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CORPORATE SOCIAL RESPONSIBILITY: A POPULAR MANAGEMENT CONCEPT[1]

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Corporate Social Responsibility as a concept can be traced back as early as 19th century in Holland and early 20th century in United States. Since then the concept has been adopted with various responses around the world. Despite some ambiguities and differences that might prevail across nations, CSR gradually becomes a global concept, initiated with some MNCs which pay attention to their reputation. The experience in Dutch showed that although CSR was initiated by quite a few companies, the government has paid its attention to develop this concept in anticipating with the world development.

> "Unfortunately, there is no evidence that behaving more virtuously makes firms more profitable" Vogel (2005, 17)

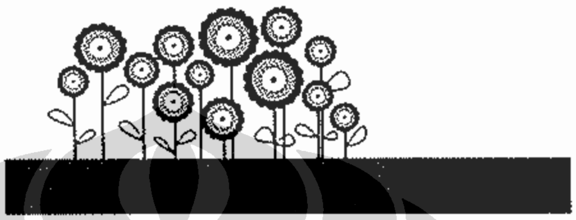
Introduction

On the 31st of January 1999, the United Nations Secretary-General Kofi Annan addressed the World Economic Forum at Davos (Switzerland) in an attempt to give a human face to the globalisation process. In his address he challenged world business leaders to embrace and enact a Compact with society based on particular human and environmental principles. His intention was to unite the powers of markets with the authority of universal ideals and to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of the future generations. "What we need is a compact on a global scale, to underpin the new global economy. I am asking corporate leaders to embrace, support and enact a set of core values in the areas of human rights, labour standards and environmental practices" (Kofi Annan, 1999, 4). This address was consistent with the policy he had launched shortly after taking office. He promoted a shift in the United Nations' approach recognising the need to build partnership with governments, businesses and NGOs to reduce poverty and provide sustainable development.

The UN redefined its relationship with business combined with the emerging social, political and economic trends. It responded to developments that since the 1990s had taken place when the world began to witness substantial changes in patterns of trade, development and the use of natural resources. A great deal of this change had been driven by developing forces of globalisation making the world increasingly interconnected and interdependent as communications technologies have shortened distance and promoted knowledge-based capital. There has been a substantial increase in international trade and foreign direct investment to liberalise markets. As a result globalisation has brought unparalleled opportunities for existing and emerging economies. Kofi Annan, however, warned for the fragility of globalisation. While some economies develop, others are still marginalised which results in an uneven distribution of wealth. In the mean time the capacity of states to fulfil their traditional role and arrange social issues like human rights and environmental protection by robust frameworks has diminished. Finally the degradation of natural resources continues to occur at unsustainable levels.

Kofi Annan's initiative aims to draw together businesses and business organisations, NGOs, and the UN and other international agencies. The call of this new "tripartism"-an ongoing discussion among governments, companies and civil society (which is how the UN refers to NGOs) - is to find ways to underpin the free and open market system with stable and just societies. The Global Compact is a means to do so and has established a set of nine global norms for responsible corporate conduct[22]

On the 26th of July 2000 the UN organised a conference on these nine global norms which was attended by many of the large multinational companies. Present were a significant number of European companies from the extractive industry sector as well as other companies that have to re-earn their license to operate such as Royal Dutch/Shell group. Many of these companies agreed to support the Global Compact-which has



now more than 1300 corporate signatories. In their own activities they cover corporate social responsibility (CSR) by an active involvement in global social investment, community relations, internalising externalities, social and environmental reporting and recognising social capital.

The UN policy stimulated a growing interest in Europe for similar approaches. Since 2000 Britain has designated a Minister responsible for work encouraging CSR initiatives; six European governments have required pension funds to consider social practices in making investment decisions. In 2001 the European Commission published a consultative green paper entitled" Promoting a European Framework for Corporate Social responsibility". The aim is to launch a wider debate on how the European Union could promote corporate social responsibility at both the European and international level. This new framework should be based on European values like democratic participation and social cohesion based on open market economies .Values, it says, need to be translated into action.

