Google insist they are “firmly committed to active philanthropy”, focusing their efforts on areas in which they feel they can make a difference; these areas are climate change, education and poverty alleviation initiatives. This short case study highlights some of these philanthropic gestures and their environmental investments whilst evaluating the degree to which they make a difference.

Google Green aims to minimise the environmental impact of both Google services and make investments into renewable energy for everyone else. Taking offsets into consideration, Google’s carbon footprint is zero. Many of the organisations green efforts penetrate their entire operations; the company claim that their servers use half as much as typical servers. Many initiatives would simply be too expensive to be considered green-washing activities; having invested in many billions in renewable energy ventures. Two criteria influence their investment decisions, the company insist that they:

1. Must make good business sense
2. Have long term potential to transform the industry

Many consider the first point to be oxymoronic; if the venture must yield return on investment then it is hardly philanthropic. December of 2010 saw Google close down one of its own initiatives, stating that the ‘Renewable Energy Cheaper than Coal” project was a non-core activity and that “other institutions are better position than Google to take the research to the next level”.

It could be argued that now the company is beginning to mature and has shareholders to satisfy, green efforts may be the first sacrifice to maintain profitability. Barnea and Rubin (2005) assert that conflict between profit maximisation and corporate social responsibility almost always ends in the latter being axed.
Google for Educators aims to support teachers in their efforts to empower students and provide tools that can expand human knowledge.

Very little finances are poured into this project, many of the tools available to educators are provided free anyway. Google host conventions and provide a platform for teachers around the world to communicate.

Google side with the opinions of Moyo (2010); arguing that education can help individuals more than throwing money at a situation. Despite this, Google do make donations to worthy causes – through their poverty alleviation program.
Poverty alleviation

The philanthropic arm of Google is managed through the sister website www.google.org. The poverty alleviation program involves crisis response, information dissemination and charitable donations that Google make to aid the disadvantaged.

The organisation has made a commitment to use $40m of profits to support organisations focused in science, technology, engineering and math. Much of this money will be spent in developing countries in an effort to eradicate modern slavery and sex trafficking by providing alternative opportunities for the disadvantaged.

Conclusion

Although Google expend many millions on reducing carbon emissions and investment in renewable energy, it could be argued that this is an attempt to reduce the cost of operations. This does not mean what they are doing is wrong, but proof that monetary incentives can be used to achieve CSR objectives (Benabou and Tirole, 2009).

Self preservation also arises as a catalyst for the achievement of CSR objectives at Google, as the company borders monopoly, undertaking philanthropic activities could be a risk management or oversight minimisation tactic (Hopkins, 2004), obviously these can yield strategic potential for an organisation.

Whether the CSR activities which Google undertake are mutually beneficial or not does not change the fact that they are being considerate of their actions and the external environment and endeavouring to improve society.

References


