

22

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Position of the Government in Relation to
Corporate Social Responsibility

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Abstract

Pavel Adámek: **Position of the Government in Relation to Corporate Social Responsibility**

The goal of this paper is to define the role of the government and examine the opportunities and options of corporate social responsibility (CSR) in government policy and research its relevance to Czech business environment. The concept of CSR in the Czech Republic has evolved notably during the last few years and represents a coherent set of activities and practices that are an integral part of the control strategy of social, environmental and economic organizations, and are implemented by organizations on a voluntary basis beyond the scope of their legal obligations. Therefore it becomes strategically important issues in the relationship between CSR and the public policy frameworks belonging to government concerns within which organizations are operating. Governments have a role to play in ensuring that corporations behave according to the rules and norms of society and can legislate, foster, collaborate with businesses and endorse good practice in order to facilitate the development of CSR. By drawing on existing CSR approach, policy, frameworks and comprehension of CSR are demonstrated. Paper concludes that CSR needs to be understood as part and parcel of a wider system of national societal governance incorporating government institutions, business organizations and non-governmental organizations.

Key words

corporate social responsibility, public policy, government, environment

JEL: M14, P28, Q56

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Introduction

The term Corporate Social Responsibility (CSR), which denotes the responsibility of corporations towards society and the environment, has emerged from a significant historical role of business in societal development. Several aspects of the performance of businesses, such as reputation and risk management, employee satisfaction, innovation and learning, and access to capital and financial performance are directly or indirectly linked to their role in managing their social responsibilities (Adámek, 2014).

Corporate responsibility as a governance approach entails governments establishing conditions in which CSR can flourish. States make the rules and devise incentives for corporate social responsibility. Creating a policy environment that facilitates, provides incentives, encourages or even mandates responsible business activities is crucial to building a sustainable and inclusive economy. Governance CSR activities to date have largely been derived from a series of external and internal drivers that collectively generate a public policy case for CR (Gamble, 2000).

At the national level, the role of CSR has been put forward as both a mechanism to address welfare deficits, and a means of promoting national competitiveness (Swift and Zadek, 2002). At the international level, CSR is understood as the mechanism for companies to contribute to sustainable development. For example, CSR is considered the strategic solution for socio-environmental challenges in developed economies and was officially adopted by member governments at the European Commission (2002). Although there is broad consensus that CSR has a business-driven approach and that the main focus of CSR development is the business sector, attention must also be paid to the development and application of CSR within the framework of other stakeholders, such as governments, from a relational perspective.

The objective of this paper is to define the role of the government and examine the opportunities and options of CSR in government policy and research its relevance to Czech business environment. Our purpose is aimed to analyse governments' CSR public approaches and initiatives in order to define the governments' interest in CSR, which comprise the main instruments and themes of CSR policies.

The presented empirical research provides output of an analysis of CSR approach in the Czech Republic. The country approach shows in terms of governmental actions promoting CSR. We have classified public policies and initiatives based on the framework and analysed internal initiatives and activities generated in the Czech Republic. The research is combinations of a theoretical approach and analysis of CSR issues in the Czech Republic and hence involves understanding the theoretical basis of the relevant matters. The requirements for carrying out such a research include obtaining literature regarding issues in CSR, the role of government in development of CSR activities, policies of country.

The paper is structured as follows. Firstly, we examine literature review in are of the government challenge, the governments' interest in CSR to analyse the governments' issues about the concept. Secondly, we present the instruments and themes of CSR policies used to analyse a systematic account of how governments address CSR. Thirdly, we present the result of the empirical research that explores the CSR approach in the Czech Republic. Lastly, we offer some developments in CSR government policy and considerations based on these results.

1. Review of Relevant Literature

Over the last decade, governments have joined other stakeholders in assuming a relevant role as drivers of CSR (Moon, 2004) and adopting public sector roles in strengthening CSR (Fox, Ward and Howard, 2002). At the start of the century, these governmental initiatives converged with the actions of different international organizations such as the UN Global Compact and the European Commission Green Paper (2001), both of which began to promote and endorse CSR, recognizing that the role of public administration and public policy initiatives were key in encouraging a greater sense of CSR (Albareda et al., 2008).

