

# Social responsibility in Mexico

## Responsabilidad social en México

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#### ABSTRACT:

The aim of this paper is to look at social responsibility in the Mexican context. It notes the history of the phenomenon, emphasizes the paternalistic aspects or features at play, and highlights the ongoing tension between corporate social responsibility and the imperative to produce large profits. The paper stresses that Mexico does appear to have a less developed culture than that found in the United States. However, large corporations in the country are active in the realm of social development.

**Keywords** Corporate social responsibility, paternalism, stakeholders, value creation

#### RESUMEN:

El objetivo de este artículo es analizar la responsabilidad social en el contexto mexicano. Anota la historia del fenómeno, enfatiza los aspectos paternalistas o rasgos en juego, y destaca la tensión continua entre la responsabilidad social corporativa y el imperativo de producir grandes ganancias. El artículo destaca que México parece tener una cultura menos desarrollada que la encontrada en los Estados Unidos. Sin embargo, las grandes corporaciones del país están activas en el ámbito del desarrollo social.

**Palabras clave** Responsabilidad social corporativa, paternalismo, partes interesadas, creación de valor

## 1. Introduction

Mexico is a land that does have a tradition of social responsibility. Since the early years of the twentieth century, the country's formal constitutional edicts have called for businesses to provide medical services, benefits, savings plans and scholarships to workers (May, Cheney, & Roper, 2007). As will be discussed at some length later, a number of corporate social responsibility (CSR) programmes, championed and supported by leading Mexican firms, dot the Mexican landscape. However, while surprisingly pervasive, many Mexicans view these CSR programmes with skepticism and with a jaundiced eye aimed at what the real intentions of the corporations in question may be (Velásquez, Marín, Zavala, Bustamante, Esquer, & Munguía, 2009). As will become clear, this skepticism is well-founded in light of the strategic and rather

cynical objectives which shape many such programmes in Mexico. Corruption, up to and including bribe-taking (Windsor, 2013), is a common feature of life in Mexico, and a lack of transparency, coupled with the paternalistic nature of Mexican corporations, can clearly call into question whether the public will benefit nearly as much as corporate elites. Thus, exploring the full state of affairs in Mexico makes it possible to identify to what extent CSR really works in the country, and to what extent the country can still improve upon its current situation. The accrued evidence points to the fact that Mexico's major business empires are filling a vital role in the society that needs to be filled in light of how the state persistently fails to protect and insulate its citizenry. But, until such time as a strong and robust domestic non-governmental organization (NGO) architecture or community takes hold in Mexico, it is not clear if the outside pressure will be sufficient to nudge the country towards a more contemporary and modern CSR culture that values overarching business ethics as much as conspicuous displays of generosity. At the present time, Mexican companies still struggle with their CSR scores relative to their North American counterparts (Gössling, 2011). This will need to change if these firms ever hope to enter into the vanguard of international firms.

As time allows, this paper will explore, in brief, the background of corporate social responsibility in Mexico, and look at the contemporary context; in both instances, a general overview will be provided that will segue into a much larger exposition offered by the literature review. Corporate social responsibility appears to be more along the lines of patriarchal or paternalistic veins than it is the kind of progressive CSR one finds in other jurisdictions. And this paternalistic approach to corporate social activity can be rather easily overwhelmed – or informed – by profit concerns. Even though it more directly involved the state than any particular private concern, the proposed forced expulsion of Zapatistas from their land for the sake of “economic development” is a good instance of how profits can supplant people in Mexico (Banerjee, 2007). Of course, this is hardly confined to Mexico, too. Nonetheless, this paper will call attention to the country's struggles to create a viable and sustainable corporate social responsibility culture that does not rely upon paternalistic or cynical practices.

