

A Question of Responsibility

The financial crisis as a crossroad for Corporate Social Responsibility

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Abstract

The undeniable influence of the global recession on the concept of Corporate Social Responsibility (CSR) has lead companies to a crossroad depending on how to go on with their CSR activities. That many companies are cutting their CSR budgets might therefore show that CSR has never been more than a passing fashion. This article claims however, that by concentrating on the core business-activities and thereby giving up more immature, inefficient forms of CSR, the opportunity for a deeper, more concrete definition is given. The first step of unmasking the “real” face of CSR rather leads to a different, more sustainable approach which on the other side can’t be separated from the core business and is crucial for its success. At the same time, a new understanding of responsibility has to arise: because economy and society are intrinsically linked, the social responsibility must be seen as a necessary, before-profit obligation. A broader adoption of this form of CSR would finally not only reveal the link between CSR and business success, but also could appear as a major factor in social cohesion and lead to general prosperity.

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A universal crisis

Opening the newspapers these days exposes seemingly growing amounts of loss as a result of the financial crisis starting in July 2007. Banks have dropped several billions of US Dollars, governments have pledged more than \$7 trillion in loans, guarantees and capital injections to prop up the global financial system and it is estimated that the crisis will cost 20 million jobs in 2009.¹ Looking at the broader picture, things are even worse: We seem to be in the middle of a universal crisis. First of all, an economic crisis is undeniable. Furthermore, the environment today is also not as healthy as it was just a hundred years ago. “The combined effects of climate change, acidification of the seas [...], the widespread destruction of forests, wetlands and other natural habitats, are together causing the loss of an estimated 50,000 species a year”.² And the fact that basic needs such as potable water, medical facilities, and access to gas and electricity are unattainable luxuries for more than 70% of the world’s population points out a crucial social problem as well.³ Not to be mentioned that this all is a global crisis in itself, reaching from Iceland to Southeast Asia. It’s something that concerns everyone. It’s truly universal. Therefore the question arises: Who is responsible?

Many people hold the companies alone responsible for the financial crisis and have lost all their confidence in the business sector. But how will the companies respond? How are they dealing with their “Corporate Social Responsibility” (CSR) in these difficult times?

“The financial crisis which has grown into a global crisis and a crisis of trust in the financial institutions and governments will have a direct impact on CSR.”⁴ This means, the global recession has brought companies to a crossroad, depending on how to go on with their CSR activities. One possible direction many companies already take is cutting their budgets especially for philanthropy and CSR as public relations and therefore showing that CSR was nothing more than a passing fashion from good financial times.

But there is also another way for companies to go, namely to integrate CSR even more into their core business so that it will be accepted as responsible business practice and therefore critical to business success. This behavior would finally also help to tackle the other parts of this universal crisis, it would appear as a major factor in social cohesion, in saving the environment and decreasing poverty and finally leading to general prosperity.

¹ Williams 2008: 1

² Edwards 2006: 5

³ Tiscornia 2006: 1

⁴ Global Compact Network Bulgaria 2009: 1

However, is this second path, as nice as it may sound, in any way achievable in the presence of a global recession and if so, how could it be approached – and is this truly only the responsibility of business?

To answer this question, this paper first seeks to uncover the reason why CSR today more than ever could be depreciated as a passing fashion. Doing this will then reveal a different picture of the often unclear and misused expression of CSR, and show that it is not necessarily a contradiction to profit orientated way of doing business. A redefinition of the concept of CSR finally links it to business success and makes clear, that an economy and its society cannot be independent from each other. Therefore CSR can help to find a way out of the financial, but also the social and environmental crisis.

CSR as a passing fashion

“You’re the CEO of a public company. Do you manage for today or tomorrow? If I don’t produce profits to my shareholders, then they’ll find someone else who will.”
(Ludwig Ed, CEO of Becton-Dickinson)⁵

The “real” face of CSR

“Global economic downturn, credit crisis, recession – whichever way you look at it, business confidence around the world is undermined and pressures on company budgets are mounting.”⁶ Looking at the numbers makes it even more evident: In the US there is going to be an estimated 62.000 bankruptcies and in Germany up to 34.000 companies will face insolvency in the year 2009. Therefore what small as well as big transnational companies (TNCs) are most probably thinking about is how to survive, rather than how to save the planet. “A new report by the consultancy Corporate Citizenship suggests that CSR is one of the first areas to suffer in a recession. There’s no doubt that the current global climate is making businesses think twice about spending money on anything but essentials to their business.”⁷

