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Corporate Social Responsibility in Europe: Analyzing Business in Transnational Contexts*

Davide Secchi[§]

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Abstract

Ever since the European Commission (EC) defined what "corporate social responsibility" is, European debate has taken up the definition as given. However a brief review of literature soon highlights that the adopted definition has given rise to some relevant concerns and is not without its critics. These criticisms might relate to the fact that literature on the issue is mainly produced by American scholars, and does not completely match European needs. Following this hypothesis, one can argue that the "new" EC definition is, in fact, an old one. However, the point which seems to have been missed revolves around certain contextual differences, it is this point which this paper aims to shed light on. The aim of this contribution is to suggest the right tools with which to take diversities into account, in order to reach a definition that allows thought on corporate social responsibility to be a dynamic concept. How can we consider CSR in different contexts? Do we need to define it differently in relation to each context or does it have a general (common) meaning? The model here presented is based on two standard economic variables (size and sector) on the corporate side, and on three variables (socio-cultural, economic structure, and institutional) on the country-specific side. The result of the matrix gives a new way to define CSR in different contexts and suggests that location is the important issue, neglected both in the EC's and in the scholars' approaches.

Key words: corporate social responsibility, stakeholder approach, European Commission, CSR modeling

Introduction

Corporate social responsibility is becoming an institutionalized issue in Europe. While the debate in the United States of America is an old one[1], the European debate is relatively new and ongoing (except for studies on social reporting; see, for example, Rusconi 1988; Vermot-Gaud 1986). Steering clear of the differences between the two continents, the European Commission proposes its own view of the problem and tries to influence corporate behavior.

The problem here, in the first instance, is that of analyzing the intrinsic value of the

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§ Lecturer in International Management, Università dell'Insubria, Dipartimento di Economia, Via Ravasi 2, 21100, Varese, Italy; e-mail: dsecchi@eco.uninsubria.it.

[1] It started in the early Fifties (Chase et al. 1950; Bowen 1953; Levitt 1958) and has continued up to today with ever growing strength. For the classification of the waves found in the debate, see Frederick (1978; 1986; 1998)

Commission's definition of social responsibility and, secondly, that of the evaluation of coherence with the European business environment.

Taking this as a starting point, the different responsibilities associated with the various contexts will then be analyzed The main objective is that of trying to create a model for evaluating to what extent social responsibility depends on the context and the firm.

The European Commission approach

In mid-2001 the European Commission published a Green paper entitled *Promoting a European Framework for Corporate Social Responsibility* (2001). The issue of the social impact of corporate economic activity is approached for the purposes of increasing sensibility and to foster greater corporate awareness. The general intention of the proposal isn't that of formulating a new law in order to constrain corporate actions but that of suggesting options for caring more about the environment and society in general.

The objectives of the Commission are led within the action framework on the European corporations in order to build up a significant and active role for the economy and, in a wider context, to society overall.[2] Each actor, for the Commission, is crucial in the way it behaves, for the improvement of the European system general conditions. The concept of social responsibility plays a very interesting role in enhancing a more mindful corporate contribution to European social development. To this extent, the European Commission approach can be evaluated as extremely positive and essential. Nonetheless, it has a few relevant, critical points.

For the Commission, "[c]orporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. […] This responsibility is expressed towards employees and more generally towards all the stakeholders affected by business and which in turn can influence its success"(European Commission 2001: 4). It follows that "[m]ost definitions of corporate social responsibility describe it as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission 2001: 6).

The two definitions appear in short clear passages and the latter may be considered as the integration of the former and vice-versa. The first part of the definition is anchored to a clear and seasoned vision of human and organizational action. Stating that "companies decide voluntarily to contribute to a better society and a cleaner environment" implies that they normally do not act towards having a better society and a cleaner environment. On the contrary, the Commission supposes that corporations follow their own interests, which contrast with the general public interest or, referring strictly to the text, that are not integrated with particular public interests. The Smithian (or neoclassical) backbone of the exposed ideas is very clearly stated (see, for example, Friedman 1970; Hayek 1986); it also appears that this theoretical approach has revealed certain insufficiencies in explaining corporate (and human) behavior (Sen 1987; Etzioni 1988; and also Kahneman 2003). In other words, it is hard to follow Hobbes'. On the contrary, we cannot affirm that corporations behave without taking into account the welfare of the general environment in which they act. More explicitly, we have no

[2] For an explanation of the Union's main goals, see the Presidency conclusions of the European Council held in Lisbon, March 23 and 24, 2000.

empirical findings to affirm that corporations behave in anti-social ways or without taking care of the environment.