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## **2. Methodology**

The methodology for this paper entails a thorough and systematic literature which does cleave to any specific conceptual or theoretical lens but, instead, reviews the available scholarship with an eye to determining what phenomena and trends define Social Responsibility in modern-day Mexico. The materials are drawn exclusively from peer-reviewed or academic articles and monographs, and the works are also drawn from the late 1990s forward. Some scholars appear on multiple occasions, and they are cited because of their standing in the scholarly community, and because of the thoroughness and empirical nature of their work. Both qualitative and quantitative sources have been consulted.

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## **3. Background**

Since its founding near the dawn of the twentieth century, the Mexican constitution has enshrined in writing the expectation that the private sector will provide for private citizens and employees (McGuinness, 1998; Serna de la Garza, 2013). This expectation has persisted through the decades even in the face of corrupt one-party domination of the nation's political scene, and the societal upheavals that took hold when the old political order was finally broken (Logsdon, Thomas, & Van Buren III, 2006). While the matter will be explored more exhaustively during the literature review, corporate social responsibility in Mexico is defined by a few broad features that have not changed much in recent years: 1) large corporations generally are the enterprises that oversee CSR projects; 2) the state appears to largely be a non-player; and 3) the NGO community that might guide, nudge, cajole and steer CSR activities on the part of large corporations is a small one and evidently did not begin to establish any sort of substantive footprint before the latter half of the 1980s and the arrival of the Centro Mexicano para la Filantropía (López-Fernández, 2017). Mexico is a nation wherein

the employer is a kind of parent, though a parent that – as we shall see – is unafraid to impose sharp expectations upon its children.

### **3.1. Contemporary Context**

In the contemporary context, Mexico is a curious case study insofar as it appears to have a large number of corporations that actually do not formally acknowledge any CSR activities on their part – at least not on their corporate websites (Velásquez et al., 2009). Still, large private corporations have assumed predominance in the realm of CSR and have used CSR as an implement of social brand positioning and product/service placement (Logsdon et al., 2006). Although not all sectors within the Mexican economy are prepared to enthusiastically embrace CSR (Ortega et al., 2016), a number of larger businesses with interests in the retail and finance sectors have made it a point to offer outreach CSR projects for small businesses and for struggling private citizens (Logsdon et al., 2006). Mexico is thus a nation wherein social responsibility is significant, but also a nation wherein CSR initiatives are orchestrated by firms that demand a measure of reciprocity that is steeped in paternalism and dominance.

### **3.2. Literature review**

A company in Mexico, or most anywhere else, exercises social responsibility through some of the following: social investments; strategic philanthropy; constructive involvement in political and local social discourses; and acting responsibly in dealings with public stakeholders and concerned parties (Cajiga, 2004). In the case of Mexico, a review of 46 corporations found that only 13 actually had a defined Corporate Social Responsibility template or framework available online as of 2009 (Velásquez et al., 2009). Clearly, social responsibility has been less important than generating profits for many large Mexican businesses.

Although corporate social responsibility is most commonly associated with private entities, public businesses and organizations in the Mexican context do (on occasion) perform appropriately. For instance, the state-owned gas company, Mexican Petroleums (Pemex), and the Federal Electricity Commission (CFE) have both acted proactively to promote social development and proper social responsibility practices in their business dealings (International Business Publications, 2015). This focus on corporate responsibility, at least on the part of these large-scale state enterprises, is likely linked – amongst other developments – with the rise of an NGO class in Mexico since the 1980s (Scientika, 2011). Others, though, can trace the rise of corporate social responsibility in Mexico, at least in the commonly understood modern sense, to the 1970s and the activism of public-minded socialists such as Lorenzo Servitje (Zolov, 2015). It is most certainly incorrect to argue that what we consider corporate social responsibility emerged with the arrival of the United States (US) firms; CSR had been a part of the Mexican landscape long before that (Logsdon et al., 2006).

