Choudhary, 2009-12-10). Saahas and DLF are the two NGO's that collect the cartons from the schools and then transport the waste to Daman Ganga Paper Mills or Dev Priya Industries Limited and they of course, want a high collection rate to make the collection economically sustainable (Awanti Roy Basu, 2009-11-25)

On the question how the collaboration with TP works, Awanti Roy Basu answers that TP has played an essential role in the TERI school project. TP is covering the costs for the collection of the cartons on the schools by supporting the collectors and is also supporting the project in many different ways, both financially and with their connoisseurship. Awanti Roy Basu says that: *"-TP has participated to take this project many steps further and we and TP now work as a team"*. TERI also has some collaborations with other companies than TP. Awanti Roy Basu mentions Dell and the E-waste initiative they have together, but admits that they don't have such relation with them as with TP: *"-they only help us with funding, nothing else, and that's why the collaboration with TP is much closer in comparison to the other ones"* (Awanti Roy Basu, Ibid). Also from TP's point of view this collaboration is successful. Amrita Choudhary says in one of her e-mails: *"-We feel that this is one of the most esteemed programs we launched ever and is important to drive home our story of Good for you, Good for the Earth through students. And also for the first time this kind of program has given a platform for everyone in this school to do something for the environment by disposing the waste in a right way. This initiative has helped us creating awareness about the recycling of our cartons"* (Amrita Choudhary, 2010-01-17).

4.5.6 TP's cooperation with Daman Ganga Paper Mill in Vapi

Since 2007 TP cooperates with Daman Ganga paper Mill in Vapi. Tushar Shah is the Managing Director and owner of the only recycling facility in India that is completely focused on "active"

recycling of TP cartons. (Jaideep Gokhale, 2009-11-10). In 2009 Tushar Shah won Gold in Lockheed Martin's "India Innovates" award for his efforts in this field. He was rewarded for his efforts in the complete recycling of TP cartons. Daman Ganga Paper Mill is the first and only recycling plant of its kind in India that has shown that it is possible to not only recycle pulp/paper content, but also the poly-al composite. This recycling facility has been successful, not only to achieve a 100% sustainable recycling solution, but also to sell the recycled products to a high value output. This makes the recycling sustainable in an economical and environmental perspective (Environment and Social Update, 2009).

Daman Ganga Paper Mill was at first financed by TP together with Tushar Shah's own investments. Today is the recycling facility standing on own feet without any financial extern help from TP which he commented in following way:

"-TP do not want to support something that does not need support, until the middle of 2009 they always supported me, they compensated me for the price I paid for the cartons, but at the time I was sustainable I went to TP and told them that I don't need support something they appreciated a lot. Why I did that was because I want to proof that our process is sustainable and in the longer run the equal partnership is far greater and actually what is causing our growth" (Tushar Shah, Ibid)

The help that Daman Ganga get's from the Management of Teta Pak, is help to build important relationships with collectors around India, but also to give Tushar Shah exclusive rights to recycle all cartons that are generated from schools that are participating in projects like in Bombay, with 450'000 milk cartons consumed every day and like TERI's school project in Bangalore (Tushar Shah, 2009-11-11). On the question of the relationship with TP Tushar answered:

"-TP always has that sort of small pressure on you so that we perform and always give our optimum in every situation and achieve the best result. That's good for any company. I think it is a good way for us to work like that. They also give us a lot of exposure and insist that we participate in workshops and conferences and also sponsor us to go out and talk to other people and teach other people, also they want us to know what people do in other parts of the world, so that we can benchmark or integrate new ideas to find better solutions in our processes". (Tushar Shah, Ibid)

The fact although remains that Tushar Shah would not be able to recycle the cartons in an economically sustainable way, if TP didn't financially support voluntary organizations as Saahas. Tushar Shah is a business man and entrepreneur and would not buy TP cartons from the Indian market if it was not profitable. Because of the relatively low price he is paying per kilo from the voluntary collectors around India, it is not a profitable business for the collectors and they are therefore relying on TP helping them financially. TP on the other hand gladly helps the voluntary organizations in order to build a good image and preventing future problems related to a low recycling rate (Tushar Shah, Ibid).

The process of recycling the TP cartons at Daman Ganga Paper Mill is in theory simple. The large hydra pulp machine separates the paper and the poly-al content. The paper is then milled into pulp and finally sent away to a paper mill for production. In this case, Tushar Shah is the owner of all the plants where the pulp is sent to and makes a good business out of it. The difference between the Daman Ganga Paper Mill and others is that the poly-al content also is completely recycled. After the

separation process the poly-al content is used in the process of producing highly competitive roofing sheets. According to Tushar Shah the market demand is huge for the roofs and a new machine is therefore installed which will have a capacity of 1500 sheets per day. The roofing sheets are then sold on the roofing sheet market for a competitive market price (Tushar Shah, 2009-11-12).