And of course it would be hard for a company to justify for example donations for a “saving-the-rainforest” project in South America while decruiting hundreds of their own employees. In times of recession, where the budget of a company is tight, the business case of every operation is essential. “Unfortunately there is no evidence that behaving more virtuously makes firms more profitable”⁸, concludes Vogel after comparing different studies about the

⁵ Blowfield 2008: 385

⁶ Rasgas: 1

⁷ Rasgas: 1

⁸ Vogel 2005: 17

profitability of CSR. Moreover “social goals [...] add nothing to the economist’s measure of wealth. Nor, when they disappear, do they show up as subtractions from wealth”.⁹ Yet even state governments don’t act differently when directing major cash injections towards banks and car companies rather than to renewable energy firms.¹⁰

Times like these could turn out to be like a “sustainability” test for CSR – reality has extinguished all nice talk around CSR and has made the masks fall off. Now that many companies such as Microsoft¹¹ are cutting their CSR-PR-budget, and green schemes are being dropped from corporations like Shell,¹² it seems that many critical voices were right: CSR might be not much more than nice public window-dressing for sunny times and a good strategy to greenwash bad environmental practices. That companies are cutting their corporate philanthropy funding up to 40% and reducing their CSR focused staff¹³ points inevitably in one direction: “It is possible that this whole recent development will prove to be little more than a passing fashion, largely confined to the big multinationals and with no serious or lasting impact even on them.”¹⁴

The responsibility of business is business

But what does this mean for the concept of Corporate Social Responsibility? Does it mean that all the academic research, all the case studies and global initiatives of organisations and governments, which seem to show that CSR is necessary and actually does succeed, at least in areas like risk and reputation management, employee motivation, stakeholder approach, cause-related marketing and so on were just flatly wrong? That all CSR activities and projects were just pastimes of a sunny day and are put on ice when the sun disappears behind the clouds?

No, it is not just that. It is even worse. The crisis means that companies are ceasing their community initiatives, their environmental friendly traveling, etc. to try to avoid making more redundancies or even to try not to end up in insolvency. Therefore - can we really blame them for that?

Maybe in these days more and more people will agree on Friedmans view that the only responsibility of business is to increase its profits.¹⁵ Obviously there is much greater damage if thousands of companies have to shut down and the unemployment numbers reach

⁹ Mintzberg 2008: 42

¹⁰ Macalister 2009: 1

¹¹ Environmental Leader 2009

¹² Macalister 2009: 1

¹³ Rasgas: 1

¹⁴ Henderson 2001: 19

¹⁵ Friedman 1970: 32

dimensions which have never been seen before - the ILO estimates that the crisis will bring the total unemployed to more than 210 million for the first time in history¹⁶ - than a few companies can compensate with their CSR activities. As a consequence it is always important to consider the bottom line first, because a healthy company in itself, which operates according to the law and doesn't damage the environment and their community by "just" doing their business, is much better for society than a greenwashing CSR campaign.

Does this mean however that corporations don't have a "social responsibility" and that the only thing they should consider is maximising profit?

Beyond Philanthropy

Before condemning all Corporate Social Responsibility, a closer look has to be taken at what kind of activities companies actually are cutting down on as a result of the crisis. Reality shows nowadays that it is the philanthropic budget that is among the first to be trimmed.¹⁷ According to Henry Jackelen, the UN Resident Coordinator to Bulgaria, "philanthropic CSR will be worst hit - the immature version of CSR, in which CSR is primarily about philanthropy (sponsorship, donations, charity and employee volunteering), will suffer from substantial cut backs during the coming recession".¹⁸ Therefore it depends highly on the type of CSR and how companies are dealing with it in times of crisis. The problem is that "[m]any companies still operate under a PR model of CSR, viewing it as little more than something 'nice to do' and restricted to when times are good. This makes it highly vulnerable to upsets in the economy."¹⁹

At the same time it is even arguable, whether Philanthropy and Public Relations really are seen as part of a strategic CSR. For Hopkins, for example, CSR is not philanthropy²⁰, Milton Friedman said in an interview that he believes that the "flat statement that "corporate philanthropy is a good thing" is flatly wrong."²¹ And finally Robert Reich stated: "We should stop kidding ourselves that charity and philanthropy do much to help the poor."²²

Putting aside the *donation-and-image-character* of CSR one can eventually uncover that many companies continue their more strategic CSR activities. Looking at Microsoft, even if it is cutting its PR budget for CSR, the company remains committed to their citizenship and CSR

¹⁶ Williams 2008: 1

¹⁷ Williams 2008: 3

¹⁸ Global Compact Network Bulgaria 2009: 1

¹⁹ Rasgas: 2

²⁰ Hopkins 2007: 113

²¹ Reason Magazine 2005: 5

²² Hopkins 2007: 115

efforts, like a spokesman of Microsoft emphasized.²³ At the same time a survey about the effects of the crisis on CSR showed surprising results: 44% of experts believe that the CSR policies will be applied more often, while only 22% prefigure a negative impact on CSR.²⁴ However what is most important is that 28% think that the essence of CSR will change in the context of the new conditions.