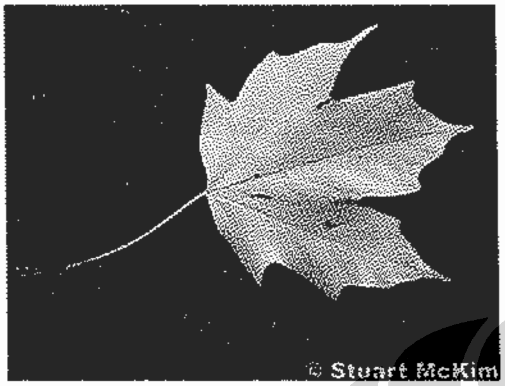
According to Vogel (2005, 8) quite some European companies have indeed taken action. "On many dimensions, European companies are now more engaged in CSR than their American counterparts. European firms are more likely than US firms to have signed on to the UN global compact". What was, however, urgently needed were scripts to make companies comply with CSR. Publishing codes of conduct in annual reports is not the same as actually implementing CSR in a particular company practice. In the remainder of this paper I like to indicate which complications firms may encounter once they intend to implement CSR. Before doing so I like to describe how CSR came about and what the key features of CSR are once it becomes a popular management concept.

Origin

The emergence of the concept 'corporate responsibility' in the United States is linked to the managerial revolution that occurred around the turn of the century (Chandler, 1982). The CEO George Perkins of US Steel wrote in 1908(163) "The larger the corporation becomes, the greater become its responsibilities to the entire community. The corporations of the future must be those that are semi -public servants, serving the public, with ownership widespread among the public, and with labour so fairly treated that it will look upon the corporation as its friend" . This view certainly attracted the attention of religious movements such as the Quaker and the Methodist Church which in the United States propagated ethical investment policies. Lippmann (1914) concluded that "the cultural basis of property is radically altered.... the men connected with these essential properties cannot escape the fact that they are expected to act increasingly like public officials. Big businessmen who are at all intelligent recognise this. They are talking more and more about their responsibilities, their stewardship". It was the separation of ownership and control that had led to a distinction in managerial priorities. Unlike owners, managers were in a position to balance the claims of the stockholders, consumers and the public in general. Managers began to use corporate resources to pursue a variety of goals making companies multipurpose social institutions. Berle and Means documented in 1932 the separation of ownership and control and found out that the managerial revolution had quite well advanced. More managers had obtained control over firms they co-ordinated while the rights of shareholders were no longer in the hands of a few wealthy family but dispersed amongst a large group of stockholders. This distribution of power provided an opportunity for business leaders to manage more autonomously and behave more responsibly.

Managerial capitalism strengthened a new array of activities starting with corporate philanthropy. Initially America's early charitable foundations were built by entrepreneurs but soon managers began to imitate their behaviour and copied what Rockefeller had called the 'business of beneficence' (The Economist, 2006). CEO's adopted paternalistic policies by providing job security for their white-collar employees and generous benefits for the blue-collar employees and made substantial philanthropic contributions. Galbraith (1967, 137-138) noticed in "The New Industrial State" that "the result has been a cacophony of voices proclaiming the purposes of the corporation... Today pronouncements about social responsibility issue forth so abundantly from the corporations that is hard for one to get a decent play in the press... It would be wrong to dismiss these assertions of social purpose by corporate spokesmen exclusively as an exercise in competitive banality. They also reflect an underlying reality which is that the modern corporation has power to select its goals". He further indicated that large scale firms could afford an engagement with programmes and policies that were unrelated to their business objectives since their market positions were relatively stable and their shareholders passive. The riskiness of modern corporate life had diminished tremendously and nothing was more central to the purpose of General Motors or General Electric than to encompass and eliminate the perils to which the one-time entrepreneur was presumed to be subject (Galbraith, 1958). Some executives began to see their charitable donations as a form of advertising which would certainly strengthen the corporation's reputation. Others felt that the companies had such a poor image with the public at large that generous charitable donations were needed to redress matters.

Corporate responsibility nevertheless stayed contested terrain. Managers of public companies were still seen as employed by the firm's owners to maximise the long-term value of the owner's assets. Social responsibility was claimed while the American workforce in part relied on corporations to deliver social services



such as pensions and medical care which were in Europe primarily provided by governments.

Beyond that, the movement for corporate responsibility of the 1960s and 1970s took place during a period of considerable hostility to business. Antiwar activists resisting the Vietnam War pressured Dow Chemical to stop producing napalm by insisting on moral criteria: they did not care whether producing napalm would affect Dow's earnings. Dow Chemicals and Shell Oil Company were legally prosecuted for the use of dangerous pesticides in Nicaragua causing malformed newborn children. Although the charges were dropped farming families maintaining the banana fields were forced to live with the consequences. The disenchantment with business values which was expressed by so many college students and graduates, union leaders and NGOs led to re-considerations of the meaning of corporate responsibility. Milton Friedman (1970) however, who had counter posed that discussion quite some time stayed "famous" with his dictum that managers must strive to maximise shareholder value. He objected expenditures of corporations that would benefit society.