From the industrial revolution to recent years, social objectives have been almost entirely the responsibility of government. Social movements, non-profit organizations' activities and pressure groups during the 1970s and 1980s led to the mobilization of public opinion demanding from corporations to demonstrate a socially responsible stance (Bichta, 2003). Since the earlier twentieth century, European as well as other countries all around the globe have developed legislation to control the relationship between employee and the company, health and safety at work, issues of environmental interest, discrimination and equal opportunities at workplace.

Another aspects of corporate responsibility, compliance with the law and efforts to be accountable and transparent and to "do no harm" should be the starting point for leading companies. At the same time, as the public problems faced by individual nations and by the international community become increasingly complex and intractable, and pose ever greater risks and opportunities for business, there will be a growing need not only for product and process innovation on the part of companies, but also for institutional and policy innovation on the part of governments, non-governmental organizations, and the private sector (Thompson et al., 1991; Nelson, 2008).

Legislation, regulation and taxation have been the favourable tools employed by governments to promote and protect social objectives. A question of interest therefore is, whether government should assist business to exceed its legal obligations and hence commit itself to socially responsible behaviour, as defined in current terms. Interestingly, recently published studies (Fox, Ward and Howard, 2002; Bichta 2003), suggested that government might play a role to encourage and promote the social responsibility of business.

This is followed by transformation which is strongly associated with dynamic processes of globalization including (Stohl, Stohl and Townsley, 2007):

- The intensification and deepening of material, political, and cultural exchange;
- The development of global consciousness thorough processes of reflexivity;
- The disembodiment of events and institutions, which permits new realignments, and restructuring of social interaction across time and space;
- Compression of time and space; and
- The rapid diffusion of ideas and knowledge enabled through new information technologies

CSR standards represent a response to the failures of national and international business regulation. According to Moon and Vogel (2008) analysis, economic globalization, as measured by the growth of international trade and the expansion of international investment, has created a governance deficit. Much of the growth of global civil regulation is rooted in the perception that economic globalization has created a structural imbalance between the size

and power of global firms and markets, and the capacity, willingness, and ability of governments to regulate them (Mellahi and Wood, 2003).

Some key roles, which a government can actively choose to engage to support a CSR agenda, include (but are not limited to), the following: regulating, facilitating, brokering, and warranting (Fox, Ward and Howard, 2002). Governments at different levels can regulate the behaviour or practice of business by defining minimum standards for business performance embedded within the legal framework. Governments can combine public resources with those of business and other actors to leverage complementary skills and resources to address issues within a CSR agenda (Considine and Lewis, 2003). Government can do this by initiating dialogue in multi-stakeholder processes; supporting joint government-industry collaboration in capacity building and developing sectoral CSR guidelines; engaging stakeholders in standards-setting processes; promoting public-private partnerships for community development; and mobilizing resources (Singhal, 2014). In this role, government can also stimulate the engagement of key actors in a CSR agenda.

Government can provide political support and public warrant of a CSR concept. In particular, this can be done for specific types of CSR-related initiatives in the marketplace. Warranting can take various forms, including commitment to implement international principles; education or awareness raising programmes; official policy documents; publicity of good CSR practice conducted by other leading companies; specific CSR related award schemes; or, endorse specific pro-CSR indicators, guidelines, systems and standards (United Nations, 2010).

1.1. The Government Challenge in CSR

The challenge for governmental agencies in promoting a CSR agenda is to identify priorities, raise awareness, create incentives and support, and mobilize resources from cross-sectoral cooperation that are meaningful in the national context, as well as building on existing initiatives and capacities. Given the management focus and widely accepted voluntary character of CSR, why do governments care about the concept at all? This question can be answered by the following five literature-based propositions (Steurer, 2010):

First, governments are interested in CSR because the respective business efforts can help to meet policy objectives on a voluntary basis. This motivation touches not only on policy objectives related to sustainable development and environmental protection, but also to foreign policy goals such as human development and development assistance (Haufler, 2001). Liston-Heyes and Ceton (2010) state that CSR is concerned with redistributing corporate resources to public causes. As the CSR critic Henderson puts it provocatively, CSR is now “a common body of doctrine” that requires businesses to “play a leading part in achieving the shared objectives of public policy and making the world a better place” (Steurer, 2010).