So maybe what ends as a passing fashion is not CSR itself, but it's immature picture of "just" marketing, "just" public window-dressing, "just" greenwashing. Maybe the crisis can be a chance pointing to the direction of a more mature concept of CSR, of a deeper, truer, and more concrete definition of Corporate Social Responsibility.

CSR as responsible business practice

"Many of the current criticism of corporate social responsibility relate to how the prerogatives of the modern corporation determine its societal role."²⁵

So despite the fact that corporations are cutting their CSR–Public Relations and Philanthropy activities, one could assume that they are thereby not giving up their social responsibilities.

The second path in our scenario therefore can be linked to the first, because giving up this immature form of CSR can (and maybe must) go in hand with evolving CSR into a responsible business practice. But what does it mean for a company to act responsibly?

A redefinition of corporate responsibility

Coming back to the earlier statement, it is almost impossible to deny that the first responsibility of corporate leaders is to maintain a sound, stable, at best growing but at least financially-secure company. "What differentiates business from everything else is its purpose: maximising long-term owner value by selling goods and services. Only this definitive goal is essential to business."²⁶ And in its purest form, there is nothing wrong with that, a company exists to serve the needs of society mainly by providing the required goods – and gaining profit out of it. So the responsibility of business is business. But what does it mean for a business to be "responsible" for business?

If we look at the legal constitution of a company, we find a corporation defined as a legal person, recognized for the purpose of regulation as having a single personhood. "Nevertheless, corporations' enjoyment of legal personality (and its attendent rights) allows

²³ Environmental Leader 2009

²⁴ Global Compact Network Bulgaria 2009: 1

²⁵ Blowfield 2008: 387

²⁶ Sternberg 2000: 78

them to display greater social power than the natural persons on whose rights corporate rights are often modeled.”²⁷ This derives from the fact that corporations are always stronger than humans in the way that they can “live” longer, have bigger resources available, and with globalization, have a mobility that very few humans could achieve. But with power also comes responsibility: “Those who exercise power in these societies, whether in government, business or other pursuits, must respect responsibility not only for their own character but for the character of the institutions they govern.”²⁸ So a company is in itself a “person” with rights and therefore responsibilities. As a result, if we stay with the argument ‘the only responsibility of business is business’, then the company is at least responsible for its “business behavior”. However, strategic decisions of companies inevitably involve social as well as economic consequences, and both are inextricably intertwined. Just consider for example the consequences of the decision of Dow Chemical to sell napalm during the Vietnam War. “In other words: there is no such thing as a purely economic strategic decision in big business. Every one is also social”.²⁹ And even in the foreword of “Misguided Virtue”, a study written by David Henderson, one of the modern proponents of CSR, we find the assumption ratified that a company is interdependent on its society:

“That businesses have social roles and responsibilities is not at issue. This point cannot be emphasised too strongly. In this regard companies are no different from other organisations such as partnerships, cooperatives, clubs, trade unions, universities, charities and churches in which people join together voluntarily to pursue common goals. All have social roles and responsibilities. Business is the wealth-creating institution of society. Its prime social role is to produce the goods and services that people need in their daily lives.”³⁰

Consequently, there can’t be any doubt that a business simply *has to* act socially responsible. However, what follows hence for the concept of “Corporate Social Responsibility”?

That it is something “natural”, something that just arises from the character of a corporation, something one cannot argue about – simply put it is a “before profit” obligation.³¹

Now one could question how this should be connected to the actual financial crisis and that if it is just a natural thing to do, why haven’t many companies implemented this idea of CSR already? Of course the business sector should have taken their responsibilities more seriously ages ago, but what shows up now through the hard reality of a recession is which companies have actually taken CSR seriously – and which ones just used it as a cosmetic. The embedded form of CSR is not something a company can put aside if times get tough and the budget gets

²⁷ May 2006: 3

²⁸ Thompson 2005: 8

²⁹ Mintzberg 2008: 47

³⁰ Henderson 2001: vi

³¹ Hopkins 2007: 114

tight. So what will be uncovered is the pure “blanket” approach of some companies which will probably be just too expensive to continue.