The 1980s came to be known as the 'decade of greed'. It seemed as if Galbraith's fear for private riches and public poverty-which he had described in The Affluent Society in 1958- turned into reality. "The election of Ronald Reagan as president in 1980 ushered in a concerted and highly successful effort to roll back the clock on the social and economic reforms that had created a broadly based prosperity that made America the envy of the world and to create a global economy that was more responsive to US corporate interests. The government sided with aggressive US corporations seeking to make themselves more globally competitive by breaking the power of unions, reducing wages and benefits, downsizing corporate workforces and shifting manufacturing operations abroad to benefit from cheap labour and lax regulation". Whereas ordinary citizens were faced with hard times "greed had a field day" (Korten, 1995, 63-64).

The current revival of interest in corporate responsibility, however, began in a somewhat different cultural and social contact. Vogel (2005, 27) remarks that "while surveys continue to report widespread hostility to and suspicion of business, the 1990s were also a decade when many of America's and Europe's 'best and brightest' became attracted to business careers. Successful entrepreneurs became admired and respected, and the growth of Silicon Valley became a focus of national pride in the United States and envy in other countries".

At the same time authors like Powell and DiMaggio (1991) stressed the relevance of an institutional perspective on the role of corporations arguing that firms operate within a social framework of norms and values that govern what constitutes appropriate behaviour. Strategic choices are constrained not only by economic criteria but also by socially constructed limits, such as norms, habits and customs.

Korten (1995, 12) is not convinced that this institutional setting is still very strong to influence the behaviour of large corporations. The role of national governments is diminishing to sustain a human community. In his eyes there is a "crisis of governance born of convergence of ideological, political and technological forces behind the process of economic globalisation that is shifting power away from governments responsible for the public good and toward a handful of corporations and financial institutions driven by a single imperative-the quest for short-term financial gain". It is to be seen whether this convergence is actually taking place or not. It can not be denied , however, that a general shift is taking place in the power balance between states, firms and private households. This shift is leading to a reduction of power of the nation state in favour of the rapidly globalising business sector which involves an increase in the latter's responsibility .

Advocates of CSR who stress this new responsibility have learnt from Friedman's position: even if the primary responsibility of companies is to create wealth for their shareholders (i.e. investor capitalism) they have given this dictum a remarkable twist: in order for companies to do so, they must now act virtuously. PricewaterhouseCoopers published a survey in 2002 stating that "70% of global chief executives believe that CSR is of vital importance to their companies' profitability" (Vogel, 2005, 48). KPMG revealed in a survey about 350 firms that "more big multinational firms are achieving the benefits of improving their environmental performance... Firms are saving money and boosting share performance by taking a close look at how their operations impact the environment ... Companies see that they can make money as well " (Molenkamp, 1999, 3).

Ambiguities

Nowadays we can notice a popular talk about 'companies with a conscience' and 'social entrepreneurship', which can be seen as expressions of the contemporary reconciliation of social values and business systems. There is, however, not one generally applicable framework for CSR. Definitions of the social responsibilities of private organisations operating in market economies abound but vary in their content.

First of all there is the larger context within which corporations operate. Whitley (1999, 33) has made a distinction between 6 different business systems to analyse the phenomenon of divergent capitalisms. He looks at business systems "as distinctive patterns of economic organisation that vary in their degree and mode of authoritative coordination of economic activities, and in the organisation of, and interconnections between owners, managers, experts and other employees" .These six different business systems can be described as fragmented (Hong Kong) compartmentalised (Anglo-Saxon), state organised (South Korea), coordinated industrial district (Italy), highly coordinated (Japan) and collaborative (Continental European).[3]

Whitley uses a range of key characteristics dealing with ownership relations, non-ownership coordination, employment relations and work management in order to be able to compare different business systems. The variety of business systems will have an impact on the way CSR is being defined and implemented. Generally speaking CSR is perceived as the commitment of business to contribute to sustainable economic development working with employees, their families, the local community and society at large to improve their quality of life[4].

