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Maria Alejandra Gonzalez-Perez
Liam Leonard

Editors

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INTRODUCTION

We are pleased to introduce this volume dedicated to International Business, Sustainability and Corporate Social Responsibility as part of the Advances in Sustainability and Environmental Justice Series. Within the context of International Business, Corporate Social Responsibility (CSR) might be considered a mechanism through which investments made can achieve the full economic benefits as long as there is an agreement to promote social and political stability. The control over political and social variables determines or helps to build a competitive advantage and insures a corporation's long-term running position on the market and the facilitation of capital accumulation.

Generally, there is a direct relationship between the creation of new markets and the enlargement of some of the existing markets. This is achieved through increased stability in the social context, and through the reduction of investment risks and improved economic conditions.

This particular volume contains eight chapters, and includes contributions from 12 academics representing academic institutions from Australia, Austria, Bulgaria, Colombia, Finland, India, Turkey and the United States.

The first two chapters in this volume provide contributions to understanding the impact of corporate social responsibility, and the role that the international civil society has played to provide transnational forms of regulations (via social responsibility networks). These social responsibility networks (SRNs) reflect how socially and environmentally conscious demands by international actors (mostly in consumer markets) are articulated at the transnational level affecting global value chains.

The chapter titled 'Global Civil Society and International Business: A Review', also written by Dr Gonzalez-Perez, presents a detailed account of how the recent wave of globalisation since the end of last century has intensified social exclusion and environmental problems. In this chapter, Dr Maria Alejandra Gonzalez-Perez from Universidad EAFIT in Colombia, and the Centre for Innovation & Structural Change (CISC) in Ireland, specially looks at the evolution of CSR since the 1990s, and also looks at ethical and political theories to explain CSR. Finally it presents a summary of a broad variety of CSR initiatives.

The chapter titled 'Global Civil Society and International Business: A Review', also written by Dr Gonzalez-Perez, presents in detail how the recent wave of globalisation since the end of last century has intensified social exclusion, environmental problems and has exacerbated inequalities. Globalization has also exacerbated inequalities surrounding transnational governance systems. There is a need for such systems to be transparent, accountable and participative with an active and recognised contribution by the most affected actors (e.g. workers, marginalised communities, etc.). Besides the negative changes associated with globalisation, a decline in the regulatory role of the state has affected traditional forms of governance. These combined with negative impacts on communities have challenged civil society to exercise direct pressure on private corporations to assume social responsibilities which were traditionally those of the government. The transnational participation of civil society actors as well as multinational enterprises (MNEs) and state agencies provide a platform for the development of a broader scope for corporate social responsibility.

Dr Duane Windsor, Professor of Management at Rice University in the United States wrote the third chapter in this volume. In this chapter, Dr Windsor examines the role of MNEs as key global actors in combating commercial and government corruption through CSR mechanisms. This chapter presents citations and analysis of crucial works on corruption, bribery and international business, while providing practical guidance to business managers and public officials. Dr Windsor has extensively published in the fields of CSR and business ethics. One of his most recent and significant contributions to the field was to be the co-editor with Robert W. Kolb of the *Encyclopaedia of Business Ethics and Society*. His papers have been published in prestigious high ranked journals such as the *Journal of Business Ethics*, *Business & Society*, *Journal of International Management*, *Journal of Management Studies*, amongst others.

The fourth chapter in this volume is titled 'Institutional and Market Forces: The Dominant Logic of Strategic Corporate Responsibility and Innovative Value Co-creation' and is written by Frederick Ahen and Dr Peter Zetting, two scholars expert in sustainability from Turku School of Economics in Finland. This chapter presents a philosophical analysis of sustainable corporate strategy. It defends the importance of market and institutions contextualisation, and it emphasises the eminence of including value co-creation process based on ethically responsible content in order to achieve long-term corporate success.

Dr Emel Esen from the Yildiz Technical University in Turkey wrote the fifth chapter titled 'The Influence of Corporate Social Responsibility (CSR)

Activities on Building Corporate Reputation'. In this chapter, Dr Esen through the analysis of an extensive literature review examines the role and increasing importance of CSR in enhancing corporate reputation, and proposes a conceptual framework for building and improving firm's reputation.