Second, CSR policies are regarded as an attractive complement for hard-law regulations in cases where new regulations are politically not desirable or infeasible (in particular at the international level; for examples see (Haufler, 2001). Compared to hard-law regulations, the soft-law character of CSR and CSR policies implies comparatively low political costs in terms of resistance by special interest groups (Moon, 2002 and 2007). Third, governments inevitably define CSR negatively with conventional social and environmental regulations because the ‘voluntary business contribution to sustainable development’ starts where the legal framework ends (Steurer, 2010). Fourth, a look into the governance literature of recent years shows that the soft approach of CSR policies coincides with a broader transition of public

governance altogether, which leads away from hierarchical regulation towards more network-like and partnering modes of self- and co-regulation (Kooiman, 1993 and 2003; Pierre, 2000; Rhodes, 1996 and 1997). Fifth and finally, since CSR is concerned with managing business relations with a broad variety of stakeholders, the concept obviously reshapes not only management routines but also the roles of, and relations between, businesses, governments, and civil society (Steurer, 2010).

1.2. The Government Instruments address CSR

We completed an account of governments instruments address CSR. The proposed typology (adapted from Steurer (2010) characterises CSR with five types of policy instruments. It is based on a comparison of existing CSR policy typologies and empirical research.

According to Howlett and Ramesh (1993, p. 4) "Policy instruments are tools of governance. They represent the relatively limited number of means or methods by which governments effect their policies". Although Hood (1983, p. 201) stated "There is no single agreed characterization of government resources or instruments in the literature on public administration", one can distinguish a widely acknowledged standard set consisting of informational, economic and legal policy instruments (Jordan et al., 2003; Bemelmans-Videc, Rist and Vedung, 1997; Howlett and Ramesh, 1993):

- Informational instruments are based on the resource of knowledge.
- Economic instruments are based on the resources of the taxing authority and money. Their rationale is to influence behaviour with financial incentives and market forces.
- Legal instruments prescribe the desired choices and actions by making use of the state's legislative, executive, and judicial powers.

All three types of these instruments can also be found in the context of CSR policies, but the following two deviations are obvious. First, the economic and legal instruments assume uniquely soft characteristics. If legal CSR instruments have a mandating character that goes beyond recommendations, they are either not universally binding (businesses, for example, do not have to obey label regulations if they do not want to apply them), or enforcement is non-existent or weak. The second deviation is that the tripartite instrument set has to be expanded by two additional instrument types, i.e. partnering and hybrid ones (Steurer, 2010).

- Partnering instruments build on a co-regulatory networking rationale, assuming that different actors are interested in working together towards shared objectives. Due to the voluntary character of CSR, one would assume that CSR policies make extensive use of stakeholder forums, negotiated agreements, and public-private partnerships (Fox, Ward and Howard, 2002). Hybrid instruments combine other instruments as mentioned above.

1.3. Government Intervention

In selecting the appropriate types of policy intervention, governments must take into account local socioeconomic, political and cultural contexts as well as the specific problems or action areas in and through which social change is desired. Governments may wish to combine different types of intervention in order to address social challenges effectively. Practical experience shows that various types of government interventions can comfortably coexist, and can in fact be complementary. There are at least four types of government intervention that can usefully be distinguished (Fox, Ward and Howard, 2002):

Awareness-raising instruments represent an important tool for governments in disseminating the idea of CSR and providing incentives for business to adopt it. Aimed at demonstrating how companies can contribute to sustainable development, these tools are often used to create a common understanding of CR among companies and their stakeholders. Raising awareness is an important first step leading to public sector engagement in CSR.

