

NATIONAL OPEN DATA CONFERENCE 2024



RESPONSIBLE BUSINESS IN CAMBODIA

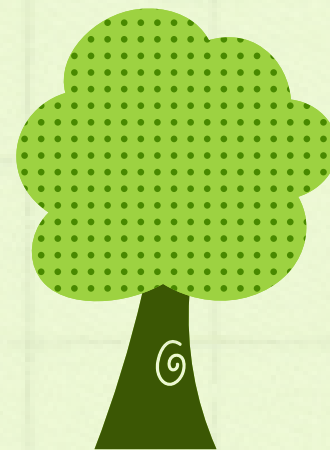
by Chanphalla Ban



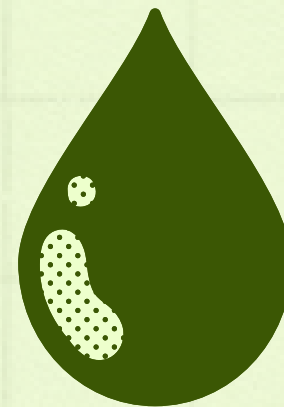
CONTENTS



WHAT IS RESPONSIBLE BUSINESS?



CSR LANDSCAPE IN CAMBODIA



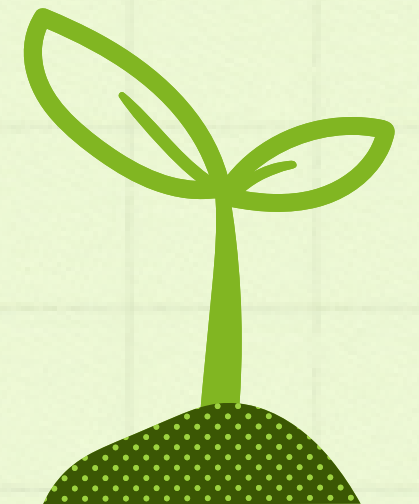
ODC'S CSR DATASET

WHAT IS RESPONSIBLE BUSINESS CONCEPT?

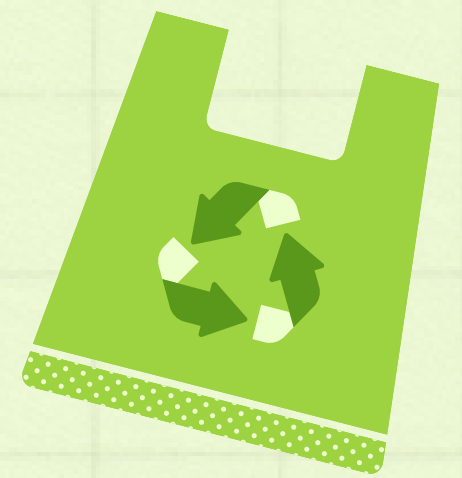


There is no single universal agreed definition of the term. Different organizations have their own idea of what responsible business is.

It is a concept where business should be responsible for their action on society, economy and environment.



WHAT IS RESPONSIBLE BUSINESS CONCEPT?



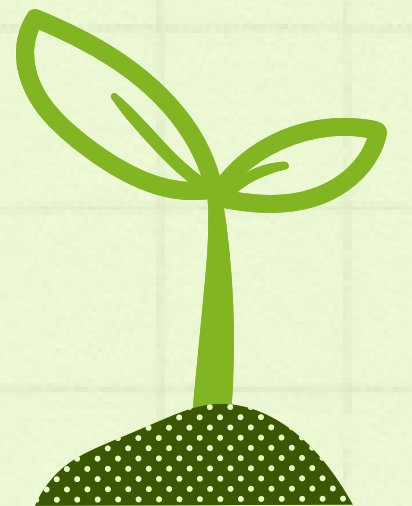
It is the idea that companies, corporates or businesses should act responsibly, and identify and manage risks of impacts linked to their operations, products or services, including in their supply chains and other business relationships. (OECD).



WHAT IS RESPONSIBLE BUSINESS CONCEPT?



Responsible business is more than just philanthropy and environmental protection. It ranges from employee well-being, respect for human rights, and the area that the company's operation correspond to.





CORPORATE SOCIAL RESPONSIBILITY (CSR)

- CSR is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. (UNIDO)
- CSR is completely voluntary
- It's a form of **self-regulation** that can be expressed in initiatives or strategies, depending on an organization's goals. (Harvard Business School)



FOUR CATEGORIES OF CORPORATE SOCIAL RESPONSIBILITY



Environmental Responsibility

is the belief that organizations should behave in as environmentally friendly way as possible. It's one of the most common forms of CSR.