The Commission, on the other hand, adopts the stakeholder approach. One of the most used definitions considers that "[a] stakeholder in an organization is (by definition) any group or individual who can affect or is affected by the achievement of the organization's objectives"[3] (Freeman 1984: 46). The tautology (redundancy) of the specification appears to be self-evident; but one can argue that the Commission particularly wanted to stress the point by writing the same concept twice. Beyond this imprecise sentence, the point is that adopting a stakeholder approach is not entirely compatible with the Smithian/Hobbesian view exposed above. Many scholars use the stakeholder approach in order to enrich the concepts of the fully-rational choice model and increase the moral commitment of people and organizations (Freeman and Liedtka 1991; Weiss 2003).

Finally, the stakeholder approach is based on the concept that corporations exist because of the interactions they have with individuals and organizations. Therefore, stakeholders are essential for corporations on an ontological basis, i.e. behavior hardly depends on the level corporations succeed in taking into account stakeholders claims and concerns. In other terms, if the corporation is supposed to be managed in relation to stakeholders' satisfaction, their general welfare must be an important issue. This vision cannot be fully compatible with the Smithian one (no one is responsible but for his own interests), implicitly adopted by the Commission: a choice is needed. It will be shown below that the position of the Commission turns towards a sort of socially responsible approach, but it remains anchored to an old vision of the economic system.

The second part is much more coherent because it refers to the integration of corporate interests in social and environmental issues. It underlines that the process is made on a voluntary basis and this is the reason why the Commission doesn't appear to want to regulate the issue. Social responsibility is something that belongs to the self-recognition of the European firms, and, therefore, it produces a more synergic corporate contribution to the overall society.

Finally, the Commission's approach is not a negative one but it underlines a misuse of the core terms and a misconception of their actual meanings. In the next paragraph, we try to make few references regarding approaches to CSR belonging to the American tradition in order to develop the definition.

Other approaches to CSR

A huge number of definitions should be isolated. The aim of this paragraph is to demonstrate that a brief look at a few, important CSR definitions may help in a better understanding of the contribution they make to European society.

In a book dated 1992, Frederick, Post and Davis express the idea that "business firms should help solve social problems as they pursue traditional economic goals." (Frederick et al. 1992) In a traditional framework, where firms perceive economic goals as indispensable, they also face the implications of social problems. Corporations are thought to express concerns over what happens in the social (external and internal) context; moreover, they are a part of this general system, and pursue, together with the others, economic objectives within a given[4] cultural, social, economic, and political

[3] Recent papers question the meaning of the word stakeholder; however, the starting point is always that of Freeman (Mitchell et al. 1997; Kaler 2002; Donaldson and Preston 1995).

[4] The environment cannot be "given" in the sense that it constantly changes and evolves (Scott 2003). The

context. Within this approach, corporations have no choice: they have to take social problems into account, for the simple reason that they are embedded in a social context (Granovetter 1985).[5]

Making further steps in the reasoning it clearly appears that if corporations *should* be managed taking into account social problems, society (its actors) has the right to question them about it. In other words, "[c]orporate social responsibility means that a corporation should be held accountable for any of its actions that affect people, their communities, and their environment". (Frederick et al. 1992)

The difference between the Commission's approach and the one cited above lays in the overlapping between the economic and the social dimensions. To some extent, the latter depends on the former or, that is a matter of minimum requirement, decisions on the economic reflect on the social side. The result is that corporations face twofold problems and that stakeholders have the right to question them on both economic and social issues. In this way, the difference between reporting and being socially responsible emerges. On the one hand, corporations do not have to choose between taking problems of social responsibility into account or not, because they are simply obliged to do so. On the other hand, they choose whether to publish information or not about their social commitment on a voluntary basis.