However, there are still many ambiguities that surround CSR, including questions about what business practices actually lead to responsible behaviour and which activities can be associated with corporate virtue. Some companies intend to do more to address a wide variety of social problems than they would have done in the course of the normal pursuit of profits. Other companies legitimise their CSR initiatives as part of the normal business activities like reducing energy use, while others again have issued company policies reflecting social pressures or ethical concerns. Some companies have decided to write their own codes which have led to a degree of 'cherry picking' leaving out key dimensions and to a particular code mania allowing other companies to hang back and see what will happen.

Definitions of corporate social responsibility in the European, US, Japanese or Indonesian context are not necessarily the same. The relationship between business and society varies due to a divergence in capitalism (Whitley, 1999). Its multidimensional nature complicates the task of evaluating firms. However, CSR continues to address domestic corporate policies, such as community relations and environmental practices, and diversity. One of its foci is the conduct of global corporations in developing countries. Now that we have looked at the broader context within which CSR is being propagated, it is time to look at the way companies implement this management concept.

CSR as a management concept

Over the past 10 years CSR has blossomed in large variety of practical programmes. It has attracted the attention of executives everywhere and especially that of the managers of multinational companies headquartered in Europe and United States trying to pay a tribute to virtue. CSR has become an industry in its own right and a flourishing profession as well. Consultancies have sprung up to advise companies on how to deal with it and how to let it be known that they are doing it.

Since 1995 a number of standards and codes of conduct have emerged which intend to guide company practice. McIntosh e.a. (2005, 19) have distinguished 8 different initiatives:

- OECD guidelines for multinational enterprises
- ILO conventions on workplace practice
- The UN global compact
- Global reporting initiative (gri)[5]
- Global Sullivan principles
- ISO standards
- Accountability 1000s
- Social accountability 8000

The big auditing and general- practice consulting firms offer clients CSR advice on the dialectic between shareholder and stakeholder values. They all propagate and use CSR as a management concept which can be applied to change or improve particular company practices in order to comply with these values. Codes, however, are useful only if they bring about fundamental changes in corporate behaviour and practice. Codes can be of help for companies that intend to create social value for themselves and for the society of which they are a part if they are successful in creating opportunities for learning and the development of new kinds of relationships with stakeholders. Here, however, companies are looking for guidance from consultancy firms to implement CSR.

Main characteristics of management concepts

Generally speaking management concepts are linguistic expressions of specific ideas about improving particular aspects of the functioning of organizations. Embodied in language, management concepts contain knowledge, which can help increase the capacity for decision-making and action to achieve some particular purpose. The origin of many management concepts is usually quite complex. As mental creations i.e. 'constituents of thoughts' (Fodor 1998, 23) they come into existence through words and those words can come as much from managers, consultants, gurus, academics or writers. Regardless where they come from they often lack an in-depth grasp of their underlying foundation.

The Harvard Business School professors, Nohria & Eccles (1998, 279), even concluded that "if asked, most people would tell an interesting story about the variety of sources that have contributed to the ways they act and think as managers. Indeed, management knowledge comes from everywhere: it comes from a manager's own experience, from books and articles on a variety of topics [...] and increasingly from consulting

firms". The most remarkable fact, however, is that the popularity of management concepts has much more to do with the quality of the source providing the concept than with its truth. "Managers are interested in ideas that are established by the reputation of a particular country

(such as Japan), company (such as General Electric), manager (such as Jack Welch), consulting firm (such as McKinsey), educational institution (such as Stanford), or professor/consultant (such as Peter Drucker). That is the source of a particular concept".

Although usually the origins of these management concepts are difficult to locate, once they stand out as recognizable phenomena they share four main characteristics:

A) Management concepts usually have a striking label such as, Total Quality Management (TQM), Business Process Reengineering (BPR), Strategic Intent and Core Competence (SICC), Balanced ScoreCard (BSC), Knowledge Management (KM), total responsibility management (TRM) or Customer Relationship Management (CRM). Whenever possible these concepts are reduced into acronyms, to make them convincing and persuasive within the language community of management and reinforce the establishment of specific networks of managers sharing the same discourse as is the case with CSR.

B) Management concepts describe particular management issues in general terms. These issues are usually related to increases of costs or loss of customers or reputation. Managers then face an irresolute but pressing problem that calls for new meaning and thus compel a search to develop a more probable course of action to improve the situation. Concepts can frame such a particular organizational problem and make it recognizable for the managers involved. BPR, for example, will be seen as a useful analysis because using it; managers can recognize that the actual company structure has to be redesigned.

