1 The Evolution of the CSR Concept: From Sharing to Caring

1.1 Introduction and overview

Corporate social responsibility (CSR) has been heralded as the manner in which corporations position themselves in society. In recent times the scope of CSR has evolved beyond management school and business rhetoric to become a term recognised by most in society. Whereas the term CSR may be part of general parlance, the nuances of the concept evade many people. This may be attributed to the fluid development of the ideology and, in accordance its evolution has been in a constant state of flux. Discussions on CSR have developed considerably in recent years, to the extent that CSR can now be considered a strategic tool in the relationship between business, government and stakeholders alike. This book is concerned with capital generated by MNCs and the relationship between MNCs and the state. The government’s role within CSR, then, is primarily as an external stakeholder of MNCs. This, and stakeholder management more generally, is explored in more detail in Chapter 4, but the idea behind this chapter is to introduce CSR and to consider the character of CSR today. These two tasks provide a useful lens to analyse the evolution of CSR in both academic literature and practical application – from ‘indirect’ methods such as disclosure legislation and other regulatory practices to the more direct methods of CSR-influenced legislation which is becoming more commonplace today.

1.2 Overview of CSR

Corporate social responsibility (CSR) has spent the last 50 years developing, evolving and reimagining its purpose and value within the company and in broader society. And that is the beauty of it. It is designed to ebb and flow with business trends, to align with market patterns and to gauge societal interpretations of the concept. As such, it has undergone significant rebranding from early inceptions of philanthropy and gift giving. Today,
The idea of CSR is tied in with a self-regulatory function (as it relates to tax, compliance, etc.). It can be viewed as an inclusion of public interest into corporate decision making (Elkington, 1997) and as a means of recognising and protecting stakeholders by taking their needs and concerns into consideration while making corporate decisions. More recent developments have centred on the role of business within the sphere of human rights, and the ‘corporate responsibility’ to protect human rights has further embedded the language of CSR into a business, legal and governance space (for example, the UN Guiding Principles on Business and Human Rights).

Carroll (1999) provides a useful review of the themes and concepts of CSR from Bowen’s Social Responsibilities (1953) to Corporate Social Performance initiatives (Wood, 1991). More recent discussions have centred on the impact of global financial crises and what crises tell us about the effectiveness of CSR theory and practice (Kemper and Martin, 2010; Carroll, 2015). It is in piecing these puzzle pieces that the fluidity of the concept can be best understood. It can be attributed in part to the failure of academics, practitioners and governments to agree on a particular definition: for example, Godfrey, Hatch and Hansen (2010) describe CSR as a ‘tortured concept’ (2010, p. 316). The proliferation of definitions through the years has contributed to the success of the concept but also the criticisms of CSR as a model. There is constantly a reimagining of the definition of CSR within the literature (see Schwartz and Carroll, 2003 (which is particularly critical of Carroll, 1991); Carroll 2015) and with bodies like the European Commission reimagining CSR as ‘the responsibility of enterprises for their impact on society’ (Corporate Social Responsibility: Accountable, transparent and responsible business behaviour and sustainable growth, 2013b).

The ‘modern’ definition of CSR is perhaps attributable to Bowen (1953) but refined by Carroll in 1979. Carroll’s definition, describes CSR as ‘the social responsibility of business [that] encompasses the economic, legal, ethical and discretionary expectations that society has of organizations in any given point in time’ (Carroll, 1979, p. 500, emphasis added). Note the fluidity of the definition, where ‘any given point in time’ suggests that the characterisation of CSR adapts as business trends change. In later years, though, McWilliams and Siegel’s definition of CSR as an action that appears to further some social good extends beyond the explicit interests of the firm but is not required by the law (2001, p.117, emphasis added) has garnered considerable popularity (Godfrey et al., 2010: Lawler and Conger, 2015). Indeed, this idea of going beyond the law is something that has gained traction in more recent years (McBarnet, 2007) and does still lend itself to the ‘appearance’ of social good. Windsor is critical of the concept and the emphasis on the appearance of social good, especially with the ‘anti-responsibility’ trends in the literature, noting in particular that...