To expand on the material above, McGuinness (1998) reports that the Mexican constitution that came into being in 1917 specifically mandated that corporations formulate a paternalistic approach to workers – an approach which was subsequently given legitimacy through later legislative writ. Particularly, such legislation mandated that firms offer benefits to workers, offer on-site meals, provide health clinics, and even housing (McGuinness, 1998). For some time, owing in large measure to the corruption and incompetence of the long-reigning PRI, the state was ineffectual (at best) in providing interstitial support services and a meaningful social welfare network for citizens. In recent decades, at least since the 1980s, it seems as though businesses and business elites have increasingly become the dispensers of philanthropic largesse and the actors who offer a degree of social support and patronage in the absence of a strong and responsible state bureaucracy (Viesca-Sada, 2004). Lest the impression be created that Mexican corporations are somehow uniquely enlightened, it is appropriate to note that Mexican corporations which offer social support and patronage for citizens also demand concomitant responsibilities that are very much compulsory in nature. This occurs even as such

corporations are – and have been historically – mired in questionable conflicts of interest and lack of transparency in their governance structures and protocols (Logsdon et al., 2006). One can plausibly argue that the implicit and explicit reciprocity inherent in such social relationships acts as a kind of social control while also ensuring the predominance of the major firms in question. There is, in short, a paternalistic strain that marks Mexican corporate social responsibility, with major corporations often becoming the *loco parentis* and assuming the role that should be filled by the Mexican state.

In any event, corporate social responsibility, marked by an appreciation for the economy, the local social ecology, and the long-term needs of the enveloping community, is a phenomenon that certainly stands in sharp juxtaposition to the onslaught of corporate neoliberalism which has sought to refashion Mexican corporate practice in the past few decades (Vargas-Hernandez, 2015) and which has created a political context in which a discussion can unfold about the forced expulsion of indigenous groups residing on land that can be used for agribusiness or for resource exploitation (Banerjee, 2007). Be that as it may, and hearkening back to the paragraph above, it seems reasonable to conclude that private institutions in Mexico are steadily experiencing greater pressure to eschew encroaching neoliberalism in favor of socially responsible practices that recognize the rights and dignity of the citizen (Dondisch & Gómez, 2017; Luna & Montana, 2017; Ulfgard, 2017). As international expectations change within an interconnected global marketplace, it seems certain that Mexican policymakers will have no recourse but to apply pressure and incentives to ensure good corporate stewardship and socially responsible behaviours. For their part, it seems inescapable that Mexican corporations will have to follow this same pathway. Already, there has been a sizable push within the academic literature to impress upon manufacturing SMEs in Mexico – especially in Guadalajara – that conspicuous acts of corporate social responsibility can lead to greater social positioning and recognition on the part of Mexican society (Sanchez-Gutierrez et al., 2013).

It is tempting to argue that CSR in Mexico is founded upon less cynical ambitions or strategies than what are distinguishable after reviewing organizational activities in Canada and the United States. However, at least one study insists that the teaching of corporate social responsibility to future business leaders in Mexico tends to emphasize the value that the conspicuous display of such accrues to the organization. By contrast, future business leaders in Canada are broadly taught to appreciate and privilege the needs of different stakeholders in the global business environment and are encouraged to see the ethical ideals that animate CSR (Gonzales, Eroglu, & Barragan, 2016). This is but one study, of course, but it leaves us with the distinct impression that the manner in which corporate social responsibility is taught does vary between Mexico and its more northern counterpart, and this difference may ultimately be attributable to the fact that CSR as an ideal finds a more credent audience in corporate cultures that are wealthier and that can afford to emphasize things outside mere profits. In any case, strategic social positioning, and strategic social positioning, courtesy corporate social responsibility practices, do produce value for the firms smart enough to employ them (Husted & Allen, 2007). To be more still more specific, research into 111 Multinational Enterprises in Mexico finds that corporate social responsibility fosters genuine value creation when centrality, voluntarism, and visibility are married to CSR (Husted & Allen, 2009).