Partnering instruments lie at the heart of the CSR public policy agenda. Partnerships combine the expertise, competencies and resources of the public sector with those of business and other societal actors to address action areas within the CR agenda, thus creating benefit for all. In these partnerships, governments may be the initiator, moderator or facilitator.

Soft law interventions to promote CSR are no regulatory interventions. Examples of soft law policies include the promotion of universal principles such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises, the inclusion of corporate responsibility criteria in public procurement procedures, and the establishment of a National Action Plan on CSR.

Mandating instruments are often used to set and enforce minimum standards for business performance in CSR-relevant areas such as environmental protection, anti-corruption and labour laws. These standards can come in the form of laws, regulations or sanctions, which regulate and enforce business activities. Legal frameworks for corporate responsibility vary widely depending on a country's socioeconomic and cultural framework

Based on empirical research and analysis of several approach, CSR policies can be characterised. The following part contain the fields of action in the Czech Republic that these policies, instrument and themes are employed in.

2. Methodology

This paper has the character of a preliminary study that summarizes the role of government and researched the creation and development of approaches to CSR in Czech condition. This is likely to be the methodology of theoretical analysis: selection and discussion of available sources (e.g. regulations, legislation, recommendations, voluntary instruments etc.) in the relationship of the government (or its activities) on the issues of CSR. Based on the reported characteristics and examined issues in the theoretical background and literature-based research raised these research questions:

- *How do government in the Czech Republic try to shape and promote CSR?*
- *How can policies or approaches be used systematically in terms of the themes and policy instrument?*
- *Do CSR and CSR policies strengthen business self-regulation at the expense of state regulation?*

The following part contain the fields of action in the Czech Republic that these policies, instrument and themes are employed in. Based on the analysis of the findings will be evaluated and answers to research questions. The research documented was guided by the following areas:

- To identify current government's approach to the CSR issues and non-governmental instruments in the Czech Republic.
- To define how the instruments are used for regulations or voluntary approaches.
- Perform an analysis of international or national standards that relate to CSR.

Based on empirical research and analysis of several approaches, CSR policies can be characterised by the four fields of action: Raise awareness and build capacities for CSR; Improve disclosure and transparency; Facilitate socially responsible investment; Leading by example regarding socially responsible practices can foster CSR (making public procurement more sustainable, applying socially responsible investment principles to government funds, adopting CSR management systems, audits and reporting (Adámek, 2013).

3. Analysis and Evaluation of the Current Practice in the Czech Republic

In the post-communist Central and Eastern Europe, environmental and social concerns have tended to receive less attention than the significant economic challenges associated with the transition to market economy. However, CSR awareness and implementation in the region are advancing rapidly. In contrast to Western Europe, it is mainly companies themselves – often multinational corporations – that are the main agents of change, whereas external pressure from civil society, media and public authorities has so far been fairly low (United Nations Development Programme, 2007).

In the Czech Republic at the beginning was the impulse of most companies involved to focus purely on philanthropic donations. Over the time, a number of companies have steadily been growing and companies are engaged in a remarkable range of activities. Today, Business Leaders' Forum's mission is promotion and enforcement of CSR in line with European methodology and best standards. In this respect, the Forum closely cooperates with the European Commission and European Commission's Directorate-General for Employment, Social Affairs and Equal Opportunities (Adámek, 2014).

CSR cannot be imposed against the will of enterprises, but can only be promoted together with them under involvement of their stakeholders (Singhal, 2014). According to Singhal (2014) the first step to promote CSR in a country is necessarily to fill the knowledge gaps about the significance and contribution of CSR to business success and sustainability, as well to increase awareness and acceptance among relevant actors. This was occurring in the Czech Republic, the significance of the concept is underlined rooted in strategic documents of the government and are supported and developed initiatives to spread awareness of CSR and mutual relation to sustainable development.

Initiative in the Czech Republic appear in various forms, we can mention e.g. form of publicity, awarding success, campaigning for awareness, networking opportunities, and funding. Characterising the range and approach of public policies on CSR across the Czech Republic is the part of the purpose of the present paper. Thus, the research documented was guided by the following areas:

- To identify current government's approach to the CSR issues and non-governmental instruments in the Czech Republic.
- To define how the instruments are used for regulations or voluntary approaches.
- Perform an analysis of international or national standards that relate to CSR.