C) Management concepts offer general solutions for recognizable problems. Concepts do not furnish principles but guidelines, which do not have the degree of 'settledness' that principles possess. They are often issued as a provisional measure until more is known about the practical usefulness of a concept. They do not offer rules that prescribe specific actions, but as guidelines bring about mutual orientations between actors and propel action in a certain unspecific direction. These guidelines evolve from the values and practices of a specific community of actors where the concept initially has been developed. For example, BPR will justify its interventionist guidelines by stating that companies with obsolete structures will become more efficient once the organization has been redesigned, and modern information and communication technology have been introduced. In order to be persuaded of the quality of certain guidelines, a fourth characteristic comes into play.

D) The proposed solution will be promoted by referring to success stories of well-known firms, which already have implemented the concept. General Electric, Boeing, IBM, HP, Shell, Philips and Toyota are usually portrayed as convincing examples of the success of specific concepts.

These examples provide evidence (Sorge & Van Witteloostuijn) for the plausibility of the solution and establish a convincing new practice. The stories are narratives, which articulate the knowledge employed in situations that have created a new best practice. The advantage of the narration about the successful companies is that it facilitates social interaction between managers. Readers are invited to share with each other the different meanings that can be given to the stories (Tsoukas, 1998). The examples illustrate how at specific places and at the 'right time' (/*kairos*/) these organizations took the initiative to introduce a new concept (Miller, 1992).

These four characteristics make management concepts recognizable and provide a specific kind of knowledge about a particular management practice. The knowledge contained in management concepts, however, does not provide guidelines according to which a successful implementation can logically be deduced. Although characteristics B) and C) suggest that there are specific rules involved as impersonal, generic and temporal formulae to identify problems and solve them, they are usually not made explicit and therefore cannot be recognized as such.

Management concepts ranging from management by objectives (MBO) to Total Quality Management (TQM) and business process re-engineering (BPR) have become highly attractive ways to develop a script. Over the last 25 years a whole range of management concepts, typically originating in the US, have spread across the industrialized world. "They have typically followed the lifecycle of a fashion, moving from being the preserve of exclusive pioneers through to mass-market penetration before tapering off" (Mueller and Carter 2005, 221). These management concepts can play a significant role in scripting the prevailing discourse in an organization. Usually managers draw upon various forms of rhetorical crafting, including stories, to convince the others to actively participate in the implementation of a particular management concept in the organization. Management concepts generally are introduced with an exhortation script which is meant to de-legitimate the traditional way of doing things in business. With the latest management concept at hand a new way of working is propagated and this is certainly the case with CSR.

Quite often managers are assisted by management consultancies to craft the storyline. These consultants have built a reputation in translating a particular concept into a commodifiable, programmed change initiative and diffuse it to as many organizations as possible. It is, however, up to the managers themselves to translate the same concept into a particular one which can be transferred to the prevailing organizational practice (Holden 2002). The purpose of the translation of a management is to create a new company practice but its success depends on the legitimations the manager can provide. Green (2004) stresses that justifications can take many different forms but he proposes to distinguish three main types: pathos, logos and ethos.

- Pathos justifications impact emotions. They are passionate appeals to an audience's self interest. The appeals made excite to the imagination and direct behavior away from the status quo.
- Legitimations based on logos justify actions by appealing to the desire for efficient/effective practices. They require methodical calculation of means and ends.

- Legitimation based on ethos justifies actions by referring to socially accepted norms and mores.

Whereas pathos and logos justifications emphasize individual concerns and interests, ethos appeals "focus on the social and collective interests" (Green 2004, 660). In any discourse, dialogue or conversation all three types of legitimation do play a role.

It is interesting to notice that management concepts demonstrate congruity with these three types of justification. Initially they are introduced by referring to legitimations based on pathos. Providers /creators of these concepts usually deliver a concept under the aegis of a new acronym or another striking label which formulates a particular organizational issue as an irresolute but pressing problem which managers will easily recognize.

In the context of a logos justification management concepts demonstrate another characteristic. They offer a very general solution to identified problems. They do not, however, provide constitutive rules which prescribe specific actions to be taken but deliver general guidelines that will bring about an increase in efficiency or effectiveness.