It is clear then, that the Commission takes the two issues in a mix, and this does not greatly help in promoting the role of social responsibility in Europe.

In order to extend the meaning of what we cited here, it could be interesting to look at Davis and Blomstrom's (1966) approach. The two Authors get to the heart of the social responsibility issue, stating that it is "a person's obligation to consider the effects of his decisions and actions on the whole social system. […] Social responsibility, therefore, broadens a person's view to the total social system." (Davis and Blomstrom 1966: 167) This sentence explains in a very effective way, which are the forbidden meanings of being socially responsible. As many philosophers of science pointed out, there are a number of uncontrolled effects of our behavior that (1) we cannot forecast, and that then (2) we can hardly take into account. These unpredicted effects, in the way they affect someone's behavior, make the corporation (or the person) responsible for them. The only solution for managing unpredictable events is to broaden our views to the larger systems, in order to challenge uncertainty.

Taking the wider view into consideration, corporations start to understand the role they play in society, monitoring, and trying to manage their social impact. To this effect, some empirical findings exist (Dunfee and Werhane 1997; Nitkin and Brooks 1998; Belal 2002; Bichta 2003; Secchi 2004a). Social responsibility doesn't mean enlightened self-interest, in the sense that a coherent profit-oriented perspective leads a corporation to take into account the social environment. The enriched approach to social responsibility here reported lays in integrating social needs to corporate strategy because of the self-consciousness directors feel over corporate role within society. The Commission totally misses this point: it seems to support the older "enlightened"

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sense of the passage is that each context has different cognitive meanings for people operating in relation to the firm (Scott 1995).

[5] The sentence could also be intended in another way. The words "social problems" refer to a huge quantity of items that cannot be limited to the corporate world. The expression here used is ambiguous in the sense that it is not clear if the corporation should have a role in solving social problems that do not directly involve a corporate role. It is clear that this *pour parler* is referred to businesses that do not explicitly integrate social issues into their mission statements. However, the definition here addressed is a wide one.

vision.

The views here proposed refer to what has been called the broader concept of social responsibility. Having no reason to go further on these points, we propose a matrix (Buono and Nichols 1985) for classifying corporate social responsibility theories in order to specify what has been presented above. The matrix in table 1 can be taken as a clear simplification of complex concepts. However, it is a great help in sorting out the four main variables that characterize the way scholars think about social responsibility.

Buono and Nichols (1985) isolated four dimensions of social responsibility[6] based on the crossing between two motives, self-interest and moral duty, and two reference groups, stock- and shareholders. This kind of classification is very useful in gaining a

Table 1. Types of corporate social responsibility

		Reference Groups	
		Private: Stockholder Model	*Public: Stakeholder Model*
Motives	*Instrumentally Rational Motives (self-interest)*	Productivism	Progressivism
	Value Rational Motives (moral duty)	Philanthropy	Ethical Idealism

Source: Buono and Nichols 1985, p. 74.

rapid view of theories and approaches, and it also adds some comment to the considerations written by the Authors.

The first classical approach is called "productivism" and refers to the traditional neoclassical economics view of the firm as a mechanism for profit seeking and maximization. It derives from the fully-rational approach applied to the shareholder model. Even if it has been recognized as far from reality, this approach largely remains the most common in microeconomics and in branches of management and finance. The basic assumption is that the only responsibility of a corporation is profit maximization (Friedman 1962; Hayek 1986; Levitt 1958). Thus, referring to "productivism" means underlining the central role of the transformation function: managing the enterprise is a matter of engineering.

"Philanthropy" denotes those theories that maintain the owners as the reference for explaining firm behavior but integrate it with moral values. This approach does not break with the idea of economic goals coming first, but tries to expand the sensibility of the firm to community donors. The rationale here is that the firm still follows its own

[6] They indistinctly use "responsiveness" or "responsibility" with the same meaning. Nonetheless, differences between the two can be found in Frederick's historical description of CSR theories (1978).

economic goals through philanthropic actions as milestones between marketing and responsibility.[7]

Following the fully-rational and self-interested view of the individual, but matching it with a more complex view of the firm, progressivism arises. These theories underline the importance that the corporation has in the social context in which it operates, and the need it shows to consider broad social issues as part of its own interests. This is also called "enlightened self-interest".