Ethical Responsibility

is concerned with ensuring an organization is operating in a fair and ethical manner. Organizations that embrace ethical responsibility aim to practice ethical behavior through fair treatment of all stakeholders, including leadership, investors, employees, suppliers, and customers.



Philanthropic Responsibility

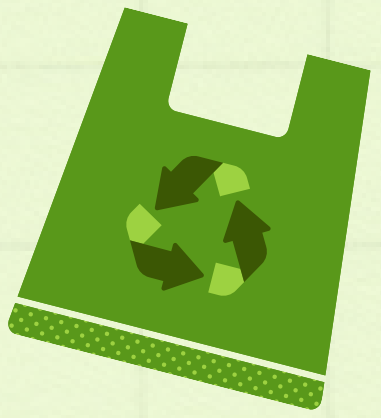
refers to a business's aim to actively make the world and society a better place.



Economic Responsibility

is the practice of a firm backing all of its financial decisions in its commitment to do good. The end goal isn't just to maximize profits, but also to make sure the business operations positively impact the environment, people, and society.

BENEFIT OF CONDUCTING BUSINESS RESPONSIBLY



- Improve employee well-being
 - Favorable working condition
 - Respect for human rights
 - Ethical labor practice
 - Additional benefit
- Contributing to sustainable development
 - Environmental protection
 - Promote sustainable practice
- Support for Stronger Communities
 - Internship
 - Charities
 - Volunteer programs.



Benefit of conducting business responsibly



CSR LANDSCAPE IN CAMBODIA

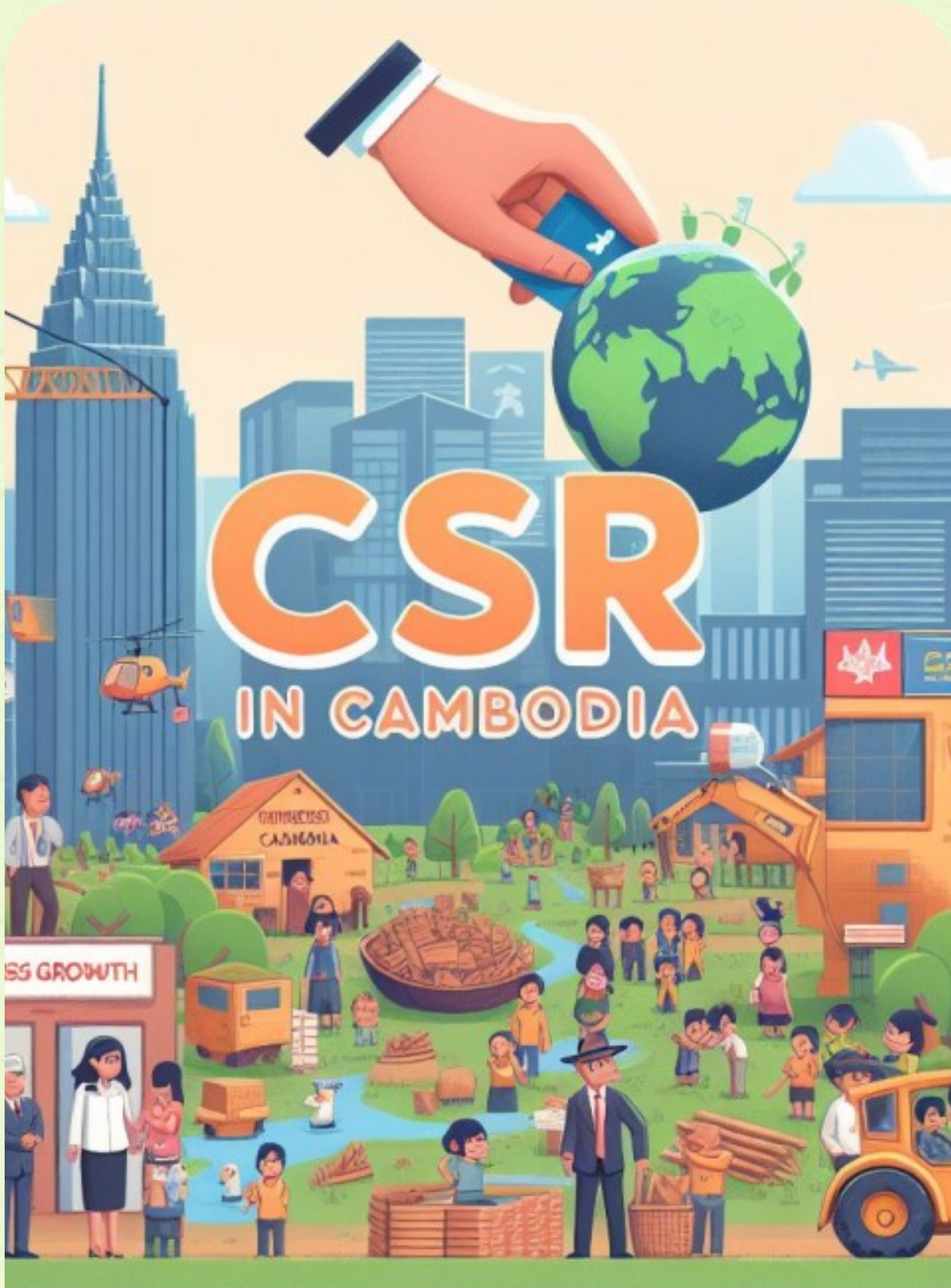
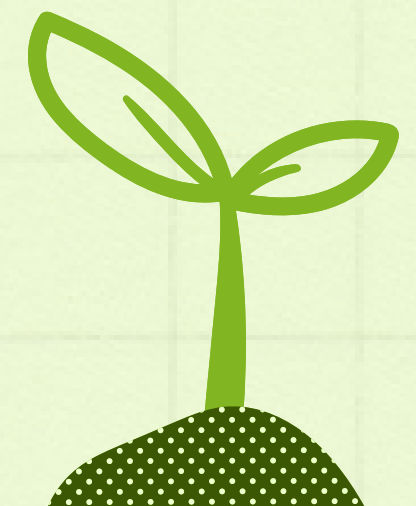