The theoretical and practical contribution of addressing CSR issues is in follows parts.

3.1. Strategic activities forming Czech CSR approach

In this introductory part we will focus on deeper analysis of the underlying government regulations that relate to the issue of CSR. Within a specific research question "*How do*

government in the Czech Republic try to shape and promote CSR?" we can summarize that define the essential areas of government "activities" in three major points.

Firstly, within the definition of basic strategic documents can be considered significant that the government of the Czech Republic passed Resolution No. 458 on 10 May 2000 to adopt the National Quality Support Policy Programme. The Quality Council of the Czech Republic was entrusted with implementing this programme. The strategy in the field of social responsibility has been part of the Council's strategic plans since 2006. This resolution charges the Ministry of Industry and Trade (MIT) with managing the Quality Council of the Czech Republic and organising its activities. An MIT representative was also appointed chair of the Quality Council of the Czech Republic.

Secondly, the results of our research show from the perspective of CSR policies and legislation that most legislation related to CSR priorities is implemented nationally, the most important of which are the National Labour Code, Consumer Protection Law, and Law on general product safety and Environmental Law. Neither legislation nor formal policies exist that oblige companies to report on their CSR activities. While there are a few certification bodies who can verify whether a CSR report is below GRI standards, this does not aid in promoting CSR reporting. We have identified the key drivers of CSR: according to surveys in the business sector, it appears that the main CSR-related priorities are the environment, well-being and philanthropy (Adámek, 2014).

Thirdly, to manage CSR promotional and coordination activities, in 2008 the Quality Council of the Czech Republic set up a specialised Corporate social responsibility section, whose task is to coordinate CSR activities at the national level with the aim of fulfilling the strategic plans of the National Quality Policy in the field of social responsibility for the period 2011 – 2015. Members of the Specialised Section are representatives of business associations, public administration, professional organisations and non-governmental non-profit organisations and the academic sphere. As part of the process of creating the strategic document for the - National Action Plan for Corporate Social Responsibility in the Czech Republic (NAP).

Consequently, we can define answers to other issue *"How can policies or approaches be used systematically in terms of the themes and policy instrument"*. There is based on a detailed analysis, it can be concluded that the Besides the Quality Council, CSR in the Czech Republic is also promoted by other non-governmental organisations, e.g. Business for Society (BfS), the Business Leaders Forum (BLF), the Association of Social Responsibility (independent and open platform, which connects firms, public administration, non-governmental organizations, social entrepreneurships, schools and individuals in the issue of CSR) and regional organisations (e.g. the Social Responsibility Institute in Ostrava and the Social Responsibility Association in Plzeň).

In addition to major legislative measures forming separate units that are not linked strategically with CSR approach there are no specific legislative regulation with which they systematically worked on the development and promotion of CSR. The majors players are only organisations operate more or less independently of the Quality Council and it is essential to seek ways of assuring effective joint cooperation. Based on the voluntary approach organisations in the Czech Republic use the following international norms and standards as references for their CSR activities: OHSAS 18001 – (System of management of occupational health & safety), EMAS – (Eco-Management and Audit Scheme), ISO 14001 – (System of Environmental Management), SA 8000 – (Social Responsibility), ISO 26000 – (Corporate Social Responsibility).

Strategically most important document supported the government is currently the CSR National Action Plan which was created and adopted as a follow-up to the Renewed EU Strategy 2011-2014 for CSR in accordance with the initiatives of the Europe 2020 strategy. The purpose of the National Action Plan (NAP) is to help to develop the concept of corporate social responsibility in the Czech Republic and thus to promote the development of society, the economy and the competitiveness of the Czech Republic. The NAP also includes concepts defined by the European Commission (EC) and the Commission's recommendations to member states. The primary intentions of the strategic document of the NAP for Corporate Social Responsibility in the Czech Republic are (National Action Plan for CSR, 2014):

- to support the application of social responsibility by organisations;
- to strengthening the understanding and credibility of the concept of social responsibility in society;
- to support CSR in enterprises and other organisations in the Czech Republic by providing the relevant information.