Daman Ganga Paper Mill has a capacity of 50'000 tons TP cartons/year, but is only recycling 20'000 tons/year. Jaideep Gokhale says that: *"-even if Tushar would recycle 100% of the cartons generated from the TP consumption, it would only equal about 50% of his total capacity (Jaideep Gokhale, 2009-12-10)*. The recycling rate of post consumed TPs from India is limited to 10 % of all TPs that are recycled at this recycling plant. Because of this, Tushar Shah needs to import most of the post consumed cartons from Europe, even though the collection in India is steadily increasing (Tushar Shah, 2009-11-09). Jaideep Gokhale means that the import of TP cartons from Europe is only a short term solution for Tushar Shah. In the future he has to rely on the domestic market, because as Jaideep Gokhale says: *"-the quantities can decline very fast when it comes to the imported carton waste"*. Jaideep means that the domestic collection has to increase, so that Tushar can make a business out of the domestic carton waste (Jaideep Gokhale, 2009-12-10). Tushar Shah only pays about 8 INR/kilo for the imported package waste and that compromises just the shipping costs. To the Indian wastedealers and collectors he pays between 10 and 12 INR per kilo. Tushar Shah's intention is to pay more/kilo in future when he has achieved a larger scale and a better market price for his paper products and roofing sheets (Tushar Shah, 2009-11-09).

4.6 Hindustan Unilever - An example of a company that has problems with legislations due to complex multilayer material

Hindustan Unilever produces different kinds of products in India, including food and beverage products. The company has over 15'000 employees in India and is one of the world's leading suppliers of fast moving consumer goods (Introduction to HUL, Hindustan Unilever). According to Tushar at Daman Ganga Paper Mills, are several kinds of packages that Hindustan Unilever uses to their products not recyclable in India, which has led to environmental problems, because the recyclers have not had the time or money to adjust to these, for India, relatively new kinds of wastes. The waste is commonly seen on the streets and Hindustan Unilever has failed to show that their different multilayer plastic packages are recyclable, even if they actually all are, according to Tushar Shah (Tushar Shah, 2009-11-11). The Ministry of Environment and Forests has already issued a draft notification about plastic waste rules, which forbids plastic bags and some kinds of multilayer packages to be sold on the Indian market. One of the conditions in the plastic rules notification of 2009 is: *"no person shall manufacture, stock, distribute or sell non-recyclable laminated plastic or metallic pouches, multilayered packagings and other non-recyclable plastics"* (Plastics Rules Notification, 2009).

Tushar Shah says that: *"-the new legislations can lead to huge problems for those companies that are producing multilayer plastic products, but aren't working for more recycling or creating awareness about it"*. Tushar Shah also says that: *"-this will in a long term perspective lead to problems for companies like Hindustan Unilever, even if they will do their best to run away from their responsibilities when the Government will pressure them with the new plastic rules"*. Tushar Shah thinks that Hindustan Unilever will be pressured by the government and estimates that they will be

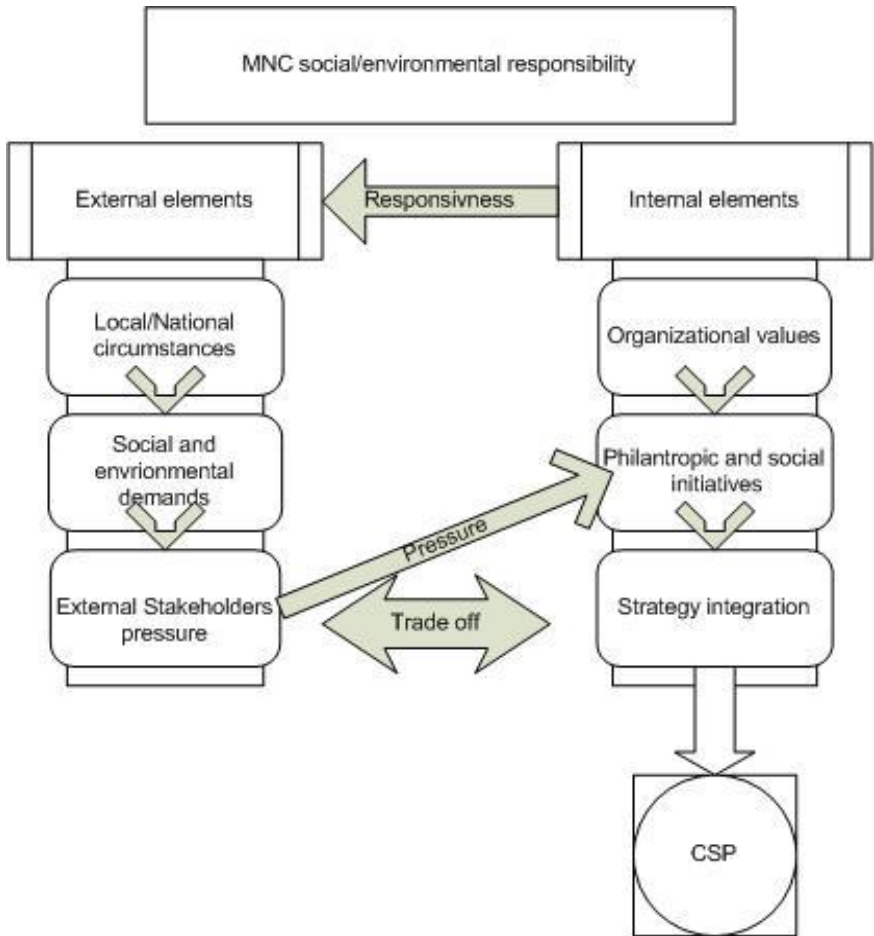
given 3 years time to prove sustainability: "*this will cost them many times more than if they would have started with this work several years ago, but they have a short term thinking and does only makes allowance to their shareholders in America, not to their stakeholders in India*" (Tushar Shah, 2009-11-11).

