

A Study on Academic Arguments for Corporate Social Responsibility

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Abstract: CSR plays a key role in the sustainable development. In order to study researching situations of corporate social responsibility, this paper uses textual analysis to finish this aim. First, this paper introduces the history and evolution of CSR. Secondly, this paper studies the function of CSR. At last, this paper discusses several arguments of CSR.

1. The study tendency

CSR policy functions as a self-regulatory mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards and national or international norms (Rasche, A., etc. 2017). Corporate social responsibility (CSR) is now seen as an integral part of the corporate strategy (Kumar, S. 2014). So related research results are really rich, and citations of CSR publications are also growing much faster during recent years which are shown in figure 1.

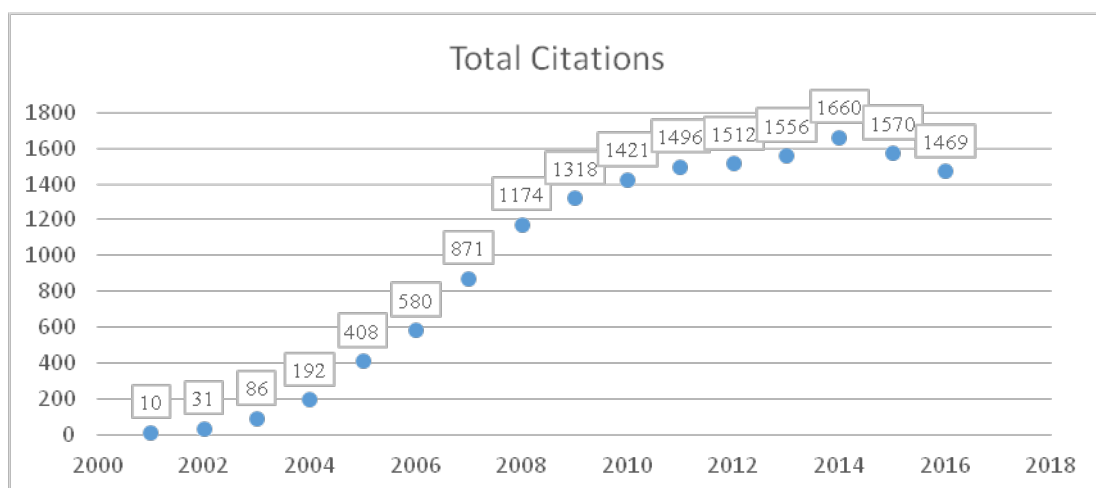


Figure 1. Research tendency of CSR publications¹

Figure 1 shows us the citation tendency in CSR publications. Recently years, the total citations

¹ Data is from China National Knowledge Infrastructure which is renewed in 21st, March 2018. Website:

http://nvm.cnki.net/KNS/brief/Default_Result.aspx?code=CIDX&kw=%E4%BC%81%E4%B8%9A%E7%A4%BE%E4%BC%9A%E8%B4%A3%E4%BB%BB&korder=&sel=1

of CSR publications are around 1500 which means the research on CSR is still more attractive in academics.

2. The subject csr

Up to now, there are mountains of research papers on the corporate social responsibility which are from totally different views and belong to various subjects. The details are shown in the following table 1.

Table 1. Statistic description of the subject CSR belongs to²

Subject	Number
Business economics	11480
Industrial economics	1922
Macroeconomics and sustainable development	1004
Accounting	515
Finance	488
Trading economics	409
Investment	364
Light industry	346
Economic law	258
Security	245
Total	17031

Table 1 tells us that up to 9, April 2018, there is a total of 17031 papers on corporate social responsibility. During all these papers, there are 11480 belonging to business economics, 1922 papers belonging to industrial economics, 1004 papers belonging to macroeconomics and sustainable development. There are 515 papers studying CSR from accounting subject and 488 papers on CSR from finance subject and so on. From here, we can see that CSR is really one topic in Economics.

However, these subjects are supplied by CNKI (China National Knowledge Infrastructure). We can see that business economics, industrial economics, macroeconomics, and sustainable development and light industry belong to economics. Investment and security are belonged to finance. In order to further study the subject that CSR belongs to, this paper uses the pie figure to analysis.

From the pie figure 2 , it could be seen that most scholars in economics are researching on CSR, and they produce 15161 researching papers totally until 2018. And other main scholars studying on CSR are from finance, and the rest are accounting and law. So we can get a conclusion that CSR is one study area in economics and finance.