Based on the analysis and research resources we can find the main areas that are dominating in long-term aspects related to the concept of CSR. We could involve following key areas: promotion and support for the development of the concept of social responsibility; dialogue and cooperation between all interested parties; self-regulation; the role of public authorities, trade union umbrella organisations, employers and entrepreneurs and other interested parties; dissemination, implementation and observance of international standards of behaviour; international cooperation; observance of human rights; education and research in the field of social responsibility; recognising and rewarding organisations for social responsibility; protection of consumer interests.

Individual factors are then analysed in the context of the future and the importance of strengthening the role and approach to the concept of CSR, the government here, considers social responsibility to be *a voluntary concept based on self-regulation* which refers to cause that *CSR policies strengthen business self-regulation at the expense of state regulation*. The role of the state is thus especially to create conditions to assure the promotion and dissemination of the concept of social responsibility and also to remove elements of bureaucracy while maintaining transparency and respect for the concept of social responsibility in state administration and local government authorities. In the concept of CSR businesses use self-regulation, or work together to assure joint regulation in relation to environmental and social matters in the sector, e.g. in the form of shared objectives or codes of conduct. If this self-regulation is set up properly in line with ambitions and in collaboration with the parties concerned, it may become a means of effectively assuring that businesses behave in a responsible manner. These voluntary approaches taken by the business sector emphasise the effective projection of the interests of the interested parties in managing the social and environmental aspects (sustainability aspects) of the business, which increases its value and also benefits the company as a whole. Voluntary activities relating to environmental management and social issues have been created by the business sector, or proactive and innovative businesses, in response to inspections and controls (regulation) that define objectives outside the business sector. However, unilateral policies and objectives are not as effective as those that are shared by all interested parties.

Associations and platforms are being set up in the Czech Republic at the regional level which, besides businesses, also comprise regional public administration and local government institutions, non-profit organisations and other entities interesting in developing the approach

to CSR, and these platforms help to promote and disseminate information within the region. As regards support and promotion, it is also important to mention the crucial role of umbrella and sectoral trade union, business and employer organisations that are part of European and global structures and which play a part in the creation and implementation of CSR, thus raising awareness amongst their members, particularly SMEs, about the basic principles of CSR.

The state creates a fitting environment for dialogue and cooperation. MIT, as the CSR coordinator, coordinates cooperation between departments with the aim of supporting corporate social responsibility in the Czech Republic. Interested parties are all entities that have an interest in the performance of the organisation in question, that influence this performance or are influenced by the organisation's activities. In this respect this means the broadest possible spectrum of people and institutions that are in any way affected by the activities of the organisation. The interested parties need to be identified. The basic group comprises so-called key interested parties, who include owners, employees, customers, suppliers, investors and creditors. They expect economic benefits in various forms (e.g. wages and salaries, dividends, contracts).

Until now, in the Czech Republic there has been no state authority to systematically assure lasting dialogue about CSR between all interested parties. This role is partly assumed by the Quality Council of the Czech Republic, especially the activities of its specialised Corporate Social Responsibility Section, which brings together most of the more prominent non-profit organisations and associations involved in the field of CSR in the Czech Republic. These hold conferences, round tables and other events to promote CSR. However, none of these carries out this role on a nationwide basis, with all parties concerned represented. Until 2012 there was not even any clear, uniform coordination of CSR by the state. Now, coordination of CSR has been entrusted to MIT, using the advisory body of the Quality Council of the Czech Republic and its specialised Corporate Social Responsibility Section. MIT is also in charge of the operation of the National Contact Point (NCP). In the Czech Republic there is a currently a range of initiatives devoted to this issue, although these do not yet cooperate on a wider scale. Social responsibility is a broad concept with a social, environmental and economic dimension, which requires the involvement of various departments. This concept encompasses various national sectoral strategies, legislative standards and strategic approaches, which may only be effectively brought together through the broad participation of all parties involved in lasting dialogue. By appointing a coordinator and adopting the NAP, the state is committed to supporting the development of CSR in the Czech Republic and therefore also opportunities for bringing together existing activities in central and coordinated dialogue under the auspices of the state.