5. ANALYSIS

Based on the arguments of Muller and Kolk that are considering CSP to be external and -internal driven, and the Porter & Kramer's theory about strategic CSR we have formed a self made model based on those theories and applied it on TP's CSR in India. Our self made model aims to describe the connection between the external and internal elements for the creation a MNC's CSP

5.1 Conceptual model

Based on the arguments that consider CSP to be both externally and internally driven and that the link between the two elements is a "strategic choice", we have created a conceptual model, which in this analysis section will be applied on TP's CSR in India. This model aims to describe the connection between the external and internal elements for the creation of the CSP in an MNC context. From the literature about CSR it is perceived that there are a variety of reasons in a corporation's internal and external environment that shape how the corporation responds to CSR related issues. The model can be seen as a simplified picture of what is shaping the social behaviour in MNCs, where every single part of the model alone could be divided into a broad range of factors, something that is clarified in the theory chapter.



External elements

The local/national circumstances affect the social and environmental demands among external stakeholders and others that have identified a social or environmental problem in their environment. The next step is that the stakeholders pressures the MNC to change in that direction that gains the issues that the stakeholders are concerned about. How high the pressure is, depends on the responsiveness of the MNC. If the company has not been proactive to solve issues that the external stakeholder are or may be concerned about, MNC's tend to respond to those demands that the external stakeholders have and that's what we call "responsiveness". That's when the company tries to moderate the negative effects caused by their business, but of course also to demands that not only can be directly connected to the MNC's social impact on the society, like awareness initiatives and so on.

Internal elements

Even if there are stakeholders that are demanding a change, the organizational values that a MNC has is essential in terms of how social and environmental issues are perceived as a problem and how it affects the philanthropic and social initiatives are formed. A company without any tradition of social thinking integrated in their core business strategy will not likely to the same extent be recipient for external demands, but if a MNC has a social approach where environment and social questions are a part of the core values and core business strategy they will be much more recipient for external demands. The core values and strategies of MNC's are formulated by the Management in other parts of the world far away from India (Tetra Pak in Sweden and Hindustan Unilever in the USA), but are critical for the MNC's in that country that they operate.

Philanthropic and social initiatives and the connection to strategy integration

The external and internal elements together form the philanthropic and social issues. The next issue is if the external and internal elements have contributed to integration between society and business. It is clear that the external and internal interests are different because of natural causes. The external pressures and demands on a company are often very high, and at the same time are the ambitions with the philanthropic and social initiatives of MNC's not compatible with the external demands. By researching the grade of strategy integration of the philanthropic and social initiatives it is possible to distinguish which trade off between society and business that is achieved. Strategy integration requires an interaction between the MNC and the stakeholders, which in best cases could lead to a "win to win" situation, where both parties gain from the initiatives. This is what Porter & Kramer call "Strategic CSR". If just the society gains from an initiative and not the MNC or the opposite, the initiative is not to be seen as fully appropriate.

CSP

The CSP is constituted by the outcome of MNC's philanthropic and social initiatives. Although, this research investigates the individual acts of CSR at a particular point in time, the authors have chosen to use CSP as it is the outcome of TP's actions that is finally observed. By looking at the trade-off aspect, we want, based on the model, to sketch a good picture on how successful the CSP of TP is perceived to be.

5.1 External elements

5.1.1 Local/National circumstances

In the literature, it is argued, that the local circumstances affects 'how' or 'if' corporations choose to execute particular CSR initiatives in different countries. That is due to the social problems given in a specific country as well as relationship between MNC and the local government as well as with other external stakeholders (Cramer, 2006)

Low awareness

The low awareness among the Indian population about environmental issues regarding recycling has lead TP to work with NGO's like TERI, YCS and WWF in order to increase the awareness. This has affected the way TP prioritize their CSR plan.