The sixth chapter is focused on the creation and penetration of a global marketplace for green technologies (Greenscape), and is written by Dr Margee Hume, Associate Professor of Marketing in the University of Southern Queensland in Australia, Paul Johnston and Dr Mark Argar from the Australian's firm South-South Capital Partners, and Craig Hume from Griffith University.

The seventh chapter of this volume is written by the prolific professor in international business from Baruch College in City University in New York, Dr Lilach Nachum, and Michael Schmid from the Technical University in Vienna (Austria). This chapter provides through a detailed case study an understanding of international activities of MNEs in the renewable energy sector. This chapter presents a special contribution to the international business field, since it not only provides an innovative study to an understudied industry, but it analyses from a sustainability perspective.

Dr A. N. Sarkar, Professor of International Business and Dean of Research of the Asia-Pacific Institute of Management in India wrote the final chapter in this volume. It reviews the policy framework in India for evaluating the impacts of CSR programmes in the mining industry. The importance of this chapter is highlighted by its examination of the significant contribution to environmental and socio-economic degradation of the mining and extractive sectors worldwide, and the unquestionable need to address these damages to the planet. This chapter also contributes guidelines for monitoring, evaluation and implementation of CSR practices and standards in the sector.

As editors of this collective work, we feel honoured to provide academics, practitioners and policy makers worldwide a resource for training, reference, analysis and discussion. We anticipate that this volume to contribute to increased understandings of the intersection of CSR, sustainability, politics, economics and international business studies, and to offer a new set of manuscripts for enhancing practitioners' viewpoints for decision-making processes in relation to social, environmental, economic and labour issues regarding MNEs' domestic and international activities.

Liam Leonard
Maria Alejandra Gonzalez-Perez
Editors

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CORPORATE SOCIAL RESPONSIBILITY AND INTERNATIONAL BUSINESS: A CONCEPTUAL OVERVIEW

Maria Alejandra Gonzalez-Perez

ABSTRACT

Purpose – This chapter provides a theoretical and conceptual overview of Corporate Social Responsibility (CSR). It is written as a descriptive document to enhance the understanding of CSR within the context of international business.

Design/methodology/approach – This chapter is built based on an extensive literature review.

Findings – This chapter contains six subsections. The first subsection looks at the concept of CSR, and it highlights the possible role of CSR in mitigating the negative consequences of globalisation. The second subsection looks at the evolution of CSR since the 1990s. The third section looks at ethics theories. The fourth section looks at political theories to explain CSR. The fifth section looks at the business case for CSR. And finally the sixth section looks at specific CSR initiatives.

Practical implications – This chapter provides a response to the necessity for this analysis that arises from the effects of CSR actions in international business.

Originality/value of chapter – This chapter provides a summary of the conceptual and theoretical framework of CSR. It could be used as a teaching tool for undergraduate and masters' courses on either international business or corporate social responsibility.

Keywords: International business; corporate social responsibility

INTRODUCTION

This chapter provides a theoretical and conceptual overview of Corporate Social Responsibility (CSR). The necessity for this analysis arises from the effects of CSR actions in international business. It contains six subsections. The first subsection looks at the concept of CSR and highlights the possible role of CSR in mitigating the negative consequences of globalisation. The second subsection looks at the evolution of CSR since the 1990s. The third section looks at ethics theories. The fourth section looks at political theories to explain CSR. The fifth section looks at the business case for CSR. And finally the sixth section looks at specific CSR initiatives.

Since the 1990s, CSR has become a catchword, possibly because it means different things to different publics, and since the concept of CSR is inexplicit, indefinite, multidimensional and changing (Bredgaard, 2003, 2004; Chen, 2011; Garriga & Melé, 2004). As described by Bredgaard (2003), CSR is a natural feature of political decision-making that secures political support from different corners, allows for compromises and makes it possible for different actors to read their interests into political programmes. Social responsibility can be used in public relations (PR) to achieve better image and reputation, and economic and management research has identified an empirical correlation between CSR and economic performance (Ahmad, 2003; Carter, 2005; Chen, 2011; Galbreath, 2009; Gray & Smeltzer, 1989, McWilliams & Siegel, 2000, 2001). However, the line of causation is unclear. Bredgaard (2004) wondered if companies behaved in a socially responsible manner because of their economic success or if they became economically successful because they behaved in a socially responsible manner.