3.2. Role of the public authorities

The businesses that are committed to the concept of social responsibility voluntarily set high ethical standards, strive to minimise the adverse impact on the environment, care for their employees, maintain good relations with suppliers and customers and help to support the region in which they operate. CSR enables businesses to stand out from their competitors, become an attractive employer and a sought-after partner or investor for other firms.

The role of public authorities lies in supporting voluntary measures and, where necessary, providing support in the form of additional regulation (e.g. supporting transparency, creating framework conditions for reporting and other activities, creating market incentives for businesses that behave responsibly).

However, the role of public authorities as regards CSR has other dimensions (promotion, education, support and dialogue, respecting the suggestions of the parties involved, self-regulation and joint regulation, coordinating procedures, examples of good practice, their own responsible and transparent activities, etc.). Many of these activities are already contained in the relevant key areas of this document.

Organisations should have space for their own social responsibility initiatives. Nevertheless, many of them welcome the existence of general principles and instructions set forth by public administrative bodies, as they serve as a reference for their own strategies and promote equal conditions and the comparability of results.

In the Czech Republic the use of social and environmental criteria is developing at a slow rate. Even so, there have been noticeable efforts to incorporate criteria that support environmentally-friendly products, fair trade products or the employment of socially-disadvantaged groups. The Czech Republic has drawn up a National Action Plan supporting positive ageing for the period 2013 – 2017 and rules governing green public procurement. Every year since 1988, the Government of the Czech Republic has updated and approved the document entitled - Government Priorities and Procedures Advocating Equal Opportunities for Women and Men. As part of the project entitled - Optimisation of Institutional Assurance of Equal Opportunities for Women and Men (OP LZZ), the MLSA is preparing the - Strategy for the Assurance of Equal Opportunities for Women and Men.

The Czech Republic's Quality Charter was signed in June 2012. The task of this Charter is to support all activities aimed at improving quality in all areas of life, developing innovation and upholding the principles of corporate social responsibility. The role of the business sector is vital. A specific role is played by umbrella and industry associations representing businesses operating in the Czech Republic. Employers' organisations are members of European and global employers' groups and are involved in creating CSR strategies. Businesses and other interested parties should use the prepared platform to identify society-wide problems and press for them to be resolved.

According to the Concept for the Support of Small and Medium Enterprises for the period 2014 – 2020, compiled in March 2013 by MIT, the Czech Republic is currently the worst country in the entire EU with small and medium-sized enterprises making up 17 % of public contracts. Of this, small businesses comprise 7 % and medium-sized businesses 10 %. Currently, the application of the principles of social responsibility when awarding public contracts is fully in accordance with the applicable European laws (ECJ judicature and Directives 2004/17/EC and 2004/18/EC, which were revised in 2014), as well as with the applicable Czech laws (as stated in Act No. 137/2006 Coll. on Government Procurement). In June 2010 the Government of the Czech Republic approved rules governing the enforcement of environmental requirements when awarding public contracts in the field of IT and furniture. It is currently preparing rules for several other product groups in order to come into line with the European Green Public Procurement (GPP) framework, and which must also be adapted to our conditions (National Action Plan for CSR, 2014).

The socially responsible awarding of public contracts means when the social aspect of the contract includes, for example, support for employment, compliance with the standards stipulated for the working environment, and when the contracting authority is endeavouring to support social integration. It is also essential that there are specific rules governing the assignment, e.g. anti-corruption rules. This type of public contract also advocates equal opportunities, works to acquire broader support for corporate social responsibility and complies with the relevant principles of European law. In terms of the environment, this

particularly concerns the environmental performance of products as guaranteed by certificates, or restrictions on the location of production sites.