Health issues

Due to the unhygienic way the milk, served to thousands of municipal schoolchildren, is treated across the Indian country, has been leading TP to a successful social and business solution as they are a part of the school milk programme across Mumbai (as a first step). This programme can be recognized in other countries as well, facing similar problems (Jaideep Gokale 2009-11-09).

The tradition of ragpicking

The tradition of ragpicking involves millions of ragpickers on the streets and landfills of India, making their living out of wastes and the market attractiveness of the different kinds of waste. This affects TP in the way that a high market attractiveness for post consumed TP cartons contributes to a better living for the ragpickers, struggling every day to earn enough to feed themselves and their families. That is also why TP never has evaluated the possibility just to incinerate post consumed cartons to generate energy and that is also why it is so extremely important for TP, in a CSR perspective, to achieve a sustainability of the recycling of TP cartons, not at least with the help of Daman Ganga Paper Mill. TP writes about this on their environment website:

"In some countries cartons are required to be used for their energy value (e.g. Denmark). This has the advantage of being a renewable form of energy due to the package's material composition, very low carbon, and efficiency in terms of collection. In other countries, collection norms are dictated either by law (for example, Germany) or by culture (for example India)" (Recycling Technologies, Tetra Pak).

The growing consumption of TP products

The growing wealth of the Indian population has resulted in a higher demand of packaged food and beverages. The growing consumption of TP beverages has, based on the growing demand, resulted in a growing importance of sustainable waste management solutions and not at least active recycling and collection partnerships. The problems with wastes, urbanization and rapidly increased consumption of packaged food and beverages have lead to a prioritization on solving waste management issues that are depending on an increasing consumption of TP cartons.

5.1.2 Social and Environmental Demands

The above discussed local circumstances have during the years formed the way that different stakeholders pressure TP and other companies in India. As an example are 2 million people making their living on ragpicking in India and their future survival engage numbers of NGO's and other stakeholders. When for example different collection partners, as Saahas and DLF, are pressuring companies to take their social responsibility for an improvement of the life standard for ragpickers, TP will be affected by these demands, because it is an essential issue for the society and also for TP. The same reasoning can be applied when it comes to the low awareness in schools, growing demand of beverages and hygiene and nutrient shortage among school children and so on.

5.1.3 External Stakeholder pressure

The external stakeholder pressure indicates which stakeholders that are pressuring TP and in that way are shaping TP's CSR. The influence on TP's CSR strategy of course varies because TP in the end is the one who decides which priority each demand should have in the prioritisation plan, with consideration to their environmental orientation. The most important stakeholder groups that have the most impact on TP are:

- Regulatory - Indian Government and global pressure
- NGO's - Active collection/recycling partners and WWF Customers
- Customers
- Ragpickers/Wastedealers
- Passive recyclers

5.1.3.1 Regulatory - Indian Government and global pressure

At a meeting on the 10th of December, Sanjay Gupta mentioned a new multilayer policy that may affect TP's recycling in some way. Because the policy so far is confidential we could not get any close picture of it (Dr Sanjay Gupta, 2009-12-10). This policy may in the future have the same impact on TP as the plastic rules have on companies as Hindustan Unilever if TP does not continue to invest in their environmental efforts. The new rules and policies that have come up the recent years are groundbreaking, because India historically has weak legal structures in comparison to countries as Germany and Sweden. The producer responsibility is not well-defined and the companies have got used to this. An exception is the legislations concerning multilayer plastics that in the most recent years have become stricter as already mentioned. The possibility that the legislations also will compromise other packaging materials should not be excluded. TP is, according to Peter Hane-Weijman, not into bribes (Peter Hane-Weijman, 2009-12-12) and this could potentially in a country with much corruption lead to a disadvantage in a shorter perspective.

Jaideep Gokhale mentioned at the meeting with WWF on the 10th of December that *"-No one is pressuring TP right now, but I begin to hear some noises from Coca Cola and Pepsico. They are waking up now, not because of domestic pressure, but because they are facing pressure from other parts of the world"* (Jaideep Gokhale, 2009-12-10). This is to be seen as a sign that companies within the beverage industry tries to do environment improvements in a proactive and self-monitoring way, in order to avoid future problems. TP is trying to self-monitor their environment efforts, without any

help from the government. In this way TP want's to avoid an adoption of advanced recycling fees as Amrita Rodrigues at Saahas suggested at our meeting with her on the 22nd of November. The relatively expensive TP beverages would, with an adoption of advanced recycling fees be even more expensive for the consumers and this is of course something that TP wants to avoid by acting in an environment friendly way. One litre of milk in a TP carton costs about 10 INR more than milk in a plastic bag. This is enough for an Indian consumer to already at this price level be very pessimistic regarding the price. With an additional price rise the milk in TP cartons would probably not be competitive in comparison to other alternatives.