PHOTO CREDIT: [LINKEDIN](#)

CSR LANDSCAPE IN CAMBODIA



The 2022 economic census found that there are more than 750,000 business establishments that employed nearly 3 million citizens.



Data on SMEs.

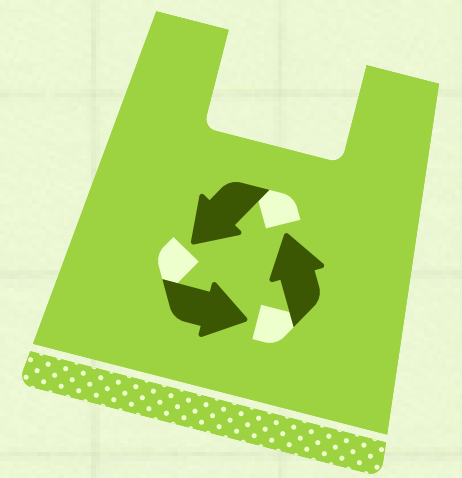
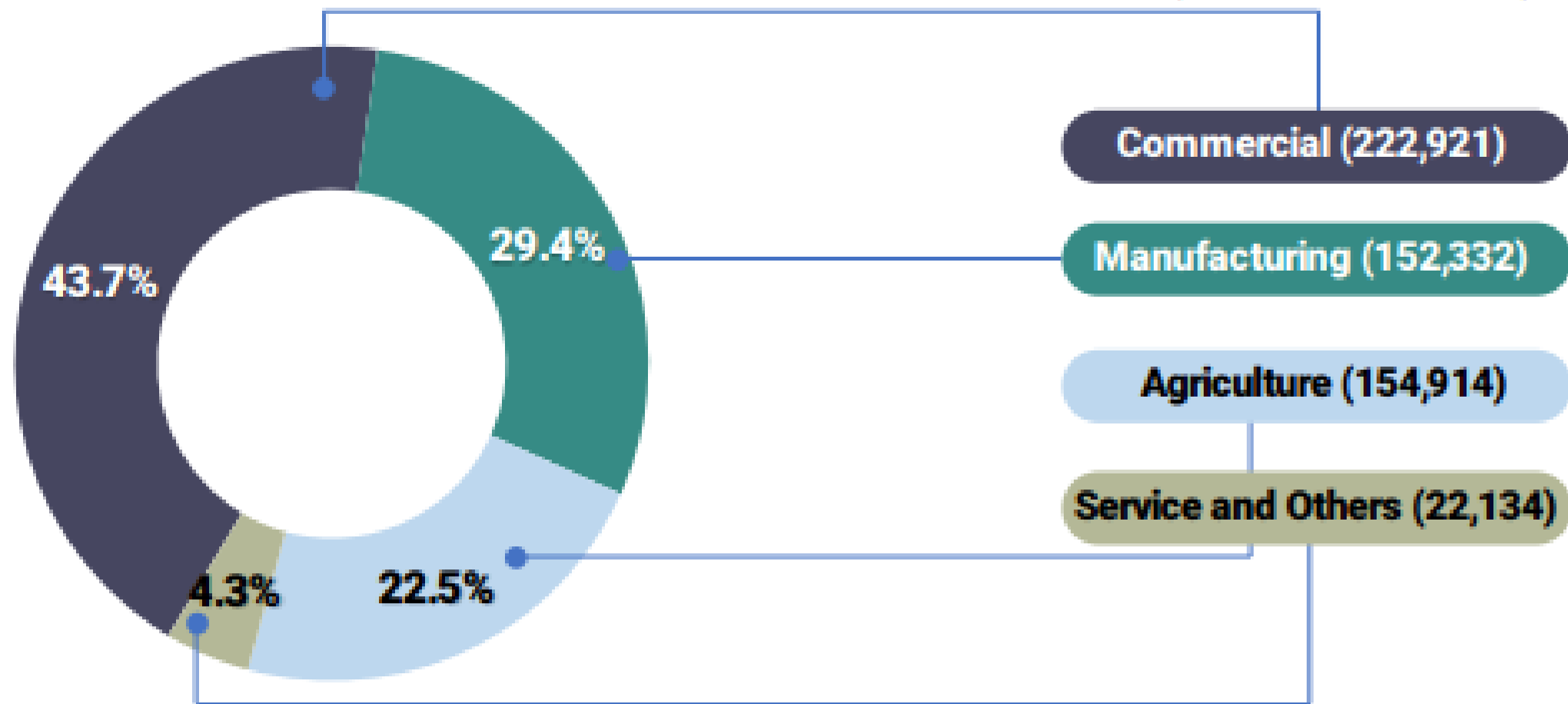