"Ethical idealism" refers to theories that are fundamentally based on moral values and consider the corporation as a complex system of interconnected interests coming from multiple stakeholders. Belonging to Buono and Nichols, the approach here represented goes beyond progressivism because, in the "idealist" scholars' intentions, society needs to be re-focused on ethical principles. Thus corporations could be, together with individuals, the State and the other organizations, the engine of this change. This is the case, however not considered by the Authors, of theories that suggest a hard contrast with mainstream economics. Within this field, the newest approaches that put the issues beyond the strict fully-rational model can be classified (see, for example, Donaldson and Dunfee 1999). Embracing a more complex theory of individuals and corporations choice, we also need to switch from the mono-stakeholder view (stockholder's) to the multiple stakeholder's (Freeman 1984).

While theories exposed before could be easily classified somewhere in between "progressivism" and "ethical idealism", the Commission's approach presents a more difficult task. On one side, it should be possible to think about it as a "progressivist" theory, because it refers to economic self-interested goals and to stakeholder theory. On the other side, one could classify it as a "philanthropic" approach since it considers external actions as a way to enhance the core corporate goals. Even if a number of ambiguities arise, we can suggest that the Commission's approach is classified as progressivist.

Kinds of responsibilities

Amongst others, the type of responsibility emerges as a topic that relevantly binds the way which it can be analyzed. With the aim of going further with the analysis, it is essential to understand what *social* corporate responsibility is. Differentiating it from the other types of responsibilities helps in this quest.

Documents and theories study corporate *social* responsibility as a matter of interest; however, this is not the only type of responsibility one can consider when analyzing corporate behavior. Amongst others, Richard T. De George (1999: 111ss) pointed out that responsibility can be "legal" or "moral". However, it is possible to take a few steps further in dividing responsibility into five domains:

- *Moral* – it refers to the obligation an individual (or an organization) has in relation to his values, and emerges in the mismatching between behavior and moral values;
- *Political* – this kind of responsibility is likely to depend on the individual (or an organization) role, functions, powers, and relations within the political/institutional framework. In short , it is related to the responsibility connected to acts that affect the political context;
- *Legal* – it relates to the obligation which derives from abiding by the laws;

[7] See the well-known pyramid in Carroll (1993), and the social and financial performance literature in Margolis and Walsh (2003).

- *Economic* – referring to corporations it is a classical issue, and it is defined as the fostering of the economic goals while preserving the firm's survival;
- *Social* – is the broadest type of responsibility because it refers to obligations pending on social relationships with a huge number of individuals, organizations, and institutions.

Of course, all these different types of responsibilities acquire an unambiguous meaning only when a specific context is defined. Moreover, "responsibility" is also defined through the person (or persons) to whom the act of being responsible is referred.

These are the points here stressed: the kind of responsibility acquires different meanings in relation to the environment in which the corporation normally exploits its activities. Moral, political, legal, and also economic responsibilities hardly depend upon the context, because their meaning changes when considering different moral, political, legal, and even economic systems.

Depending on the stakeholder involved (that means also that a location – even the Internet – emerges at the same time), the corporation faces a different kind of responsibility. We are not arguing that a kind of responsibility relates to each corporation-stakeholder relation (e.g. the firm has economic responsibility to shareholders, legal responsibilities to customers and suppliers, etc.). On the contrary, we argue that a complex mix of these responsibilities has to be considered in order to understand the general position of a corporation in society at large. Nonetheless, it appears more clearly that when speaking about *social* responsible behavior we refer to a dimension that, to some extent, contains the others. In fact, social relationships are composed of many features, normative, economic, moral, etc., that together help in defining the complexity of what is commonly thought as "social behavior".[8]

Finally, since we consider social responsibility without distinguishing between its components the concept remains vague and difficult to analyze properly. Once it has been integrated as a sort of collector-concept it appears that the context plays a fundamental role.

