

FOM-Conference

# FOM International CSR Research Conference

## Implementing Sustainable CSR Management Solutions



Track 1, Session 4  
Economics

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„Economic development and CSR initiatives in  
national economies“

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# Economic Development and CSR Initiatives in National Economies

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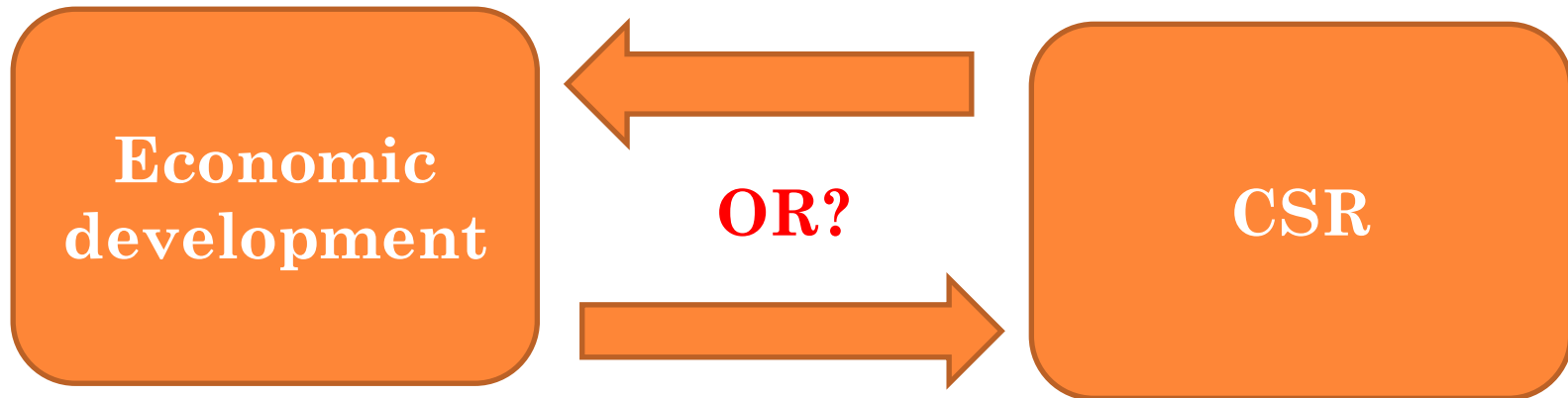
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# AGENDA:

- ✓ Research objective
- ✓ CSR: key characteristics in macroeconomic perspective
- ✓ CSR and economic development interdependence:
  - ✓ Theoretical perspective
  - ✓ Methodological challenges
  - ✓ Empirical research overview
- ✓ Conclusions

# RESEARCH OBJECTIVE

- To suggest the arguments for linkages between economic development and CSR initiatives



# CSR: KEY CHARACTERISTICS IN PERSPECTIVE OF ECONOMICS

CSR:	Well-being:
Profit maximization	Income and consumption level
Ethics	Ethics, fairness
Sustainability = ecological and social responsibility for present and future generations	Sustainability
Transparency	Trust
Expectations of stakeholders	Institutions (formal, informal)
Good practices within firm	Good life in each spheres of human existence