The ideas put forth in the paragraph above are most definitely interesting, and do highlight how businesses in less-wealthy cultures may feel less impelled to pursue what can be easily misconstrued as decadent activities or corporate machinations, but not all scholars arrive at the finding offered by Gonzales et al. (2016). Saldaña Rosas (2010), for instance, while acknowledging that corporate social responsibility is at a fairly early stage of its development in Mexico, stresses that CSR in Mexico is predominantly motivated by philanthropic, charitable and welfare concepts. This sounds suspiciously like the kind of idealism taught in North American (Canadian) educational institutions as depicted by Gonzales et al. (2016). The incongruence between the two works is surprising, but it may be said that perhaps they are not as dissonant as they appear: a society that is relatively impoverished has little choice but to emphasize

charity and non-state philanthropy since a conventional safety net – such as the one found in Canada – does not exist. At the same time, however, since private philanthropy and charity are already well-established within the Mexican culture, maybe young business students in this land are thus encouraged to see charity and philanthropy in a somewhat different light – as a tool, in short, for business growth and expansion. Nonetheless, the divergence between Gonzales et al. (2016) and Saldaña Rosas (2010) is one of the more interesting features of the scholarly canon.

In continuing with the theme sounded above, and while not a universal practice, a number of Mexican corporations do publicize their CSR activities as acts of philanthropy, and stress their appreciation for the needs of various stakeholders (Paul et al., 2006). Still, in Mexico as elsewhere, institutional pressures – not genuine strategic analysis of social issues and stakeholders – guide organizational decision-making vis-à-vis CSR (Husted & Allen, 2006). CSR may matter, in Mexico and elsewhere, but making money still matters more. This is sadly the case even though there is empirical evidence that CSR can greatly invigorate the corporate bottom line.

It does appear, on the surface, that CSR developments in Mexico are less shaped by civil society than by the agendas of the private business sector – and CSR is very much animated in the country by a strong corporate social investment component (Weyzig, 2006). It may thus be said that the civil society of Mexico is not as robust or sophisticated as what one finds in other nations (such as the two nations directly north of it), and this explains why the country's CSR may suffer by comparison. Interestingly, research also intimates that Mexican firms with strong market orientation appear to also possess strong corporate social responsibility behaviors (Felix, 2015). It seems that firms which successfully meet the needs of their consumers, and which are in tune with the imperatives and vicissitudes of the market, are instinctively and strategically predisposed towards embracing CSR. This is a worthwhile message that should be conveyed to all Mexican firms that want to carve out a lasting niche in the marketplace.

Sadly, if Mexico's large agribusiness sector is to be understood, many Mexican corporations are much more comfortable paying lip service to CSR than to actually implementing in real life. To be more specific, it seems as though the stated commitment of many owners and proprietors of Mexican agribusinesses to corporate social responsibility belies the actual lived experiences of migrant agri-sector workers (Ortega et al., 2016). This again feeds into the above narrative that many Mexican businesses allow financial imperatives to supersede concerns about whether or not workers are being treated properly, or all pertinent stakeholders are having their questions and concerns addressed. In the Mexican chemical sector, something similar is also to be found, with Mexican firms generally committing themselves to community dialogue, emergency preparedness, and community awareness practices instead of more sweeping practices that substantively tackle pollution and toxic waste cleanup (Acutt, Medina-Ross, & O'Riordan, 2004). Such laggard practices should not be used to solely indict Mexico, for it is true that other Latin American nations – with the possible exception of Brazil – still have appreciable work to do in fostering productive and robust CSR cultures (Agüero, 2004). Mexico has a long way to go, but the country still has time and the latent resources to get to where it needs to be.