5.1.3.2 Active collection and recycling partners

The creation of partnerships with different collection and recycling partners has been essential for TP's environment strategy since 2004. The recycling and collecting partners are trying to influence TP in different ways, but what they have in common is that they want increased market prices for TP cartons. As earlier mentioned, DLF wants the carton price per kg to increase to at least 6-7 INR from the 4, 25 INR of today, in order to be as sustainable and competitive to other recyclables on the market. Furthermore, TP's collection partners are exclusionary non-profit organizations, but as stated, they are concerned about the low market price in comparison to other recyclables (PET-bottles and such). Collectors and wastedealers have got a huge interest in making profits, which results in a lack of interest in collecting TP cartons. They simply do not generate the same value in comparison to other materials. This creates a huge problem for TP, because the today existing collecting partners are dependent on financial support (or "recycling fees" as Wilma Rodrigues at Saahas calls them) from TP, in order to collect the carton waste. The collectors and wastedealers in India are poor and are already struggling with low margins. DLF and Saahas will have to be financially supported until they've achieved and reached economical sustainability. The recycling partner Daman Ganga Paper Mill also required financial support in an early phase of the active recycling phase until he reached high volumes and could stand on his own feet. Without the guarantee of financial support the active collectors and recyclers aren't able to collect and recycle TP cartons.

5.1.3.3 WWF

WWF is an organization that is working with TP on a global as well as on a local level. As earlier mention has WWF started to measure TP's carbon footprint in India and gave recommendations to Jaideep Gokhale at a meeting the 10th of December 2009 of which actions that has to be made to lower the carbon footprint. The recycling issue has so far not been evaluated, but overall there is no doubt that WWF also in future will work as an active and demanding stakeholder for TP.

5.1.3.4 Customers

The Indian army is a pressure group that, as already mentioned, is pressuring TP to collect post consumed cartons in the poor area of Kashmir. Also stakeholders on tourist locations where TP cartons are consumed have expressed some dissatisfaction with the lack of Teta Pak collection. The insecure situation in Kashmir and the bad infrastructure makes a collection solution very complicated and expensive. Even if many surveys have shown that customers are more concerned about things as price, sell-by date and price than ethics, they should not be excluded as an important pressure group.

5.1.3.5 Ragpickers and wastedealers

Ragpickers and wastedealers are two very large stakeholder groups; their willingness to collect and store waste forms a pressure on TP as well as on India as a country. That is because India's lack of developed waste management, similar to the developed countries. Therefore they've got an enormous power and getting them to collect TP's cartons, lies in TP's best interest. Today ragpickers and wastedealers are avoiding the collection and storing of TP cartons, because of the passive recyclers unwillingness to buy them, and while ragpickers as well as wastedealers make their living on the prices they get per kilogram collected waste, it is not hard to understand the reason why they sort out TP cartons or tries to hide them in the bundles as a weight improver. In order to get them to collect TP cartons, TP needs to create awareness, primarily by convincing passive recyclers to become active and secondary to create awareness among wastedealers and ragpickers about the recyclability of TP cartons. But in order to convince them, the market-price per kilogram collected TP cartons needs to be increased.

5.1.3.6 Passive recyclers

The passive recyclers that recycle the TP cartons as a part of the paper mix waste are occasionally neglecting the TP cartons, because of the high energy consumption needed for the segregation of poly-al and paper, if the content of TP exceeds a specific limit. Some recyclers also negotiate the price if they see that the mixed bails are containing TP cartons and this is very problematic for TP, then the cartons have such a low value among passive recyclers that it in future may be very upset with this development. If the TP carton rate increase among mix waste it will harm the image of TP among recyclers and the irritation grow. The outgrowths of this development are hard to prophesy, but it could in the theory lead to big problems for TP.

5.3 Internal elements

5.3.1 Organizational values

It is from literature recognized that forces within the firm such as internal value systems and managers commitment to these may contribute to higher CSP (Muller and Kolk, 2009) The core values of TP are set to guide their behaviour in a consistent way across different cultures around the world. The core values of TP do not only include customer focus, but also responsibility, partnership and a long term and life cycle view. This is moreover stated by TPs commitment to environmental protection globally as well as locally in terms of employed environmental initiatives furthermore by the importance given to sustainability reporting.