Issues facing corporations in the European Union

Once the meaning of corporate social responsibility for the European Commission has been defined, its limits and strengths examined, a broader definition proposed, and it has been sorted into different types the time has come to analyze the actual responsibilities facing corporations in Europe.

This is a primary analysis, which should be considered as a sort of "collection of ideas" on issues that will be developed further in future works. Hence, the approach used and the types of issues appear relevant even if some development will be postponed to more specific and detailed analysis.

The starting point here is to focus attention on those elements that the European Commission seems to forget.

Different factors pressurize European corporations. In order to be clear how social responsibility belongs to a specific context, following the five types isolated in the previous paragraph, issues have been split into two groups. Being that the nation-state is a significant "first environment", there are (a) country-specific, and (b) EU-specific

[8] Even if this argument needs a more detailed explanation and it is not shared by economic literature, it has been considered as given.

issues.[9]

Starting from the latter, it is a common idea that the European Union largely affects individuals, organizations, and State behavior. This is a matter of fact but it can be interesting to isolate some of the ways in which these influences are embodied by the Union. The aim is that of describing, very briefly, if there is a common ground for responsibility from which corporate behavior could then differentiate. The issues facing corporations in the European Union (EU-specific) are divided as follows:

a) *European values* – a Chart of the duties and rights of European citizens was signed a few years ago, and it is now a fundamental part of the Constitution. This is one of the greatest attempts towards sharing common values among peoples of the European Continent and it also provides some kind of level below which we will not fall. Labor, as an essential element of the citizens' life, is also cited in the Chart and remains one of the main components of everyone's liberties;
b) *Competitive challenges* – the widening of markets reaching Continental size leads corporations to try different ways of being competitive; in the internationalized context advantages increasingly relate to corporations coming from abroad. From a competitive perspective, it doesn't matter if the single firm goes or doesn't go international because the European context is international (Usai and Velo 1990). The new competitive challenge of the firm is to integrate this international character in strategic management;
c) *Broad social and economic pressures* – being part of an integrated union of States means also sharing part of the broad economic and social objectives. Twelve Member States joined the common currency and others are going to enter the Euro area. This aspect puts public policy maneuvers in a different light and is slightly changing the European way of thinking about State intervention in the economy. The great majority of the European States joined the European social charter, and are trying to cooperate in this area (employment, welfare, and other policies). Moreover, the Union has a common commercial policy, i.e. it has the same rules and taxes for imports and exports of goods and services. In other terms, the EU is on the way to completing the implementation of the "four liberties" – goods, services, capitals, and people – within the territory of its Member States;
d) *Legislative constraints* – the Union has legislative power. It is radically inserted into the everyday life of European citizens and it has precedent, compared with national law. The matters devolved to European competence are growing in number and importance, however it is sufficient to cite but a few of them. Competition and antitrust regulations are very important in the Continent, because they limit/regulate the way corporations abide within the market. Moreover, the Union intervenes in product manufacturing standards, the way in which services are offered, indirect taxation (V.A.T.), and other important issues;
e) *Structural Funds* – harmonization, both legislative and economic, is essential in the Old Continent where reducing the gap between areas remains one of

[9] Usai (1990) introduces the difference between "first" environment and "general" environment. The concept is different from that of "task" environment (Dill 1958) in the sense that it is not operational but relates to the direct influences of the nearest institutional (regulative, normative, and cognitive) system. In this it differs from the general environment, here referred to as the European Union.

the hardest challenges set for the next decades. Thus, cooperation and development is one of the main EU tasks that provides funds for less-developed regions of the Continent. The re-allocation policy impacts, when united to the effective management of the local government, as a relevant driver for private direct investment, exports, and other corporate affairs.

These five elements can be thought of as being a brief and incomplete synthesis of the general impact the Union has on corporate activities. The common framework it gives to every single economic, social or political actor reveals important references that matter for corporations too. For example, a small corporation, located in Northern Italy, in near Barcelona, in Sweden or in Southern Poland, has to deal, among other issues, with labor conditions – safety, religious and minority rights, etc. – (point a), other products or services offered in the Union (b), general economic policies (think about agriculture, for example), the eventual aid received by the region (e) and, of course, the need to respect the sometimes strict legislative constraints (d).