Time and again, research points to the fact that CSR is a worthy strategic initiative that can turn a corporate brand into an industry titan. Empirical data culled from research carried out at the start of this decade notes that consumer perceptions are unquestionably enhanced if a corporate brand is viewed as being committed to CSR initiatives – especially on a global scale. In short, global brand positioning has, as at least one of its imperishably vital components, marketing-oriented corporate social responsibility (Becker-Olsen, Taylor, Hill, & Yalcinkaya, 2011). Be that as it may, pharmaceutical and automotive firms operating within Mexico are notorious for failing to aggressively and assertively announce themselves as CSR firms. There is, lamentably, a lack of proper reporting, and this is made worse because the outside societal pressure for more proactivity in the realm of CSR is simply not present. The sad irony is that these firms are missing out on the many salutary benefits that spring from corporate social

responsibility practices: a bolstered corporate image; enhanced stakeholder satisfaction; increased brand loyalty; and a greater capacity to differentiate the firm from others in the industry (López-Fernández & Rajagopal, 2014). Follow up studies echo the aforementioned findings, while also stressing dependable business growth, customer satisfaction, and heightened social wellbeing (López-Fernández & Rajagopal, 2016). If Mexican firms can ever trust themselves to look beyond immediate gratification, they may find that a hearty embrace of CSR will turn their enterprises into global players and dominant heavyweights in Latin America.

The literature is broadly unambiguous: there is a positive association between CSR (which can be more generally described as ethical behavior) and long-term sustainability and reduced corporate risk (Cortez Alejandro, Rodríguez García, & Méndez Sáenz, 2013). And there is a similar general understanding that CSR can be used – especially in the case of a developing nation such as Mexico – to develop social welfare and wellbeing through the conscious and conscientious utilization of corporate resources (Cruz-Mejía & Olvera Pérez, 2015). If the literature is to be believed, not every Mexican corporation that has turned to CSR as a way of improving its profile – and as a way of improving the lot of the enveloping communities – has been efficacious or smart about doing so. For instance, Salazar, Husted and Biehl (2012) writes that CSR activities need to be managed and measured just as other projects are managed and measured. Furthermore, it is imperative to quantify the actual social outcomes achieved and pre-testing and post-testing control group designs are an integral part of gauging the effectiveness of any CSR initiative. The Patrimonio Hoy project (envisaged and overseen by the corporation CEMEX), was an ambitious corporate social responsibility project that fell short of its ultimate goals precisely because it was not measured, planned and aggregated (and quantified) as it should have been (Salazar et al., 2012). To do a CSR initiative poorly or without much forethought is little better than doing none at all. Indeed, a case can be made that a failed CSR initiative is worse than doing nothing, for it surely creates a perception of organizational incompetence and half-heartedness that defeats any positive cosmetic value that might accrue to the undertaking.

Pressing ahead, it is clear by now that Mexican firms can do more to take full advantage of CSR and the cosmetic gains it offers. Nonetheless, one thing that should never be overlooked is that all firms tend to make mistakes, and market traumas do occasionally obviate efforts to take more proactive steps in the realm of corporate social responsibility. Some scholars, in fact, argue that it is necessary for organizations to act more defensively during times of crisis and to excise unnecessary or dispensable corporate social responsibility initiatives and programs (Orlitzky et al., 2003). This view is not shared by all, however, as others maintain that firms actually tend to increase their CSR initiatives in the realms of diversity, environment and even employee relations in periods of financial reversal or when markets are roiled (Harrison & Berman, 2016). There may be no simple answer to whether or not CSR projects become more important or less important during times of crisis, but it is likely that they actually assume a greater import in periods of crisis for the simple fact that brand strength and robustness is clearly a vital implement in drawing customers in and retaining their goodwill when a company is faced with the prospect of losing their patronage.

From what has been disclosed in the pages above, it is apparent that corporate social responsibility has a firm place in the Mexican tradition, even if it is rooted in paternalism and in an unequal asymmetry of power that effectively strengthens the dominance of the corporation over the private citizen. It is also equally indubitable that there exists a tension between corporate social responsibility and the corporate imperative to turn a profit – preferably one as big as possible. But has not yet been touched upon are the specific activities that are employed by Mexican corporations to invigorate and uphold the communities of which they are a part. The next several paragraphs should help in this regard.