² Source: China National Knowledge Infrastructure (CNKI). Updated: 9, April 2018. Website:

http://kns.cnki.net/kns/brief/Default_Result.aspx?code=CIDX&kw=%E4%BC%81%E4%B8%9A%E7%A4%BE%E4%BC%9A%E8%B4%A3%E4%BB%BB&korder=&sel=1

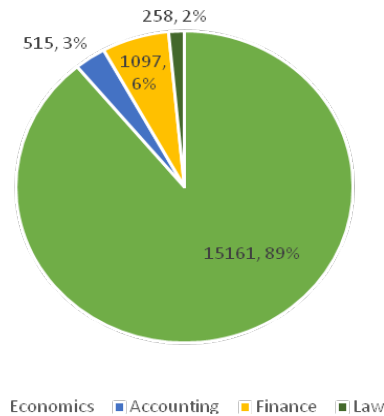


Figure 2. The descriptive statistics of CSR subject

3. The function of csr

Corporate social responsibility means that corporate does not only care about the profits and the interests of the stockholders but also needs to be responsible for all the other stakeholders. All these needs include social obligations and other social responsibilities which mean production safety, public health, interests of the employee, protection of the environment and business ethics, etc.

Nowadays, the world economy is market economy, to pursue revenues and profits is the only purpose of the corporation which wants to get relatively higher competitiveness and to get outstanding financial performance, so sometimes we can get the conclusion that profit is the only reason for the existence of corporate.

In Hungary, Nagypál N. C. (2014) uses Hungarian SME as a research sample and he finds that corporate social responsibility plays a very important role in sustained development. Radacsi G. and Hardi P. (2014) point out that CSR is a voluntary add-on to the regular market activities and legal compliances of companies. Theodore, M., & Maria, T. (2010) make a detailed research on the dimensions and benefits of CSR in Greece, Denmark, and Hungary, and they get the conclusion that the effective implementation of CSR strategy cannot follow strict rules and should be adjusted to the culture, needs, and particularities of each country.

4. The benefits of csr

From the initiative of CSR, there are different attitudes existing on the profitability of CSR for corporate. And a continuing and unresolved debate focuses on whether CSR is profitable (White, A. L. 2006). As summarized by this thesis, three attitudes can be seen in the following figure 3.

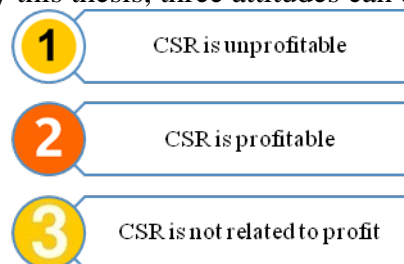


Figure 3. General attitudes on the profitability of CSR

-CSR is unprofitable

CSR is not profitable, many companies contribute substantially to charity independent of specific

product promotions (Gneezy, A., etc. 2010). One of the reason is that myopically declining to satisfy stakeholders' CSR demands because presently unprofitable to do so could result in more unprofitable stakeholder-induced modifications in what is often uncertain law and public policy (Windsor, D. 2001).

-CSR is profitable

Social responsibility is an effective basis for competing in the market, and contributing to the solution of social problems can be profitable for business (Quazi, A. M., & O'brien, D. 2000). And Prieto-Carrón, etc. (2006) consider that it should be profitable for businesses to engage in CSR initiatives. Cho, E., & Park, H. (2015) use evidence from Korea to prove that corporate social responsibility is really profitable for corporate. Research results of Vitezić, etc. (2012) show that companies that report on CSR activities are more profitable than companies that don't.

-CSR is not related to profit

CSR is not related to profit, even profitable CSR initiatives do not necessarily enhance social welfare (Weyzig, F. 2009). And White (2006) think that whether CSR is profitable still depends on many factors.

5. Arguments against csr

Arguments dated back to more than half a century ago, mainly on the ill-defined nature of the construct, improper appropriation of shareholders' money for this purpose, and difficulty in implementation.

Friedman (1962) contends that 'few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible'. He (1970) also considers CSR a costly move and managers have no right to use shareholders' money on such unprofitable moves. Anderson (1989) found there had been conflicts of interest between businesses and stakeholders.

Manne and Wallich (1972) comment on the great practical difficulty in classifying corporate activities and determining the real motive behind the business expenditure. Friedman (1970) comments that CSR is loose in analysis and lack of rigor; business as a whole cannot be said to have responsibilities; if a corporate executive acts in a socially responsible manner, he/she actually is spending shareholders' money for general social interest.

Other criticisms include: CSR as a construct is ill-defined, can mean all things to all people (Sethi, 1975); vague meaning can harm the foundations of a free society (Johnson, 1971); corporate charters limit corporate behavior and managers not trained to pursue CSR activities, CSR pursuance is kind of theft-like action (Jones, 1980; Meehan et al., 2006); corporations are not moral agents, only corporate controllers can be socially responsible (Ranker, 1987); lack of a comprehensive framework (Clarkson, 1995); failure in operationalizing the responsibilities (Waddock, 2004). Some of the arguments include: profits imply socially preferred behavior; the law prevents corporations from engaging in socially responsible behaviors; reducing stockholder equity equates to theft, etc. (Jones, 1980).

In the midst of this debate, Carroll (1995) developed a model which sought to lay a sound foundation for the pro-CSR approach to business, and this will be examined in the next section.

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