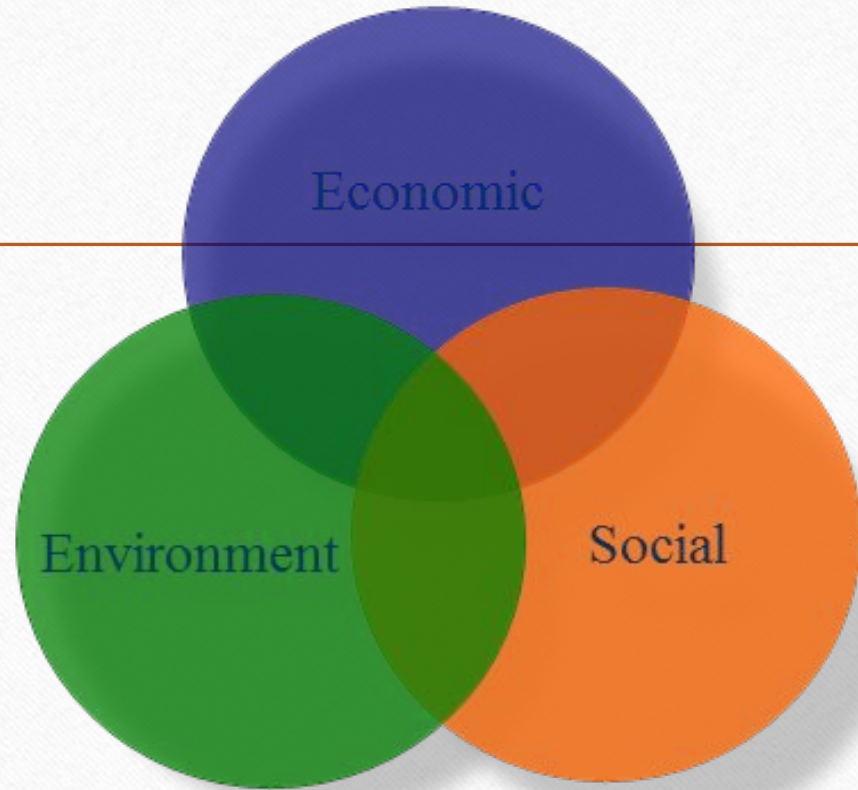


Corporate Social Responsibility

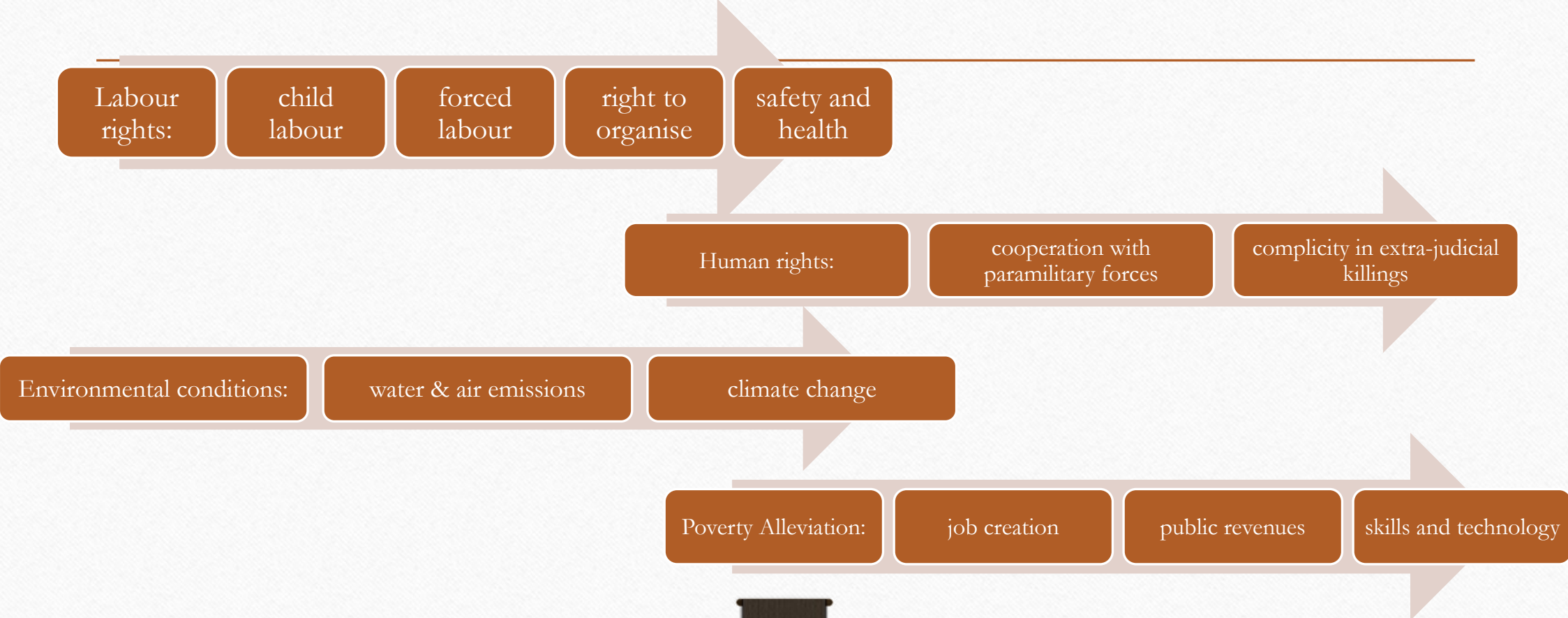
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What is 'Corporate Social Responsibility'