Figure 3: Share of SME Segments in Cambodia 2019 (% of total SMEs)



Source: Ministry of Industry, Science, Technology and Innovation



Data on SMEs.



Between 2018-2022, new SMEs registered were 4,891, generating jobs of 64,877.

Renewed SME licenses were 3,424 SMEs during the period.
(MISTI)

The number of small and medium enterprises (SMEs) registered at MISTI rose to 43,974 in 2022



Data on foreign investment



Net inflows of foreign direct investment in Cambodia (%GDP)

The graph below illustrates foreign direct investment (FDI) net inflows in Cambodia and shows a significant increase from 2.5% in 1994 to 14% in 2020.



Chart: Open Development Cambodia, license under CC BY-SA 4.0. • Source: [The World Bank](#) • [Get the data](#) • [Embed](#) • [Download image](#) • Created with [Datawrapper](#)



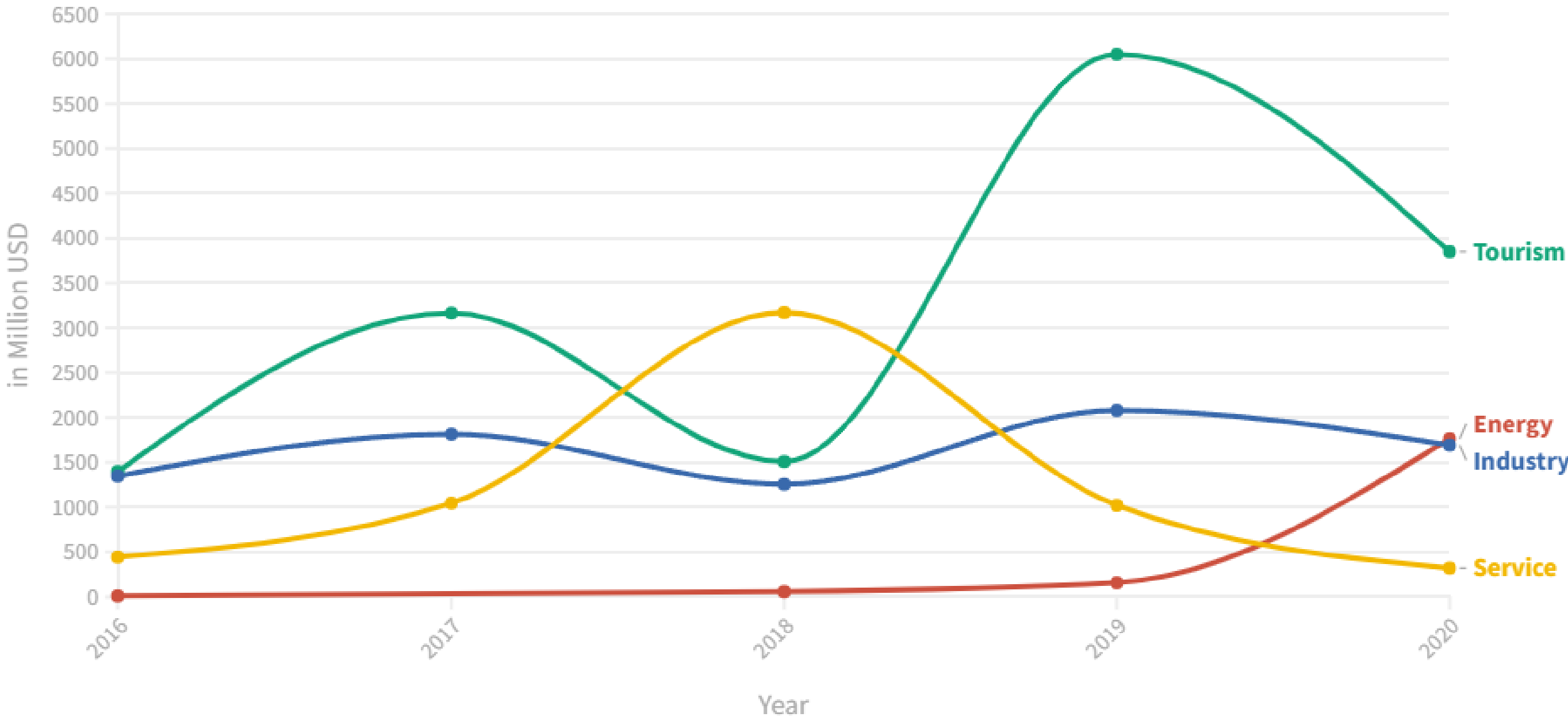
Data on foreign investment



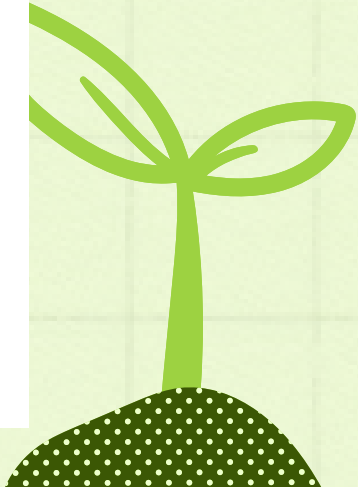
Investment trends in Cambodia by sector

The line graph show Cambodia's investment trends on different sectors over the period 2016-2020.

Linear ▾

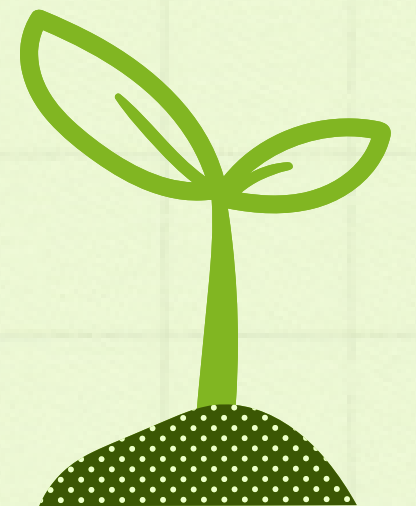


Source: Ministry of Foreign Affair and International Cooperation [Dashboard series about Cambodia](#)



CSR LANDSCAPE IN CAMBODIA

As data shows, the private sector dominates the economy. They are profit-driven so the concept of responsible business is crucial in securing and maintaining socio-economic, environment and sustainable development.