“CSR can only be resilient if it is part of the DNA of an organisation. In other words, CSR will only survive the vagaries of fickle markets, fluctuating profits, financial crises and leadership whims if it is totally embedded in the corporate culture, strategy and governance systems. The impending recession will be the ultimate DNA-test for companies. A year from now, we will have a much better idea of who has driven CSR deep into the heart of their business and who has simply been wearing it as a mask”³²

Therefore the crisis, probably itself a result of irresponsibility on different levels, can also be a chance to redefine what responsibility means for companies and lead to a new future of CSR as a responsible business practice.

The link between CSR and business success

In the last chapter I have tried to show in theory, that social responsibility is something that is without a doubt a *must* for business behavior. But there are also good reasons why companies *should* also in practice act according to the principles of CSR.

The “business case” for CSR has been the subject of many studies in the recent years. There are several “standard” arguments which were brought up in favor of CSR: Risk Reduction, Competitive Advantage, Reputation management, Employee satisfaction, Financial performance.³³ Most of these points are very important to consider for many companies, especially for big TNCs which are often the target of different pressures from a various number of stakeholders. Nike for example had a long struggle with consumers, NGOs and media before its more responsible practices were accepted.³⁴

Also small and medium-sized companies (SMEs) profit a lot from implementing a sound stakeholder management and for them, often acting in small communities, their reputation is absolutely crucial. One example is Martin Maisonnave, the manager of a small hostel in Montevideo in Uruguay, which is called “Arthostel”. After being criticized that the “art” was missing, he is now developing a project with the art students of the local University, providing a place for them to create their final theses.

However, the financial argument for CSR- “Responsible business practices deliver direct cost benefits and improved financial performance”³⁵- is highly controversial. For example Business in the Community claims that there is actually a measurable financial benefit³⁶,

³² Williams 2008: 3

³³ Kurcz 2008: 93; BITC 2003; BITC 2009

³⁴ Vogel 2005: 83

³⁵ BITC 2009: 2

³⁶ BITC 2008: 4

while others like David Henderson consider the opposite, that it even could reduce shareholder value.³⁷

So if we stick to our argument, that the only responsibility of business is making profit, how can we justify then the application of CSR? The answer has already been given, Corporate Social Responsibility is not about profit – it's *before profit*, it's about *how* you make it³⁸. Even in the study of Henderson, there is a clear statement from the publisher:

“The Business Roundtable has also been concerned to affirm the need for businesses to treat employees, suppliers and customers well, to be environmentally responsible and to be sensitive to the interests and values of communities in which they operate. All these factors are consistent with – indeed prerequisites for – their commercial success.”³⁹

Coming back to our starting point, how can responsible business behaviour help maintain business success during the crisis?

Overall, it is essential to rebuild confidence in business itself. How the recent Edelmans Trust Barometer shows, 68% of people trust business less than they did a year ago.⁴⁰

Therefore companies have to demonstrate leadership in the way they handle necessary restructuring and downsizing operations, and they need to show respect for the communities and individuals involved. Furthermore a healthy communication with stakeholders is in these times more urgent than ever. “If an organisation can do the right thing during a lay-off, it will reap the rewards for years to come with all of its stakeholders.”⁴¹ Building upon customer loyalty and employee retention can help a company to thrive in an economic downturn and set them in an even better position for the future.⁴² CSR can therefore be a great tool to address the short term pressures while minimising the damage to a long-term business value.

In any case the strongest argument for Corporate Social Responsibility is the current financial crisis itself. In particular, the status quo could almost be seen as the personification of irresponsibility. Of course first of all we can blame the banks (retrospectively) for their irresponsible banking practices and credit risk assesment. Moreover we could assume it is the result of irresponsible financial markets, which have grown since the deregulation of the 1980s to almost 10 times the value of global GDP. Also to blame are the CEOs who earned in 2006 around 364 times more than the average U.S. worker. However, in the end, many hold the short-term mindset of most shareholder value driven companies responsible for the breakdown of the financial system, which have “a legally defined mandate to relentlessly

³⁷ Henderson 2001: 29

³⁸ Hopkins 2007: 10

³⁹ Henderson 2001: vii

⁴⁰ BITC media 2009: 2

⁴¹ BITC 2009: 2

⁴² Rasgas: 2

pursue—without exception—its own self-interest regardless of the often harmful consequences it might cause to others.”⁴³

Therefore the current recession becomes a clear manifestation of what the irresponsible behavior of companies can lead to: in their worst cases maybe to insolvency – but in our worst case - to which direction we are drifting with the current crisis- to distrust, unemployment and poverty, for millions of people around the world. It then becomes clear that Corporate Social Responsibility is crucial to business success and to social cohesion on many different levels.