- Corporate social responsibility, often abbreviated "CSR," is a corporation's initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing. The term generally applies to efforts that go beyond what may be required by regulators or environmental protection groups.
- CSR may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.



Key Issues in CSR



As per 2007 Report on European CSR Survey Conducted by RSM Erasmus University the issues of Importance are:

- | | | | | | | | |
|--|--|--|--|--|--|--|--|
| •1. Climate Change | | | | | | | |
| •2. Transparency in business practice | | | | | | | |
| •3. Ecological diversity | | | | | | | |
| •4. Fair trade and fair procurement | | | | | | | |
| •5. Corruption prevention | | | | | | | |
| •6. Labour rights | | | | | | | |
| •7. Health and Safety | | | | | | | |
| •8. Education | | | | | | | |
| •9. Income equality and fair wages | | | | | | | |
| •10. Poverty 7 | | | | | | | |
| •11. Reputation management | | | | | | | |
| •12. Employee attraction | | | | | | | |
| •13. Competition (in general) | | | | | | | |
| •14. Investor relations | | | | | | | |
| •15. Corporate liabilities /Legal claims | | | | | | | |
| •16. Cost efficiency | | | | | | | |
| •17. Quality | | | | | | | |

American author K. Walton believed that the social responsibility of business involves the relationship of three players:

Corporations;
The state;
society.

He argues his position by the fact that society can not be in welfare only at the expense of the state. K. Walton believed that an unspoken confrontation between the state and business should be stopped. So there were components of the concept of social responsibility of business:

Refusal of companies from personal gain in case it contradicts the interests of the company;

The economic system must be based on the principles of pluralism;

The welfare of society is ensured at the expense of the state and business;

Within each company, the business model should be designed with personal interests in mind, as well as consumers, workers, competing firms and other players.

Three basic concepts of social responsibility of business

In a constantly changing environment, entrepreneurs were forced to form new principles and values in the field of interaction with consumers. This led to three basic concepts of social responsibility of business:

- Corporate altruism.
- Reasonable selfishness.
- Corporate selfishness.

According to the economist M. Friedman, caring for common interests undermines the fundamental doctrine that the main goal of any enterprise is to make a profit. He believed that the task of any business unit is to carry out its activities within the framework of the law, but at the same time to try to optimize the resource-cost base so that, under equal competitive conditions, it should have advantages and earn as much money as possible.



Soft
Law



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