"We take a long term and life cycle view, continually improving environmental performance, communicating openly with our stakeholders and reporting regularly on our performance" (Policy & Goals, 2009)

Consequently an internally driven social and environmental orientation is perceived in TP India, reflected by TPs globally environmental policy and mission, to act in an environmental sustainable way and to demonstrate environmental friendliness as well as openness towards stakeholders. The overall environmental orientation of TP is further recognized as an important element shaping the outcome of their corporate responsibility in India. It is not at least observed that the way TP India act

in terms of addressing problems and collaborates with key stakeholders, substantially can be derived from overall organizational values both in the way things are done as well as the managers perception of what the company represents. This can first of all be portrayed by the relationships with external stakeholder observed in the study. It was recognized that more or less all of the external stakeholders that were visited, were very satisfied with the TP partnership or even highlighted TP as a unique partnership. By the voluntary organization Saahas, manager Wilma Rodrigues pointed out that nobody of their collaborators do as much effort for the environment as TP. It should be declared that Sahaas collaborate with a number of MNCs that are active in Bangalore. Also in interviews with representatives for the TERI's SEARCH initiative, the uniqueness of the relationship was stated: *"-TP has participated to take this project many steps further and we and TP now work as a team"* (Awanti Roy Basu, 2009-11-25). It was furthermore emphasized by comparing the collaboration with the one with Dell, where it was pointed out that with TP they receive interaction and feedback, with Dell it was just grants: *"-they only help us with funding, nothing else, and that's why the collaboration with TP is much closer in comparison to the other ones"* (Ibid, 2009-11-25).

Moreover the collaboration with DGPM can confirm the influence of the global intention to express openness towards stakeholders but also that the performance dimension plays an important part in the organizational philosophy of TP. In a relational context this also implies that TP intends to transfer a sort of social responsiveness pressure on its collaboration partners. In other words they want their partners to act in a way that is compatible with their own values and in return they offer the possibility of equal partnership as well as necessary funding support.

"-TP always has that sort of small pressure on you so that we perform and always give our optimum in every situation and achieve the best result. That's good for any company. I think it is a good way for us to work like that. They also give us a lot of exposure and insist that we participate in workshops and conferences and also sponsor us to go out and talk to other people and teach other people. They also want us to know what people do in other parts of the world, so that we can benchmark or integrate new ideas to find better solutions in our processes." (Tushar Shah, 2009-11-11)

Interviews with Tushar Shah further confirmed to the authors that from TP sight, mutual partnership are important and aligned in their way of doing business which includes a performance element but also high requirements on trust.

"-TP do not want to support something that does not need support. Until the middle of 2009 they always supported me, they compensated me for the price I paid for the cartons, but at the time I was sustainable I went to TP and told them that I don't need support, something they appreciated a lot. Why I did that was because I want to proof that our process is sustainable and in the longer run the equal partnership is far greater and actually what is causing our growth" (Ibid, 2009-11-12)

The collaboration with DGPM and the overall priority made by TP to invest in waste management issues and recycling can besides act as an empirically ground to emphasize proactive behaviour of TP. The grade of awareness and the intent to strategize is in this case for many reasons very high for TP. As we have seen, the recycling plays an essential part for TP's CSR strategy. This is because TP has understood that the waste management is very important for them, because they 1. don't want future problems with the Indian legislations 2. They want to be ahead of other companies when it comes to CSR 3. want to act in a way that is compatible with their culture, identity and core values

and 4. want to improve their image in a country where recycling plays an important role because of the already mentioned local circumstances.

It is consequently reasonable to say that the environmental awareness that characterizes TP globally forms the way decision is made in TP India. Everyone that is working for TP becomes a part of their sustainability thinking (to a great extent even the collaborators) which moreover is an important part of TP's strategy and aligned in organisational values. How large part that is resulting from the corporations values system or from the managers ethical orientation, or the drive of the manager to adapt organizational values and "do the right thing", is although hard to say. It can based on the author's observations and interviews with some certainty be said that it is a combination of the two, as TP as a MNC has high expectations, also of the ethical orientation of the managers representing the company.

5.3.2 CSR initiatives in TP's perspective

As stated above, TP in India is highly influenced by the stakeholders that have contributed to shape the philanthropic and social initiatives they have today. To evaluate the different social initiatives that TP has, it is essential to question what the social initiatives benefit TP in different perspectives.

TERI's SEARCH project (external and internal pressure)

TERI's SEARCH project is a social initiative that has been influenced by both TP and different stakeholders in Delhi and Bangalore. The initiative suit well with the core values of TP and is therefore interesting for them. At the same time the initiative is based on social issues in India, due to lack of awareness and collection of wastes. At the same time TP achieve image advantages by supporting the initiative. For TP, the initiative has not any connection to regulatory issues and not any short term business advantages.

WWF – YCS (external pressure)

The WWF - Young climate savers initiative is a typical example of collaboration on a philanthropic level. TP does not benefit from it directly in a business perspective and also not indirect through an improved image in a large extent. This is because WWF does not want their collaborations to develop into some kind of marketing arrangement for the companies. In comparison to the TERI initiative TP doesn't market themselves to the schoolchildren, because this awareness program purposes a general increase of the environment awareness among school children and not recycling specifically. But this does of course not prevent TP to market this initiative to their stakeholders and others. The WWF - Young climate Saver program is much to be seen as an initiative based on stakeholder pressure and at the same time to entertain the good relationship that TP has with WWF in general. The YCS initiative has a good connection to the core values of TP and the local circumstances in India.