These guidelines suggest a standard of conduct (protocols) and propel action in a certain direction.The ethos appeals refer to the success stories about specific well-known firms which either have developed or have implemented the concept. General Motors, IBM, Shell or Toyota are usually portrayed as convincing examples of the success of a concept. The examples are particular narratives i.e. evidence based stories which articulate the knowledge employed in particular situations which subsequently through scripts of routinization become embedded into new practices (De Long & Fahey 2000).

Dutch practices

The Royal Dutch/ Shell group was among the first to embrace the Global Compact Principles. Some 25 years ago the company had put in place Shell General Business Principles. These principles were based on three fundamental values of honesty, integrity and respect for people and should underpin all aspects of corporate behaviour. These principles were not much challenged until the Brent Spar conflict in 1995.A consumer boycott forced Shell to reconsider its policies . The fierce criticism on their inactivities did force Shell to develop a commitment to a range of social responsibilities; an integrated view of the company's role in, and impact on society; and an understanding that the company has a role in society beyond that of just rewarding financial investors.

The previous CEO Moody-Stuart (1998-2001) explained in the annual report of 1999(2) why the company had embraced CSR "my colleagues and I on the committee of the managing directors are totally committed to a business strategy that generates profits while contributing to the well-being of the planet and its people".[6] The challenge is to find a responsible balance between People (social well-being) Planet (ecological quality) and Profit (economic prosperity)." New in 2005 is the launch of our golden rules, which emphasise compliance with the law and company procedures, and require intervention in unsafe situations and respect for our neighbours. Three simple, easy to remember rules, which are designed to raise awareness and increase personal accountability" (annual report 2005, 66).

The international discourse on CSR and the role Shell began to play within that discourse inspired the Dutch government to turn to its main advisory body on matters of national and international social and economic policy, the social and economic council (SER) to put the issue on the political agenda. The SER's advice (2001) prepared by the Council's experts in close consultation with representatives of employers' organisations and trade unions, included not only a clarification of the concept of CSR but provided suggestions for governmental action. "In the Council's opinion the public awareness on the issue provided sufficient incentives to incite companies to take the responsibility serious" (Cramer and Loeber, 2006, 4)

While companies still struggled with the problem how to implement CSR into practice, they turned their attention to the National

Initiative for Sustainable Development (NIDO). This foundation- an independent body at arms length of government- had been established in 1999 with the purpose of structurally anchoring sustainable initiatives in society. NIDO provides programmes to initiate and support change processes among companies wishing to create a link between their financial performance and their record in ecological and social matters. With the support of the Sustainability ScoreCard(SSC) discussions are stimulated within the company as to what the concept actually means and wide it should focus on such an issue. Through the NIDO programme company representatives were able to acquire an overall picture of the issues at stake when dealing with CSR and how to implement the concept in a pragmatic way and translate CSR into down to earth activities and motivate their colleagues to join the effort (Cramer, 2006).

In 2001 the Prime Minister Kok called upon business, government and societal organisations to develop a more structured approach to organising and implementing CSR in the Dutch society (Kok, 2001). This call has had a wide response and CSR is now widely discussed even among small and medium-sized firms, local governments and NGO's .In a report from the association of investors for sustainable development (VBDO 2003) it was stated that Dutch companies like retailer VENDEX KBB, bank ING and ABNAmro, construction firm BALLAST NEDAM, ICT company GETRONICS, insurance company AEGON, publishing company VNU and ELSEVIER, food producer NUMICO, food retailer AHOLD, shipper NEDLLOYD, chemical firm AKZO NOBEL and postal company TPG have taken initiatives to comply with SCR criteria , more in particular with sustainable investment policies as described in the GRI instructions .

In order to live up to their CSR standards some multinationals are now turning to the 4 billion poor in the world. In 2002 C.K Prahalad published *The Fortune at the Bottom of the Pyramid* in which he points out that companies can earn money if hey design and provide the poor with cheap products instead of marketing only for the rich .General Electric has launched its Ecomagination program to promote the manufacturing of sustainable technology. Companies like Philips and Unilever's subsidiary Hindustan Lever Ltd are developing cheap products like mobile phones , soap and detergents delivered in small packages and distributed along efficient channels which reach the poor. The Base of the Pyramid (BoP) is becoming a viable market (Simanis and Hart, 2006)

One of the companies in the Netherlands that since many years fits the CSR philosophy very well is the Max Havelaar Foundation. Originally this foundation had been created in 1988 during a world coffee market crisis to ensure that third world growers earned above market prices. Havelaar was the hero of a controversial Dutch novel published in 1860 by Eduard Douwes Dekker who denounced the colonial exploitation of Javanese coffee workers. The idea spread and in 1997 an umbrella organisation, Fair-trade Labelling Organisations International, was created representing 19 countries. Companies that want to use the fair trade label agree to buy goods at above market prices that guarantee small growers a profit .They also must contribute to development projects for local cooperatives (International Herald Tribune 2005).