Namely, Grupo Bimbo has long been involved in activities concerning the environment. To wit, 1988 saw it begin to contribute to reforestation efforts and, in 2002, it created a non-

governmental organization that was (and ostensibly remains) dedicated to reforestation issues (Logsdon et al., 2006). Grupo Bimbo is also noted for entering into a micro-finance institution, FinComun, that provides micro-loans to the many small local shops from which 80% of Bimbo's income is derived (Gutiérrez & Jones 2004). The company's efforts to give back at the domestic level are not rooted in the secular humanism of North American academia, but in the Catholic social doctrine of the company's original founder, Lorenzo Servitje (Servitje, 2003). Thus, a Catholic-inspired paternalism guides Grupo Bimbo affairs and, laudable as it is, Grupo Bimbo's actions are a conspicuous marker of the state's failed duty and the overweening power of major corporations to insinuate themselves into the lives of citizens in a fashion that aggravates their existing power.

Another major firm of note is Grupo Bal. This firm stands out for owning and operating universities. In particular, it stands into the breach created by the Mexican government's notorious inability to invest appropriately in the nation's higher education. As a huge conglomerate with diverse interests in the retail, healthcare and financial sectors, and as the owner of one of the country's leading universities, Instituto Tecnológico Autónomo de México, Grupo Bal is profoundly insinuated into the educational system of Mexico. Of course, this insinuation is not seen as problematic by the private concern: Grupo Bal argues merely that it is using its capacious resources to assist in the broader development of Mexican society (Logsdon et al., 2006). One could necessarily argue, of course, that the powerful firm is truly creating a state of affairs wherein talented and ambitious domestic students are immersed in Grupo Bal's culture so as to eventually occupy administrative and executive positions within the firm while reflexively embracing and endorsing the company's values and its agenda. This may or may not be sinister in intent, but it is undeniably problematic to have a private corporation overseeing the educational training and grooming of Mexican students when the state should be assuming this role.

In any case, other Mexican firms are wholly dedicated to the proposition that the private sector should be a good corporate citizen, though such actions – or posturing, as the case may be – does not necessarily spring from altruism. To wit, Banco Azteca and Grupo Elektra are two large firms that, as part of Grupo Salinas, provide goods and services to the under-served populations of the country (Prahalad, 2006; Logsdon et al., 2006). It is a matter of some debate whether or not Grupo Salinas is doing this to serve society, or to create an indebted and dependent class of domestic consumers who, lacking other options, have no recourse but to embrace Grupo Salinas and its offerings. There is also, beyond that, a degree of cynicism inasmuch as Mexican tax laws, since 2002, have allowed contributions to environmental and community projects to be tax deductible (O'Brien, 2004). While Mexican history can legitimately argue that corporate social responsibility on the domestic front may trace back all the way to mutual aid societies, trade unions and professional associations that date to the nineteenth century (Sanborn, 2002), it is not manifest that contemporary Mexican corporations are acting in an especially altruistic manner. Instead, they could be using the awesome power they already wield to shape the educational experiences (and internal cosmologies) of young people, while tightening their grip on the lower classes. Still, what they do generally satisfies a vital need, and there would be far less of a need for their work were the Mexican state more progressive, efficacious and proactive.

As this literature review draws to a close, a few points are in order. To commence, while this review indicates that corporate social responsibility does exist in the Mexican context, it seems to cohere around self-interested paternalism more so than anything else. Muller and Kolk (2009) insist that Mexican firms manifest less philanthropic involvement than do American firms; the CSR landscape, furthermore, is perceived as being less developed in Mexico than in the United States despite the apparent magnanimity of some of the large firms noted above (Becker-Olsen et al., 2011). Finally, ethical frameworks and protocols are not as formidable or as well-defined as they are in the United States, thus leading to issues of transparency, conflicts of interest, and potentially problematic internal cultures (Marta, Heiss, & De Lurgio, 2008). In



such a corporate context, one of the key tenets of CSR – that organizations should never knowingly inflict harm upon their stakeholders (Campbell, 2007) – would certainly seem to be in jeopardy, notwithstanding the positive and salutary undertakings which have been already discussed in the preceding paragraphs.