DLF & Saahas (external and internal pressure)

The initiatives fit good with the core values of TP and also contributes to proactiveness when it comes to regulatory issues. But it badly affects the business sustainability, though does it affect the image of TP positively.

DGPM (external and internal pressure)

DGPM is the closest collaborator of TP. The collaboration has a good connection with the core values of TP and also to the local circumstances in India. TP uses the DGPM initiative in their marketing to a high extent and the initiative is the most proactive one in India, since it satisfies the government and it helps TP from future problems with regulatory issues in India. The business perspective is also important because it prevents TP from future penalties.

School Milk Programme (external and internal pressure)

Another successful initiative is the School Milk Programme in Mumbai and it suits well with the core values of TP and provides too a great image advantages for TP. At the same time it is a very profitable business for TP and it is to a large extent associated with the social circumstances in Mumbai. So far as recycling is concerned, all the cartons that are being consumed reach DGPM. The initiative has not any connection with regulatory issues.

5.3.2 Grade of strategy integration between TP and the society

The importance of an interaction between business and society is as mentioned very important in order to achieve a trade-off between business and society. A value chain social impact is to be seen for TP regarding their Responsive CSR. This is because of the impact TP has on social issues in India. This depends mainly on the post consumed cartons that turn into waste and therefore constitute a threat for the environment. To moderate negative effects caused of the impact of post consumed TP cartons has on the environment and at the same time turn it into something good for the business it is essential to create what Porter & Kramer calls "Strategic CSR". The grade of strategic CSR is to be seen as an indicator of how good TP responds to the demands of the stakeholders and how they succeed to integrate the social initiatives with their business. If the trade off is high, the MNC will more likely have a successful CSP.

The School Milk Programme in Mumbai is a very good example of an initiative where TP has created a big customer in Mumbai, market themselves towards school children and at the same time contributed to the society. To begin with the society perspective, the poor children get the nutrition that is necessary in order to stay healthy and also receive milk that is treated in a hygienically way, not that given in the Indian society. For TP, the schools in Mumbai have developed into important customers and even if the price is subsidized, it generates big profits for TP. For Tushar Shah at Daman Ganga Paper Mill the school milk program means a generation of 450'000 post consumed TP cartons/day, which is very important for the sustainability of his operations.

The TERI's SEARCH project is partly to be seen as a strategic CSR initiative, even if it does not generate any short term profits. But by making school children aware of the benefits with collection and recycling of TP cartons, they succeed to contribute to a higher awareness among school children and at the same time market themselves. They also contribute with the carton bins that additionally strengthen the marketing and create a new collection habit that never has existed among these children. This collaboration fails in the way that the initiative hasn't been so successful in Bangalore as in Delhi. The collection rate in Bangalore isn't even near the collection quantities in Delhi. The lack of pedagogy and interest from teachers in Bangalore also contributes to this difference. At the same time is the TERI initiative in Delhi very successful because of good teachers, high collection rate to

the bins (as a verification that the pupils understand the message) and interested and curious pupils on the seminars.

We have seen that some of the social initiatives do not completely fulfil the requirements for a Strategic CSR in the way that they do not contribute to a trade-off between business and society. An example for this is the collaborations between TP and their collection partners DLF and Saahas which together with TP have, because of external circumstances, failed to prove an economical sustainability in the collection of TP cartons. As earlier mentioned these collection partners both receive financial support, but the question is if a trade-off is achieved? The truth is that Saaha's long waste transports between Bangalore and Vapi can actually question the environment friendliness of the whole initiative and also question if the few tons that Saahas collect, pays back to TP in both a short and long term perspective. Also the cooperation with DLF can be questioned. The wastes are transported to Dev Pryia recycling facility, a facility that does not recycle the poly-al content, something that TP India sees as a very important part of their CSR, perhaps a bit ambiguous? Also, the costs for collecting carton wastes are very high and the sustainability can therefore be further questioned. The intentions with the collection partner initiatives are undoubtedly very good, but TP together with the collection partners, have a long way to go. The reason that TP has not yet succeeded in creating sustainable waste collection solutions depends on the fact that TP has not had time to find more recycling partners that could shorten the distances between the collection and recycling partners. There are also too few collectors near the already existing recycling partners, something that makes it difficult for the recycling partners to recycle as much carton waste as they want to. Another problem is that there are only two employees that are working with CSR questions at TP India for the moment, Jaideep Gokhale and Amrita Choudhary.

