The Long-term Investment Benefits of an Intersectional Approach to CSR in Emerging Economies

White Paper

Corporate Social Responsibility: The what, who, and why

In an era of rising inequality, climate disruption, and volatile development funding, multinational corporations (MNCs) are facing increasing pressure, not only to demonstrate responsibility, but to future-proof their operations in uncertain markets. Fortunately, the pathway to long-term success is clear. Investing in Corporate Social Responsibility (CSR), particularly at the intersection of **climate adaptation and gender equity**, is no longer a peripheral activity. It is a **core strategy for market penetration, consumer trust, regulatory alignment, and reputational resilience**.

Emerging market economies like Kenya and India are at the frontline of climate change impacts and gender-based disparities, with marginalized communities—especially rural women—bearing the brunt of agricultural shocks, energy shortages, and displacement. These same markets, however, represent enormous potential: rapidly expanding consumer bases, young labor forces, and developing regulatory frameworks that MNCs have the chance to help shape. By **leading with inclusive CSR**, private sector actors can accelerate both social development and economic opportunity—while securing operational stability and long-term growth.

CSR offers a layer of **reputational insulation** that no marketing budget can buy. It provides social license to operate, fosters trust among regulators, and ensures that local communities support—not resist—corporate presence. In environments where protests and policy shifts can upend projects overnight, this legitimacy is a priceless asset.

Context and Case Studies

Despite global climate financing reaching $1.3 trillion USD annually as of 2021/2022, just **0.42% of foundation grants globally go to women's rights causes**. In India, only **$46.39 million USD of over $3 billion** in CSR spending in 2023 targeted gender-focused initiatives. Meanwhile, **local feminist movements and grassroots climate groups**, which are best placed to deliver impactful change, remain largely underfunded—often due to restrictive intermediary systems and donor preferences. Despite current efforts, women, especially in rural and marginalized communities, bear disproportionate burdens from climate-induced disruptions in agriculture, weather, water, and energy - limiting their ability to take part in policy and decision-making, income generating activities, and consumer activities.

This funding and social support vacuum represents an untapped opportunity for MNCs to step in where public and philanthropic actors have pulled back. When companies invest in gender-responsive, climate-resilient development through authentic CSR, they gain more than moral credit. They gain loyal customers, productive workforces, and cooperative governments. And when done transparently and collaboratively, such investments also defuse public skepticism and regulatory friction.

There are many examples of successful CSR, with many MNCs having taken the plunge. In **Kenya**, companies like Standard Chartered Bank and Safaricom have become trusted national brands through investments in education, youth empowerment, and environmental sustainability. Equity Bank's clean energy loans have reached over 100,000 households, while advancing access to green finance and financial literacy.

In **India**, the mandated CSR law (2% of net profits, applicable to companies with net worth > INR 5 billion, turnover > INR 10 billion, or net profit > INR 50 million) has mobilized over $1 billion annually, and companies like the Tata Group and Hindustan Unilever have translated social investment into regulatory goodwill, partnership opportunities, and brand legitimacy. L'Oréal India, by aligning CSR with values inspired by equality and inclusive growth objectives alongside sustainability, has insulated itself from reputational backlash—at a time when consumers are increasingly calling out companies complicit in environmental and human rights violations.

Influence and Reputation

Perhaps most compelling for the private sector is the **opportunity to co-shape emerging CSR regulatory frameworks.** In Kenya, while national CSR law remains voluntary, counties now require formal **Community Development Agreements (CDAs)** and are leveraging **County Climate Change Funds** to prioritize climate resilience, with community oversight. In India, CSR law has not only structured giving; corporations have managed to contribute to nation building through public service delivery.

MNCs that engage early and proactively in these spaces can **pre-empt compliance burdens** and influence how future CSR laws evolve. Such partnership isn't about policy adherence or influence; it supports **collaborative governance** that creates enabling ecosystems, easing business processes while uplifting local communities. Companies that show up as legitimate partners in development gain unprecedented access and influence, and are increasingly seen as **safe, progressive, and future-ready investments.** On the other hand, MNCs that engage in extractive, exploitative, or negligent corporate behavior face higher levels of accountability and consequence than ever before, including boycotts, shareholder revolts, ESG divestment, and public backlash.

Companies willing to go beyond government engagement to actively and meaningfully partner with local grassroots organizations, women's groups, and community leaders position themselves as allies in development, rather than outsiders imposing solutions. This not only smooths market entry and operational setup, but ensures long-term operational stability, with communities that benefit from corporate presence being far more likely to support, protect, and collaborate with those companies over time.

Recommendations

To fully unlock the benefits of CSR in emerging economies, there are a number of actions MNCs can take:

- **Align with mandatory frameworks:** The focus is not compliance; it's leadership. Use CSR not just to meet ESG and DEI reporting expectations, but to exceed them. Demonstrate the understanding of the benefits that a diverse and inclusive company policy brings.

- **Leverage impact data:** Showcase tangible results from CSR efforts in investor relations, branding, and marketing. Highlight the benefits of working with local communities. Avoid the short-term optics of high-visibility, low-impact initiatives, and focus on the strategic impact of long term partnership and support.

- **Forge local partnerships:** Work directly with grassroots organizations and feminist groups to ensure funds reach the most impactful actors. Open doors to the organizations doing the work; building - and maintaining - these relationships will garner immense social capital and trust.

- **Prioritize gender-responsive programming:** Target systemic inequalities and build inclusive economies. As consumer bases grow, so does the bottom line. Programs that address systemic inequalities—such as access to education, economic empowerment, and health—generate measurable community improvements and align with global sustainability goals while also advancing economic development and purchasing power.

- **Engage in policy dialogue:** Participate in shaping national CSR strategies and climate commitments like NDCs and Paris Agreement targets. Use a seat at the table to advance policies that benefit everyone, for collaborative solutions rather than extractive mandates.

The choice before MNCs is no longer whether to engage in CSR, but **how deeply and strategically** to do so. Companies that treat CSR as a compliance checkbox will miss its full value. But those who invest meaningfully in partnership with local actors, in support of gender and climate goals, and with an eye toward shaping policy will gain **stable markets, trusted reputations, and lasting legacies**.

CSR is no longer just good for the world. It's **good business.**

This white paper was authored by Aviva Stein, Co-Founder of Catalystas Consulting, an intersectional feminist consulting firm specializing in international development. It forms the third in a series of three white papers offering tailored recommendations for civil society, governments, and the private sector, as part of the Walking the Talk Consortium's Financing Feminist Futures research initiative. The full research paper can be accessed with this QR code.

Walking the Talk