

## Developing Corporate Social Responsibility: A European Perspective

Written by Administrator

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Perrini, Francesco, Pogutz, Stefano, and Tencati, Antonio (2006) *Developing Corporate Social Responsibility: A European Perspective*, Northampton, MA: Edward Elgar Publishing

'Perrini et al provide a detailed, authoritative look at the evolving European perspective on corporate social responsibility. They show how Europe has moved from follower status to leading edge practice. The book is the best current indicator of what the next stages of CSR will look like.' - Thomas W. Dunfee, University of Pennsylvania, US authors provide a European perspective on corporate social responsibility.

The rapidly increasing attention devoted to Corporate Social Responsibility (CSR) has resulted in the term 'CSR' being applied to myriad dissimilar phenomena. The authors therefore aim to dispel this confusion by presenting a multi-faceted view of socially responsible corporate behavior and related themes. They provide a conceptualization of CSR that emphasizes the role of the adoption and implementation of specific CSR strategies and their impact on corporate social and economic performance.

An overview of the CSR literature is presented, and the managerial tools required for creating and sustaining social, economic and competitive value are explored. Case studies and extensive empirical evidence are used as a basis for the analyses of the benchmarking of European and international standards and initiatives, and a new CSR performance evaluation and reporting framework is proposed.

An excerpt from the Preface of the book written by David Vogel:

“While the concept of corporate social responsibility (henceforth CSR) is more than a century old, the last decade has witnessed an unprecedented explosion of interest in this subject on the part of the business, academic and policy communities. This growth of interest in CSR is notable on several dimensions. These include the number of global firms, as well as global industries that have issued codes of conduct governing various aspects of their social, environmental and human rights policies and practices, the expansion in the number of social or ethical brands, labeling and certification schemes, the increase in the number and size of ethical or social investment funds, the expansion in the number of non-governmental organizations that monitor and assess corporate practices, the growth in the number of firms that issue annual

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social reports, and the increasing interest in governments in promoting more responsible business practices.

Perhaps most significantly has been the change in global business norms and public expectations. CSR is no longer a marginal or contested ideology. The notion that the social contribution of firms extends beyond maximizing shareholder value and that managers have an affirmative responsibility for both reducing the negative social impacts of their business operations and increasing the supply of various public goods is now widely accepted — by firms, the public and governments.

Perhaps nowhere is the increasing legitimacy of CSR more striking than in Europe. Two decades ago, CSR was largely an American construct, rooted in the distinctive historical role played by business and government in American society capitalism. Specifically, CSR reflected the limited role of the state in the development of American capitalism and the reliance of America on private institutions, such as the corporation, in supplying a wide range of public services that in Europe were traditionally delivered by governments.

The contemporary growth of interest in CSR has taken place on both sides of the Atlantic. Yet it is clear that the global center of gravity of CSR has now switched to Europe. London has replaced New York City and Washington as the intellectual and organizational locus of CSR activity. It is where a disproportionate amount of NGOs engaged in lobbying corporations are headquartered and is the location for a major share of international conferences on CSR. European based multi-nationals are more likely to subscribe to the United Nations Global Compact and to utilize the Global Reporting Initiative in reporting on their social impact. The market share of a number of ethical brands and labels is higher in much of Europe than in the United States.

Perhaps most importantly, European governments, including the European Union, have become much more active in promoting CSR than has the American government. In particular, several European countries have enacted legislation that both requires institutional investors to consider social and ethical criteria in making investment decisions and mandates corporate social and environmental reporting.

The factors underlying the 'Europeanization' of CSR are complex. One has to do with the increased role of markets and market competition due to the reduction of trade barriers both within Europe and globally and the movement toward privatization and deregulation, both of which have focused increased public attention on the social role and responsibilities of firms. A second factor is the increase in public concern with the global dimensions of CSR and in particular with the extent to which the impact of economic globalization has adequately benefited citizens and employees in developing countries. In part because of their heritage of colonialism, citizens and policy-makers in many European countries have had a heightened interest in the social role and responsibilities of European-based global firms. In addition, CSR,

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with its emphasis on voluntary standards, soft law, and business-government cooperation is consistent with the regulatory style of many European governments. Interest in CSR in Europe also flows from a core mission of the EU, namely to make the development of the single market consistent with the achievement of broader social objectives.

For all these reason, the essays in this volume fill an important, and timely objective: they provide an invaluable window on how CSR is evolving in Europe, at the level of both public policy and corporate policies and practices. [...]” (p. xi-xiii)