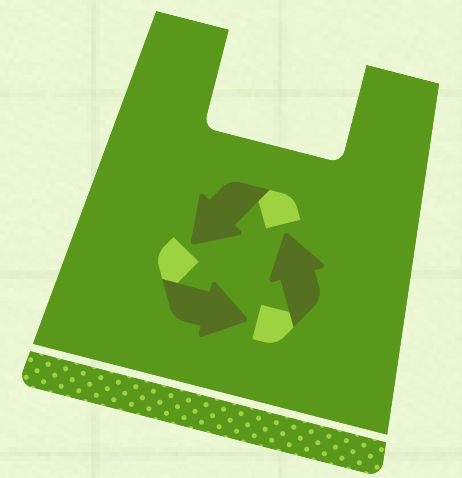
CSR INITIATIVE IN CAMBODIA



CSR is a fairly new concept to Cambodia. Many big corporations associate their CSR activities to the education, health, and environment sectors. For example, Smart, Cellcard, TotalEnergie, Chipmong etc.

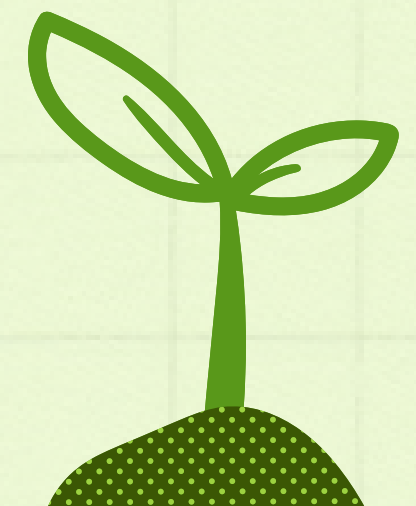


CSR INTIATIVE IN CAMBODIA



Key observation:

- Most Corporations that have CSR programs are mostly international brands
- Their Big competition has CSR
- Many of them are in financial sector such as bank.
- Many of their activities associated with charities, education, health, or environment related.



THE GARMENT SECTOR



The garment sector accounted for 11 percent of the economy and contributed around 50 percent of Cambodia's real GDP growth in 2021.

As of September 2023, there were over 17,600 registered factories in Cambodia, with nearly 1.5 million employed workers. The 1,337 factories have produced textiles, garments, footwear, travel products, and bags.



THE GARMENT SECTOR



This sector is often linked with labor conflict and exploitation between the employee and the employer

According to the responsible business principle, companies should provide a safe and friendly working environment to the employees and respect their rights.



THE GARMENT SECTOR



The companies often receive pressure from the customer to practice their business responsibly, especially those in the EU

They demand the companies to comply with CSR standard.



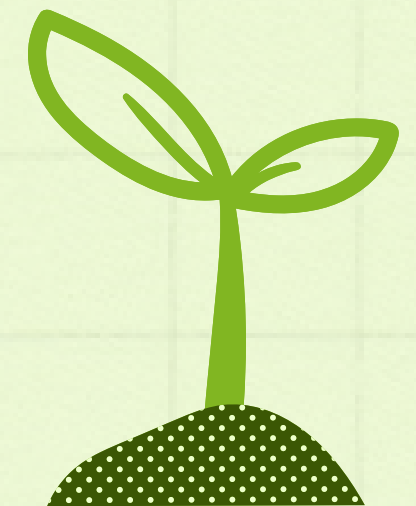
CSOS WORKING TO PROMOTE CSR PRACTICE



International Labour Organization (ILO) : Better
Factories program

EuroCham : Responsible Business Hub

Textile, Apparel, Footwear & Travel Goods Association
in Cambodia (TAFTAC): CSR Garment Award



INTERNATIONAL FRAMEWORK TO PROMOTE RESPONSIBLE BUSINESS PRACTICE



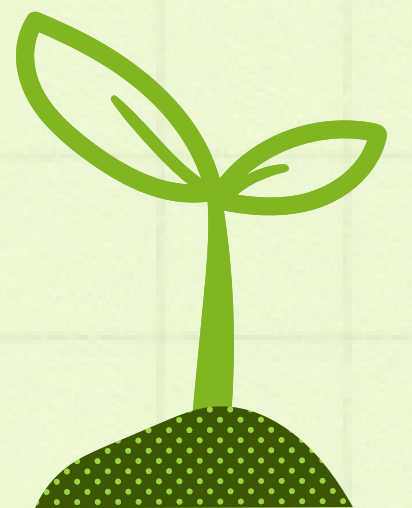
United Nation's Guiding Principles on Business and Human Rights (UNGPR)

OECD's Responsible Business Conduct (RBC)



CHALLENGE OF CSR IMPLEMENTATION

- Lack of Expertise
- Can be costly
- Lack monitoring mechanism
- Can be easily taken advantage of
- limitation in data dissemination
- Limited awareness





ODC CSR DATASET

**THANK YOU
FOR YOUR
ATTENTION**