“There are many reasons why the world’s economy has taken a dive of late but they all highlight the need for responsible, sustainable business practice. Too many organisations have been more concerned with profiteering than on balancing profit with social and environmental targets. The global crisis has proved that CSR isn’t a ‘nice-to-do’, it’s a *necessity*“.⁴⁴

The interdependence of society and economy

It is intelligible that irresponsible behavior can have negative effects on the company as well as on its surroundings. The question is whether the reverse, a responsible business, can actually contribute to cohesion and prosperity in a society, particularly in times of recession.

As mentioned before, high unemployment is one of the most visible effects of the crisis on society. According to Amartya Sen, worklessness is one of the most important contributors to social exclusion in Europe – also hitting many other countries hard at the moment.⁴⁵ Social exclusion can be put on a level with poverty and means simply a lack of freedom, or being deprived of the ability to live a decent life.⁴⁶

However, it is not only the society that suffers from growing poverty, but also the companies operating in it. This means, that without parallel social development there will be no satisfactory economic development – and the reverse: “The ensuing view is that social development is not viable without economic growth, but the latter, in turn, will not be sustainable unless supported by intense social growth.”⁴⁷ Also the common belief, that growth would simultaneously spark social development, is proven to be incorrect.⁴⁸ Therefore an actively committed corporate social development is unavoidable and can contribute to social capital, which rests upon three columns. First of all, as shown above, CSR can help to build up trust between the company and their stakeholders. Second it can influence civic behavior by being a good “citizen” itself, by creating well-being through its products as well as

⁴³ Williams 2008: 2

⁴⁴ Rasgas: 2

⁴⁵ Sen 2000: 18

⁴⁶ ibd. 4

⁴⁷ Kliksberg 2000: 5

⁴⁸ ibd.

avoiding bribery and corruption. Finally a good relationship with other companies, customers and the government shows that the society has the capacity to establish different types of inward synergies. Social capital further indicates a good government, technological progress, sustained growth and stability of a society.⁴⁹

In the end, re-emphasized by the current recession, it is essential to understand that economies and societies are deeply interdependent. Because of that, companies can contribute in a high level to social cohesion by investing in education, health, sanitation, infrastructure, electricity etc. - simply by caring about their human capital – and even benefiting from it.

A way to prosperity

If we want the sort of functioning society in which we can do business, we need to work with others to create the capacities and conditions which sound governance requires.

(Sir Mark Moody Stuart, Chairman, Anglo American PLC)⁵⁰

As many companies already show, it is possible that the CSR movement follows the second path and becomes responsible business practice. For example Woolworths demonstrates responsibility by working with partners like Job Centre Plus and Nextsteps to ask companies to redeploy its ongoing staff.⁵¹ Also the company Overgas Inc will not stop any of its ongoing employee-oriented programmes and will continue with its environmentally friendly initiatives.⁵²

However, these companies yet are single stars in the economic universe and there is still a long way to go. Even more important though is to look at how the broader acceptance of this progressive and at the same time innovative form of CSR can be achieved.

In fact it is not enough that only the business sector tries to be more responsible when at the same time governments deny their duties for development and consumers are not willing to pay the higher price for more sustainable products. “The economic, political and social areas are inextricably linked. What happens in one of them will severely condition what occurs in the others.”⁵³

Therefore enlightenment has to happen in all three sectors of a society, beginning with the public sector, which has a crucial task in providing the right environment for business to do CSR. The principle roles of governments can be seen in mandating, facilitating, partnering

⁴⁹ ibd. 6

⁵⁰ Hopkins 2007: 1

⁵¹ BITC 2009: 4

⁵² Global Compact Network Bulgaria 2009: 1

⁵³ Kliksberg 2000: 5

and endorsing CSR in companies.⁵⁴ Many governments have gained more power during the crisis through supporting financial help for the business. For example the Bank of England has announced a £75bn scheme to inject money into the economy⁵⁵. Hand in hand with a loss of trust in the business sector appears the threat of stronger regulations. However, it is more important that governments give financial incentives, for example for being more energy efficient, than to set up strict laws which maybe could hinder the progress of CSR. Either way, perhaps most significant is the responsible behaviour of the states themselves. Public money should be used for new-energy research and go into large-scale renewable projects; there should be a drive to electrify the public transport network, and nationalised banks could provide a more sustainable banking future with a longer term view.⁵⁶