Country-specific issues are defined as the variables that differ from State to State, independently of whether the corporation concerned operates mainly on a national or multinational basis. To be precise, the use of the word country does not exclude the consideration of other local influences. By definition, the main issues here concerned are exemplified as follows:

a) *Cultural and social variables* – every member state of the European Union maintains its own traditions, cultural background and social variables that differ, depending on the area and the history, from the ideal "European character" (that only exists in the texts). These factors constrict the way through which economic activity is organized and individual thought (e.g. awareness or friendliness to technological innovations, Internet, capitalism, networking, etc.);
b) *Economic structure* – it differs from country to country depending on recent and past economic policies, international role, attitude towards state, market or mixed economy, political influence, main historical economic trends (which side of the Berlin wall?), role of large, medium, small or micro sized enterprises, financial sector model, etc.
c) *Legal and political constraints* – every country has developed a system of laws that is, to some extent, different from that of the others, even if the Union's legislation is superior in the classification of the general jurisdiction sources. Moreover, the way the state organizes its public powers becomes a matter of extreme importance in order to understand the role corporations have in the broad democratic representative system. These variables can also be defined as "institutional" constraints.

Other issues could be added to the list in order to achieve a more detailed description of country-specific issues. However, these three suffice to show the way parts of the environment affect corporate activities. These are more direct than EU-specific, so that some examples may seem redundant.

What are the actual issues concerning social responsibility? How does the split between country- and EU-specific variables matter?

Operating in transnational contexts

When the environment influencing corporate behavior can be divided in multiple levels and we can clearly define a local (national) impact to be different from a broader

one, corporations face a transnational environment. To some extent, more or less, every corporation in the world faces this kind of influences, but only the European context provides an institutionalized version of the process. Thus, competing in the European Union means, by definition, facing transnational challenges, no matter where the corporation is located. Otherwise, i.e. if there isn't any institutional process, we deal with globalized contexts.

Answering questions posed at the end of the last paragraph allows us to consider the corporation in its core components. The effects of the variables are more evident in the light of the stakeholder approach, because the stakeholder maps and weights are sensitive to corporate location. Furthermore, every firm is different and it creates specific stakeholder relations, maybe similar but never of the same type (Freeman 1984; Scott 1995).

We are not trying to define a general stakeholder model for European firms but to focus on the way social responsibility changes from country to country within the European framework. As Freeman and Liedtka (1991) put it, taking the stakeholder approach seriously implies conferring great significance to social relationships and thus to the way corporations show responsibility.

Table 2 shows standard stakeholder classification on the basis of the impact of selected variables. The basic assumption is that the type of responsible action changes from corporation to corporation also in relation to the ways in which social, cultural, moral, political and economic environment affect each single stakeholder category. Therefore, the following table makes an initial attempt to show which stakeholder is closest to what kind of variable (EU- or country-specific). The results, discussed below, suggest that we need a proposal in order to classify different types of socially responsible actions.

Table 2 tries to show the impact that the selected variables have on corporate stakeholders. Distinguishing the differences between stakeholders, it emerges that some categories are more related to the international European context while others are connected to a more local context. Therefore, the type of socially responsible actions that corporations should apply may be similar if the influence of EU-specific variables prevails, differing if the prevalent influence is country-specific.

Once more, it should be made clear that every real corporation has its own specific stakeholder relations that change from time to time. In fact, it is not clear how the variables can affect the enterprises despite their characteristics.