Conclusion

At the beginning of the 21st century a fashionable nomenclature about CSR has become noticeable and heralds the acceptance by some companies of wider social and environmental responsibilities. The UN Global Compact is being embraced as an instrument to facilitate progress on CSR. Codes of conduct represent a formalised and uniform way of dealing with a range of complex issue is: that is both their strength and their weakness for which management is responsible. They need to walk the talk and that is not always easy because the concept has to be translated into company practices avoiding operations in illegitimate areas, compliance with legal frameworks , discretionary behaviour not harming populations , and delivering private profit together with public goods.

The Economist (2005) published an extensive report on the "good company" questioning to what extent CSR is more than just lip-

service to the general public. Although CSR may take many different forms and be driven by many different motives it generally "does not go very deep... companies fasten the label to a quite bewildering variety of supposedly enlightened, progressive or charitable corporate actions and". The journal stresses the point that whereas measuring profits is fairly straightforward, measuring environmental production and social justice is not. There simply isn't one single yardstick for measuring progress in those areas.

Cynics nevertheless like to stress to point that although companies like Enron and Arthur Andersen had high principles and had engaged in CSR initiatives they still were taken to court for fraud and misleading the shareholders. There still is a lack of consensus on several major terms like the spheres of influence of a company. This is a term used without a clear definition and certainly not universally accepted. Some issues like indigenous rights and corruption are hardly being mentioned. Codes of conduct in companies vary dramatically in the levels of commitment and management systems. Some codes of conduct like the effort to curtail child labour have in some cases led to a children being fired and restored to begging or prostitution. CSR seeks to influence business practices in developing countries by leveraging the preferences for more stringent corporate practices shared by activists in the developed world.

In the Anglo-American discourse CSR has lately obtained a new identity: it has now become popular to focus on CSR in terms of corporate citizenship. Companies will have to behave as corporate citizens and comply with norms the civil society expects from its regular citizens. This new label knows many culturally determined variants. In the first issue of the Journal of Corporate

Citizenship Waddock writes " that the civil society which is composed of organisations and associations that constitutes community trying to construct relationships between social institutions and people that give meaning to the terms civility and community" (2001, 25))

The corporate citizenshiphe corporate citizenship agenda with its emphasis on human rights, fair workplace practices and consideration of the natural environment is progressively redefining the context within which companies operate. Newly constructed norms begin to influence the way companies choose to actually conduct their activities. Walking this talk will be one of the 21th century challenges. (***)

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[2] These norms are:

human rights:

1. Businesses should support and respect the protection of internationally proclaimed human rights within their phere of influence.
2. Make sure that they are not complicit in human rights abuses.

Labour standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. Eliminate discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater and environmental responsibility.

9. Encourage the development and diffusion of environmentally friendly technologies.

[3] For example the European Union definition of CSR contains the following elements:

- CSR complies with regulations concerning reporting, health and safety, environmental management, workplace practice, paying taxes and human rights
- CSR respects the European social model and companies therefore recognise that their responsibilities extendbeyond the financial bottom-line
- Due to the open network society companies are required to take responsibility for aspects of their operations thatwere previously seen as beyond their scope
- CSR implies that companies are accountable for the decisions and the consequences, whether deliberate or accidental. Transparency, accountability and reporting are key features of the EU CSR framework
- Since the Lisbon declaration and the Green paper on CSR it is expected of European multinationals to envisage businesses to support the development of the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion . The EU therefore expects companies to explain in their annual reports which efforts they have undertaken to this common cause.

[4] c.f.www.wbcsd.org. The World Business Council for Sustainable Development (WBCSD) was the outcome of the environment conference held at Rio de Janeiro in 1992, now representing more than 180 corporations and promoting the pursuit of sustainable development.

[5] GRI ,which is located in Amsterdam since 2002, started to appear since 1999: their impact is highest in the Asia/Australia region, see Triple Value 2003.

[6] http://www.shell.com/home/Framework?siteId=investor-en&FC2=/investor-It was the first sustainability report a Dutch multinational published merging the environmental , social and safety issues into one document.