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## **4. Results**

Briefly stated, the results of this study point to Mexico having in place a somewhat antiquated and paternalistic CSR tradition that, while it fills in the interstitial space the state cannot be bothered to occupy, does not do nearly enough to guard against corrupt or unethical business practices, and does not do nearly enough to end the cycle of dependency that defines lives for many Mexican citizens. There is the clear indication that the NGO community in Mexico remains small, and there is the clear indication that corporate responsibility remains more superficially ingrained than it should be. Mexican businesses and corporations appear torn between what they need, in terms of profits, and the initial costs – and potential benefits – of corporate responsibility initiatives. It may be some time before the corporate milieu in the country achieves a true understanding of how CSR can be used to its great benefit.

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## **5. Discussion**

The discussion really should revolve around how best to create a culture that privileges CSR and allows it flourish. Here, it would seem appropriate to look northward to the American example. Additionally, the evidence above indicates that CSR will have a difficult time setting down deep roots in Mexico because of the cultural features it will have to overcome. There is no easy answer for this, but maybe one thing which can be achieved is for the Mexican education system to extricate itself from control of predominant corporations sufficiently to encourage young people to eschew paternalism in favor of an egalitarian and transparent CSR tradition that treats employees and customers as equals and not as dependents or vassals.

The advantages of social responsibility in Mexico are as follows: 1) it allows for a social welfare net to be created when the state cannot do so; 2) it can foster social development and entrepreneurial activity through micro-financing (Logsdon et al., 2006); 3) it allows for social brand positioning and allows entrée into new consumer segments; and 4) it allows Mexican corporations to practice sustainable practices and ethical corporate governance.

The great disadvantages of social responsibility, as practiced in Mexico, are as follows: 1) paternalism; 2) a lack of transparency; 3) insinuation of private institutions in to the public education sector; 4) the lack of an NGO community to hold corporations accountable; and 5) the absence of a clear understanding of what CSR should entail.

The best way to improve social responsibility in Mexico is to create a new generation of business leaders who recognize that CSR entails empowering employees and customers so that they can go forth and achieve more with their lives. And it also means replacing crass paternalism with a more objectively defined conceptualization of how corporate social responsibility can work to optimize human potential across the breadth of Mexico. It would be very wise of the country to embrace the formulation of a civil society that is able to apply normative values that can nudge corporations towards the best kind of behaviour. To bolster social responsibility in Mexico, the country has an obligation to look at best practices in other lands to see how those practices can reshape traditions and behaviors in Mexico. Perhaps involving more SMEs in the CSR realm can spark more local innovation and customizable or scalable accommodations that will aid people at the lowest communal levels or smallest communal units.

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## **6. Conclusions**

This paper has been a lengthy exposition of social responsibility in Mexico and what needs to be done to optimize it within the context of that land. Corporate social responsibility is very



important in many ways and can allow a business to accrue goodwill and a sparkling public perception that will drive sales growth and market capture. However, CSR must be accompanied by accountability, transparency, and by a desire to bolster social development and the competencies of communities – to say nothing of protecting the local environment and indigenous communities. Although long-practiced paternalistic actions have merit, they are asymmetrical in nature and often fall well short of invigorating communities to become more robust and independent (micro-financing ventures notwithstanding). It behoves Mexican corporations to focus attention upon helping local communities develop skills, competencies and resources that make them less susceptible to outside forces and more able to engage in business and professional activities. While erecting educational facilities is one way, remedial training and a wider use of micro-financing and credit dispensation strategies could be an even better means of allowing for Mexico's communities to reach their full potential. All of this, ultimately, will fall upon the next generation of business leaders to craft in the way that serves Mexico best.

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