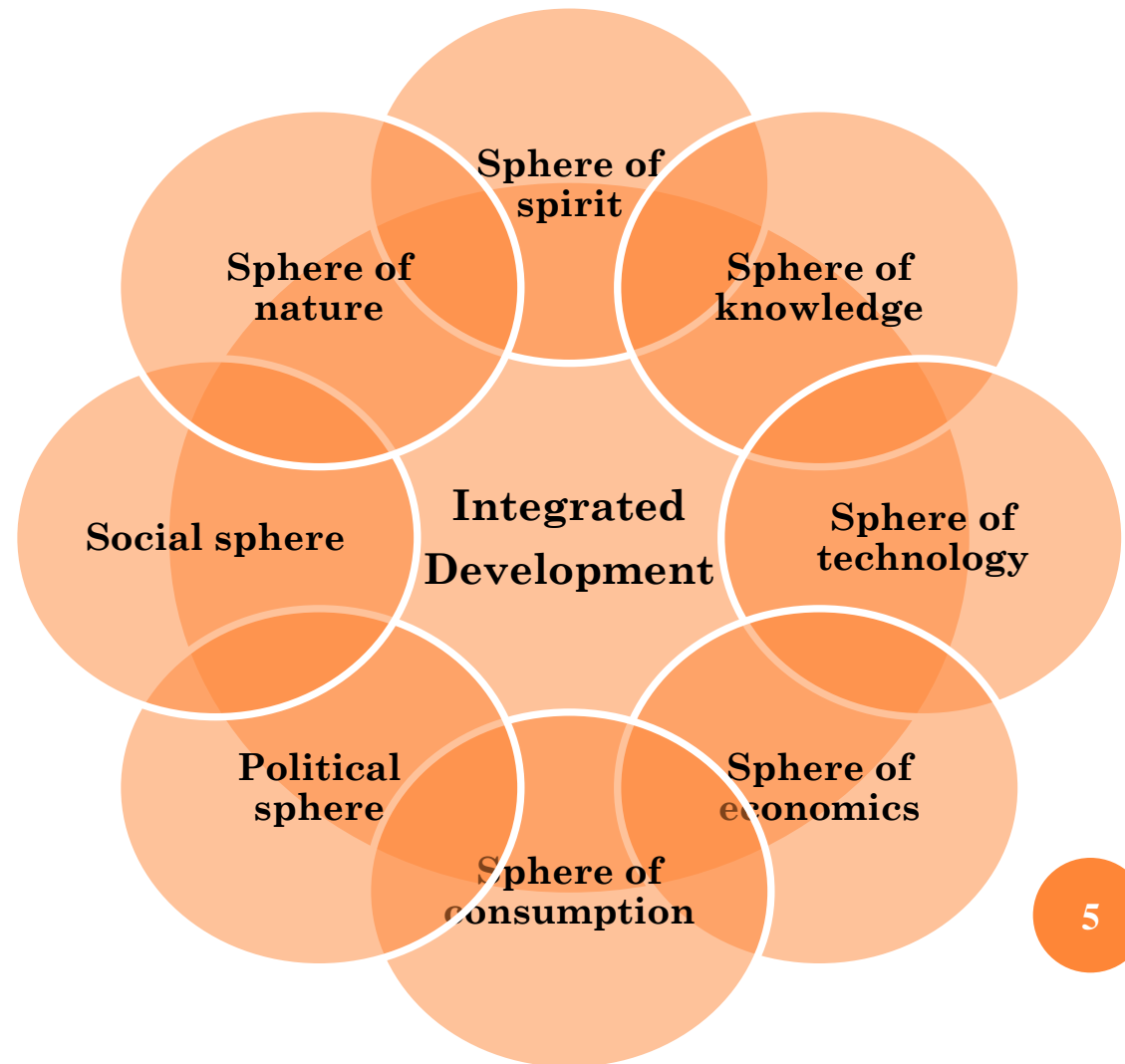
# TWO APPROACHES TO DEVELOPMENT:

## Traditional:

- Utilitarianism
- Increase in number and value of goods and services
- Economic efficiency improvement

## Modern:

(M.G. Woźniak, 2006, 2012):



# CSR AND DEVELOPMENT INTERDEPENDENCE

## THEORETICAL PERSPECTIVE

- **Evolutionary approach to factors of development**
  - Physical capital: 1950s, 1960s
  - Human capital: mid-1960s.
  - **Social capital: mid-1980s, 1990s.**
    - **Trust, co-operation, institutions:** Coleman (1990), North (1990), Fukuyama (1997)
  - Culture: **values**
  - Globalization
- **Complementarity between production inputs:**
  - *“Things happen the way they happen because many things happen at the same time”*

(G.W. Kolodko, 2011, p. 26)

# CSR AND DEVELOPMENT INTERDEPENDENCE

## THEORETICAL PERSPECTIVE

- **Conventional approach: factors determine development**
- **Unconventional approach: development stimulates (creates demand for) factors' acquisition**
  - Endogenous growth theory; theories of economic development
  - Higher level of development → higher human capital → higher social awareness
- **Theoretical and descriptive conclusions:**
  - Categories included in CSR stimulate economic development
  - Economic development stimulates CSR implementation in economies (companies)



# CSR AND DEVELOPMENT INTERDEPENDENCE

## METHODOLOGICAL CHALLENGES

- What level of economic development is crucial for CSR?
  - Economics provides no clear answer
  - Theories of economic growth and economic development (mainstream and heterodox) underline „some” threshold level beyond which conditions change
- How accurate is the question about the linkages between CSR and economic development of a country?
  - CSR depends on external factors; CSR implementation in countries is also by-product of globalization
- What CSR’ measures are appropriate for comparative studies?
  - Economists believe in numbers and statistics – reliance of findings (mainstream economics)

# CSR AND DEVELOPMENT INTERDEPENDENCE

## EMPIRICAL RESEARCH OVERVIEW

- What research says about the causality?
  - CSR stimulates economic development?
    - Researches are of descriptive nature
  - **Economic development enhances CSR?**
    - Researches are about to compare countries at various stages of economic development
- Findings are speculative:
  - Lack of statistical research – economists believe in numbers and statistics
  - Lack of strong empirical evidence
- CSR implementation in national economies depends on institutional factors (D.C. Robertson, 2009):
  - Ownership structure
  - Corporate governance = reflects response to pressure from stakeholders
  - Openness to international investment – stock market

# CONCLUSIONS

- Promising field of study from the macroeconomic perspective
- There exist theoretical arguments for linkages between CSR and economic development
- Empirical research seems to support theoretical findings
- But some methodological challenges appear:
  - What level of economic development is crucial for CSR?
  - How accurate is the question about the linkages between CSR and economic development of a country?
  - What CSR' measures are appropriate for comparative studies?

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