The value chain impact on social issues made it very important for TP to find an active recycling partner with enough commitment and economical power to recycle TP cartons, in order for TP to act proactively. Daman Ganga Paper Mill has so far succeeded with this and that's also why the Daman Ganga Paper Mill in Vapi is the number one when it comes to sustainability and this adds big value to TP's Strategic CSR in India, because it is a good beginning for achival of environment sustainability and reduction of the impact of post consumed TP cartons.

The collaboration with WWF with the YCS initiative is as already mentioned a philanthropic collaboration and isn't a strategic CSR initiative because the trade-off is unclear. The only thing that is obvious is that the society gains from it, but what TP benefits from it is hard to say more than that it improves the relationship between TP and WWF as earlier mentioned.

6. CONCLUSIONS

In this paper we wanted to discover the driving forces of CSP in a developing country and which trade off different social initiatives have between business and society. The grade of trade-off is in our perspective essential for the outcome of a MNC's CSP, which is described in the author's own model. The conclusions will be based on the analyses of TP but is to some extent to be seen as conclusions about MNC's in developing countries in general. Our conclusion will answer the question:

"From a MNC point of view, what are the driving forces of CSP in developing countries, particular from an environmental perspective and is a trade-off between business and society achieved?"

A fundamental finding of our research is that the organizational values in terms of internal value systems and ethical orientation of managers are decisive when it comes to MNC social performance in developing countries. The study suggests that the substantial and organized pressure from external stakeholders is not as high as the pressure from internal drivers of MNCs. The internal drivers are in the first place essential for the corporation's ability or compliance to identify problems in the external environment and further to proactively or in response to demands address these problems. Organizational values and image advantages are to be equalled as drivers of MNCs CSR initiatives together with an open and performance driven approach, which have proved to be essential issues in achieving sustainable social initiatives.

The case has shown that external drivers in India affect a MNC in many perspectives. It is for the authors clear that an adjustment to the external environment on the market where the MNC is active is very important. As this thesis deals with a MNC where waste management problems have affected the MNC in a large extent in the way they work with CSR and this also concerns other MNCs in the same industry. The ragpicking is a widespread phenomena in developing countries and for a MNC that generates consumer goods, as TP, this is an important issue to deal with. The truth is that the work to adapt to the ragpicking issue must continue for TP, because the other competing package products have a higher value on the waste market and that's also what TP must strive for to achieve: a higher value of their post consumed products. Jaideep Gokhale mentioned in one of our interviews with him that the growth rate of 30 % in sales will continue the next coming years in India and this itself says us not only that TP has made an incredible market performance, but also that the consumption levels in India are growing steadily. This creates challenges for MNC's to establish sustainable solutions in developing countries as India, because the waste problems will increase parallel with the growing consumption. Furthermore are issues as health (School Milk Programme) and awareness (TERI and YCS) important to deal with on a market as India in order to achieve sustainability and satisfy the external stakeholder pressure. Also regulatory in form of legislations are important to make allowance to. Perhaps are the regulators not to be seen as a huge driving force today, but in order to work proactively they must be taken in consideration.

With our analyses we also intended to give a good picture of the importance of achieving a mutual trade-off between business and society. The advantages of building up an image prevent from future problems with regulations and achieving profitability are very important driving forces for TP and other MNC's in developing countries. To combine these different driving forces with external demands is essential in order to achieve a successful CSP. The school milk programme and the Daman Ganga Paper Mill's collaboration with TP are two examples of initiatives where a consensual

trade-off can be distinguished. These kinds of trade-offs should be seen as a model for other MNCs when shaping their CSR strategy in developing countries. But there are also social initiatives that our case company should reconsider or improve in order to not only achieve social benefits, but also rethink if the initiatives pay back to the company in an input/output perspective.

Further Research

Further research could be to suggest how to achieve successful waste management solutions in India. Also, it would be interesting to evaluate the possibility of collaborations between MNC's that are facing similar social value chain impacts as TP and how that could make their CSR work more effective. A benchmarking could also be done, in order to easier compare internal values between different MNCs and how these could affect their CSP.

As the conceptual model has been developed and used to analyze one MNC in a developing country, due to a limited time frame, it would be interesting to see if the model could be generalized and used in other MNC's facing similar problems as well. Obviously, the hope is that it could be further developed and eventually used as a guideline, helping companies to comprehend all internal and external drivers that are needed to be seen as crucial surviving in a world, wherein companies (especially MNC's) - from their economical to philanthropic actions, are becoming more and more visible to the broader view of spectators watching them.

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Attachement

The way for a beverage/food multilayer package from the store to a recycling facility From the moment that a TP carton is consumed to the moment where it lands up at Daman Ganga Paper Mill or other recycling partners to TP is a long and a pretty complex mapping . The model above is heavily simplified and because of the lack of information in this area we have to do our on conclusions based on the interviews we have done with NGO's and with TP.