Table 2. The Impact of Variables on Stakeholders[10]

		Customers	Shareholders	Employees	Banks	Suppliers	Competitors	Local community	Environment
EU-specific	**Values**	High	Low	Middle	Low	Low	Low	Middle	High
	Competition	Middle	Low	High	High	High	High	Middle	Low
	Socioeconomic	High	Low	Middle	Low	Low	High	High	High
	EU law	High	Middle	High	High	High	High	Middle	High
	Structural funds	Low	Low	Low	High	Low	Low	High	High
Country-specific	**Socio-cultural**	High	Low	High	Low	Low	Middle	High	High
	Economy	Low	High	Low	High	High	High	Middle	Low
	Institutions	Low	High	Middle	High	Low	Low	High	Middle

Low: *it describes an indirect impact of the variable on the stakeholder;* Middle: *the impact may vary in relation to a number of other variables;* High: *direct and relevant impact on the concerned stakeholder category.*

[10] Results exposed in Table 2 are not commented as they ought to be (of course they will be in future works), even if they constitute the basis of the model presented in the following pages. The point here stressed is the explanatory potential of Table 2, and not the values (Low, Medium, or High) that has been attributed in matching the two variables. The Table has been developed by the author.

A model for analyzing CSR in Europe

The approach we used to analyze corporate social responsibility in Europe, starting from stakeholder relationships, allows us to make the following observations:

a) The European Union gives a common framework for corporations operating in the Continent, so that a European model of social responsibility begins to emerge;
b) Despite this common ground, local factors maintain a strong influence on firm-stakeholder relations, leaving a significant margin for introducing shifts in the way that corporate social responsibility is thought of and practiced;
c) The variables cited, both country- and EU-specific, are not sufficient to define how and why social responsibility is different.

If it shouldn't be hard to accept that a general and local impact can be identified, it has to be pointed out that a number of other issues also arise. In order to keep closer to firm peculiarities, a limited number of arguments can be taken into account.

Thinking about how social responsibility changes, it is very important to focus on (1) the dimension[11] of the enterprise, and (2) the sector[12] in which it operates. While the implications concerning the second element seem to be evident (think about tobacco or toy manufacturing, military, burial or transport services), the first is part of a current debate between academics (Spence 1999; Brammer and Millington 2003; European Commission 2002). In particular, the European Commission stresses the importance of small firms in the enhancement of socially responsible issues. However, it is not far from truth if we suppose that small and large enterprises have different impacts on the environment and therefore they develop different ways of being socially responsible.

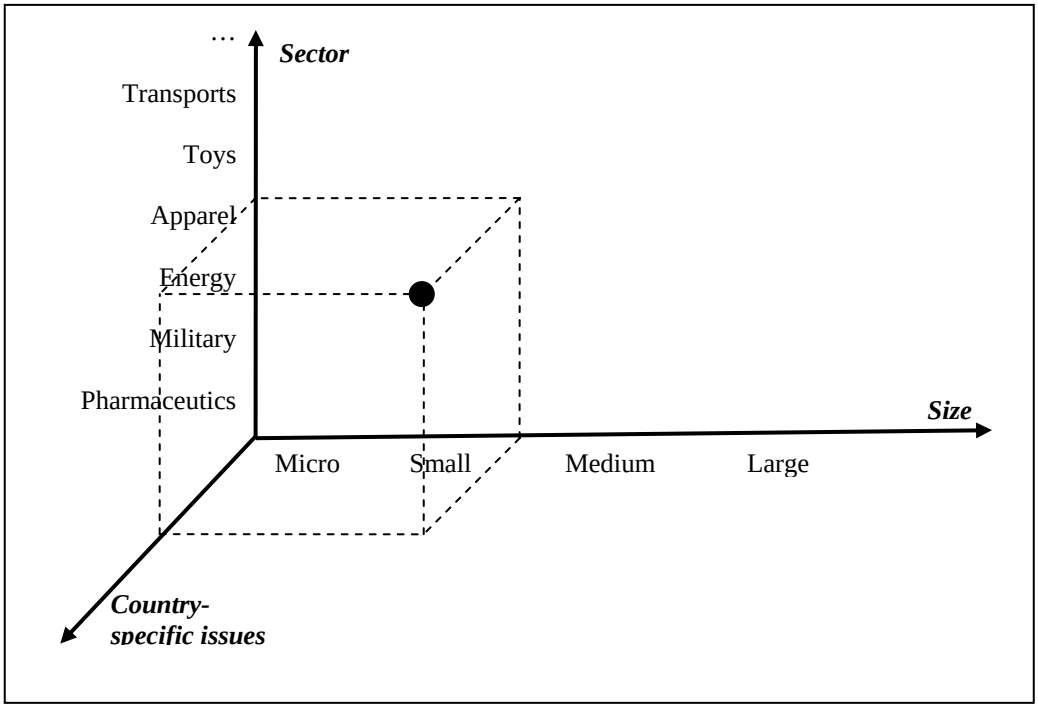
The model is three dimensional and it derives from the matching of three variables. Given the country in which the enterprise is located, we have: (1) sector non-statistic classification (they are put together in relation to the social issues they face); (2) size of the enterprise (micro, small, medium or large); (3) country-specific variables (determined by the overall interrelations of socio-cultural, economic structure, and institutional system). It has been shown before that this third variable depends on three other factors that influence stakeholders and therefore the enterprise's social commitment. The kind of socially responsible action may vary, basically, in relation to the way country-specific issues relate to size and sector.