Furthermore, a strong commitment of the civil society is crucial in the same way. Consumers are one of the biggest drivers of a more responsible behavior for companies. Nevertheless CSR is never “for free” and it is unavoidable that costs are also carried by the people.⁵⁷ For a better understanding, a broader education about environmental and social responsibility is necessary. For example there is nothing difficult in separating waste – people just have to know how, and the government has to give the opportunity to do so. Germany is therefore a good example to show that it can work. To go even further this example, recycling provides so many business opportunities.

Hereby it is also important to understand, that if all three actors of a society play together, an environmental and social conscience is more likely to become a natural value for the majority of people. In this respect the media is a strong tool to secure a broader enlightenment on sustainable values. An important target group are also university students, which are seen as the future managers.⁵⁸ A subject like CSR could therefore be compulsory for every business student, as well as in subjects like politics, engineering, etc.

Finally, perhaps the last step towards achieving acceptance for CSR and social cohesion is something that until now has been more or less a taboo subject: “to re-examine the orthodoxy of economic growth as an absolute must, an absolute good.”⁵⁹ This is a challenge that every man - as a responsible consumer, every manager - as more than profit value, and every government - as a vision of controlled and sustainable growth - should face.

⁵⁴ Fox 2002: 3-6

⁵⁵ Guardian 2009: 1

⁵⁶ Macalister 2009: 2

⁵⁷ Vogel 2005: 166

⁵⁸ Global Compact Network Bulgaria 2009: 2

⁵⁹ BITC Media 2009: 3

Taking comprehensive responsibility points to the concept of Holroyd, to a **social coalition**, “where business, communities and government work together to respond to entrenched problems for people in the community, improving corporate sustainability and allowing flexible, innovative solutions to develop at the local level. **The social coalition is a serious attempt to advance a more integrated society where individuals won’t be left behind and emerging corporate social responsibility trends are progressed.**”⁶⁰

So in the end, with social cohesion comes a stable society, leading directly to greater prosperity for everyone.

The question of responsibility

In this paper I have tried to examine the path of social responsibility for companies facing a global recession like the one evolved in 2007 – which could appear like a mountain range between a company and its sustainable future. At first it seemed that the crisis was too big of a challenge, that CSR was something nice to do in good times, but at the same time too heavy a burden when it came to climbing the mountain of a crisis. The fact that many companies are cutting their CSR budgets could be interpreted as the proof that acting responsibly is just not profitable or viable in times when budgets are tight. As a consequence what stays as the extract of responsibility is the commitment of a company to sustain its business, what simply can’t be neglected anymore in the presence of this economic downturn. Therefore a company is at least responsible for its own business behavior. Being a legal person with power, who is embedded in and interacting with a society, however, also entails a social role and responsibility for each company – which has nothing to do with profit, but with the way a company makes it. Tough times will force companies to throw in the towel of cosmetic CSR, and offer the chance for a purer form of responsibility.

So the crisis hopefully will lead CSR to the first path, abandoning what is known as greenwashing, philanthropy and CSR-PR. This at the same time does not eliminate the second, that CSR can be seen as a responsible business practice. Rather it offers the opportunity for a broader understanding of CSR as a challenge, crucial to business success, social cohesion and prosperity. In times where companies are coerced to rebuild trust, communicate with stakeholders and deal reasonably with downsizing, a socially responsible behaviour will simply help and provide scalable advantages after the crisis.

In any case the necessity of CSR, independent of the economic situation, becomes even clearer, when we look at what happens nowadays, when irresponsible behavior is getting out

⁶⁰ Holroyd 2001: 2

of hand. CSR can therefore be seen as a compass rather than a burden on the steep path of conquering a crisis. Realising further that business is inextricably entwined with its society, leads to the conclusion that there is just no way forward for a company not doing CSR.

Yet one question from the beginning still remains: Is challenging an economic, but also a social and environmental, crisis really only the responsibility of business?

The simple answer is NO. Business alone is powerless. Governments also have to become more aware of their role as the responsible body of society. At the same time every one of us has to remember that we are not alone, that there is a society around us. Maybe we need a new enlightenment – but this time a social one. Or with the words of Kant: “Sapere aude” – socially!

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