Conclusion

Based on our evaluation of established facts, it can be concluded that in the concept of CSR businesses use self-regulation, or work together to assure joint regulation in relation to environmental and social matters in the sector. The role of the state is thus especially to create conditions to assure the promotion and dissemination of the concept of social responsibility. In addition to major legislative measures forming separate units that are not linked strategically with CSR approach there are no specific legislative regulation with which they systematically worked on the development and promotion of CSR. The majors players are only organisations operate more or less independently of the Quality Council

The government has been a major, but not the only, driver of the increased and increasingly institutionalised CSR in the CR. Other drivers of CSR can be broadly categorised into business and society. Business drivers include imperatives acting on companies from investors, suppliers, partners and customers, as well as imperatives identified by corporations themselves, such as reputation (with government or with other actors and publics), marketing, branding, employee relations and knowledge. Social drivers can include demands from consumers, particular publics (e.g. residents of specific geographic areas affected by a business), organisations claiming to act on behalf of society (e.g. non-governmental organisations, community groups) and employees. It can be expected that government drivers will often be acting in relationship with some of these other drivers.

In the Czech Republic voluntary, self-regulatory activities of businesses have long been developed and often supported by the state. Examples include the introduction of management systems (quality, environment, health and safety at work (HSW), CSR, etc.), support for product labelling (quality labels, eco-labels, products made by persons with disabilities, etc.), activities to assure more efficient use of resources (cleaner production, etc.), employer certification (e.g. employers of disabled persons or persons from ethnic minorities, companies espousing the principles of social economy, etc.), socially responsible assignment of public contracts or the conclusion of so-called voluntary agreements. Some of these activities are formalised as supporting government programmes (e.g. National EMAS programme, National Environmental Labelling Programme, Czech Quality Programme, Safe Business, and National Cleaner Production Programme).

CSR in the Czech Republic is considered by the government to be a cross-governmental issue with a broad agenda touching on social, environmental and international issues. In Czech country, different ministries introduce CSR initiatives into their specific policy areas in parallel; however, there is often limited coordination between them. Government can help by mapping existing needs, opportunities and constraints in the local or national context in order to define appropriate modes of intervention within an overall national strategy. As for the current state of development of CSR in the Czech Republic, one can observe that this initiative is principally driven by the striving for standardization in the field of social and environmental reporting.

Although the conclusion of this paper is that, the state is not captured by business but rather retains areas of autonomy (Evans, Rueschemeyer and Skocpol, 1985) some researchers may wish to explore the possibility of the evidence provided in the foregoing as a function of business pressure. This can be imagined in very general terms such that there is a general business interest in taking over governmental responsibilities (Monbiot, 2000). With more specific reference to CSR, another question that arises is whether high performing CSR

companies will encourage governments to be a driver of CSR. This could be for reasons either of wishing to increase competitors' costs or of wishing to penalise free riders, which enjoy the reputational goods and propitious governance systems that CSR may generate for business in general (Moon, 2004 and 2005).

We have adapted the model from Albareda et al. (2008) for government corporate social responsibility policy framework applicable in Czech Republic conditions. The government CSR policy topic use application through vision, objectives, strategies and priorities. For position of political figure; organizational structure; centralized or decentralized is concern of internal government CSR structure. Important is crosscutting policies; regional and local government for creation of CSR responsibilities at different levels of government. Scope of CSR policy is focus on domestic vs. international approach and CSR role of other organizations is in order to government agencies, intermediary organizations, multi-stakeholder and international organizations. Conversely, we found that within the framework of governmental policies, companies demand a well-defined and level playing field with basic rules for all players. Government has an important role to play in defining clear policy frameworks of action to influence and encourage other organizations.

Finally, governments all around the globe should play an important and active role in promoting and mainstreaming CSR. Governments should be helping business to achieve corporate social responsibility through regulation (i.e. setting appropriate legal framework), control and enforcement environment, subsidies and tax incentives. Especially governments should be the first to apply CSR standards within their operations, e.g. within their procurement policies, and in this way also promote CSR practices. Substantial progress in this respect have made European countries, which are today at the forefront of CSR movement.

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