Constructing the model, we suppose that every variable is important (and makes the difference) when considered in terms of socially responsible impact to the corporate activity. If the country-specific variables are properly defined, it could be possible to draw a kind of social responsibility map. The model is based on a single country that remains as given, therefore represented variables relate to it. Depending on the observations it is possible to put different weightings on the activities related to the firm size and to the sector.

[11] It is possible to develop this point adding to the variable "dimension" also that of "time", exemplified by the life-cycle or similar theories relating time to corporate history. Thus, the variable should be defined through the crossing of dimension (micro, small, medium, and large sized) and time (start-up, growing, mature, decline firm). The result will show16 "states".

[12] I am very much indebted to Pf. Boatright for highlighting the importance of considering this second element within the model.

Graph 1. A model for classifying corporate socially responsible commitment



The model is based on concepts first expressed in Secchi (2004).

Finally, it might be possible to find empirical evidence for stating that, in the *w* country, a *x*-sized firm operating in the *y* industry shows a *z* impact of country-specific issues. The point in the graph indicates the type of socially responsible behavior that emerges in the described situation. The slightly neglected function is that of giving to country-specific variables a stronger meaning in terms of social responsibility. However, this depends on the country one wants to study. In other terms, the points in the graph belong to linking size and sector to type of stakeholder involvement (that is determined through country-specific variables). Finally, socially responsible behavior is supposed to depend (this is the underlying hypothesis) on the type of influence and perceptions (weights and roles) the corporation gives to single stakeholder categories. Differences between single countries derive from benchmarking two or more different graphs.

Conclusions

This contribution is an initial attempt to analyze social responsibility with reference to environmental constraints and opportunities. The underlying hypothesis is common in management studies: that environmental variables influence corporate behavior and thus affect the way corporations develop social responsibility.

The paper focuses the attention on the way the European Commission tries to promote socially responsible behavior. Underlining exogenous contradictions and enriching definitions, the suggestion is to go beyond the Commission's definition.

Moreover, we find that corporate social responsibility needs a multivariate approach if analyzed in multilevel international contexts. This is the case of the European Union and its Member States. European corporations face a number of pressures. However it is easier to divide part of them into two bases: those referring to the State in which the activity is located, here called country-specific, and the others related to the wider

international context, i.e. EU-specific[13]. This is a peculiar element in our Continent and, despite the importance it has, it is usually overlooked in social responsibility contributions.

Following this approach, corporate social responsibility differs from country to country in relation to social, cultural, economic, and institutional variables, as described in the model.

The objective was that of thinking of a model for understanding differences in the ways corporations are socially responsible in Europe. The result is a general framework for classifying corporate social responsibility as connected to countries, firms, and sectors.

The variables here concerned are important but mainly neglected in previous studies of the field: Does the model here proposed provide a useful way to integrate the environment into the analysis of CSR? Does it really give information about country-specific differences? These and other questions are fundamental ones and answers will be sought in future, ongoing, research.

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[13] This element maintains its relevance in relation to other parts of the world in which super-national institutions can be found (ASEAN, ANZCERTA, NAFTA, etc.). However, it best expresses its strength only within the European context, since it is the most advanced in integration between its members.

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