Some authors suggest that CSR is one of the responses to the social disparities resulting from globalisation (Khan & Lund-Thomsen, 2011;

Renouard & Lado, 2012; Scott, 2007; Swift & Zadek, 2002; Taylor, 2011). Hopkins (1999) suggests that in order to reverse the negative consequences of globalisation, there is a need for a 'planetary bargain' between the public and the private sectors. Continuing with the argument, Michael Edwards (2004a) suggests that there is a mutual relationship between economic actors and civil society. Edwards (2004b) states that no modern society can develop and maintain sustainable social goals without access to the surplus that market economies create, and he clarifies this further by saying that '*a civil society cannot survive where there are no markets, and markets need a civil society to prosper*' (Edwards, 2004a, p. 50).

THE CONCEPT OF CSR

The origin of the concept 'corporate social responsibility' is not associated with a specific author or a specific date. It could be argued that the notion of CSR is as old as enterprises themselves since evidence of concern for society by the business community has always been present (Carroll, 1999). The social responsibility (SR) of different actors in society, especially of those involved in economic activity has been studied predominantly by business management scientists, specifically in the fields of business ethics, strategy, organisational behaviour, social issues in management, human resources management, industrial/labour relations, marketing, accounting and finance. However, CSR has been also studied by other social sciences such as philosophy, theology and religious studies, history, political studies, sociology and economics. CSR has a crucial space in the current debate on access to economic, cultural and social rights for disadvantaged communities.

During the 1990s and 2000s the literature on CSR served as the basis for emerging and consolidating business ethics theory, stakeholder theory (Harrison & St. John, 1994; Harrison & Freeman, 1999; Waddock, Bodwell, & Graves, 2002; Whysall, 2004), and corporate citizenship (Carroll, 1999; Maignan, Ferrell, & Hult, 1999; Matten & Crane, 2005; Rego, Leal, & Pina e Cunha, 2011; Shinkle & Spencer, 2012).

Business corporations have always been related to the public; however, formal writings on CSR that have shaped practice, theory and research have been the product of the 20th century (Bredgaard, 2003; Carroll, 1999; Dunham & Pierce, 1989; Gray & Smeltzer, 1989; Quazi & O'Brien, 2005; Sheldon, 1924; Wood, 1991). The use of the term CSR has coincided with the new roles of modern corporations within the economy and society in

general. In the nineteenth century, cooperativism and associationism can be seen as forms of shared SR, as attempts to conciliate business efficiency with social and civic principles of democracy, community engagement and distributive justice. In the eighteenth century, in times of early industrial society before the welfare state, some private and paternalistic enterprises internalised responsibilities for their employees on the basis of a social contract. These were habitually motivated by both the religious and ethical beliefs of the owners and fear of labour discontentment and radical action (Bredgaard, 2003). At the beginning of the twentieth century, there were few corporate acts of charity (Dunham & Pierce, 1989). Instead, wealthy business individuals made donations from their personal funds to charitable causes. This suggests that corporate philanthropy has evolved as the initiatives of individual philanthropist owners have been assumed by the corporations they own.

The modern era of CSR began in the 1950s. However, at that time, the literature tended to refer to the SR (social responsibilities) of business (Carroll, 1999; Garriga & Melé, 2004). The modern usage of the term was formalised in H. R. Bowen's seminal book *Social Responsibilities of the Businessman*, in which he attempted to answer the question of what responsibilities businessmen may reasonably be expected to assume (Bowen, 1953). He postulated that business managers have an obligation 'to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of our society' (Bowen, 1953, p. 6). Succeeding scholars tried to define the term CSR more precisely. For instance, Joseph W. McGuire (1963) stated that 'the idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to the society which extend beyond these' (McGuire, 1963). Similarly, Keith Davis (1980) posited that CSR refers to 'businessmen's decisions and actions taken for persons at least partially beyond the firm's direct economic and technical interest' (Davis, 1980, p. 70).

Frederick, Davis and Post (1988) proposed two principles which contributed to contemporary views on CSR. The first is the principle of charity, which is rooted in the biblical tradition of wealth redistribution, which suggests that those who have plenty should give to those who do not have. Under this principle, members of the business community might decide to use their corporate power and wealth for the social or collective good.

A second principle that shapes CSR is the principle of stewardship. This principle asserts that organisations have an obligation to see that the