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# **CORPORATE SOCIAL RESPONSIBILITY ON THE INTERNATIONAL AREA. PRESENT DEVELOPMENTS IN ROMANIA AND BULGARIA**

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## **ABSTRACT**

*Corporate Social Responsibility is no longer an object of novelty in literature or the business sector. The practices in this matter have become a new area of activity expansion and a new way that companies use to strengthen their image, consumer appreciation and even employees motivation. The present paper proposes an analyses of the literature, a comparative study and a summary of the international organizations view on the matter.*

## **KEY WORDS**

*Corporate Social Responsibility (CSR), Theory Development, Country report*

## **Introduction**

Responsabilité Sociale d'Entreprise (RSE)/Corporate Social Responsibility (CSR) – is a concept that stirs controversy in literature.

This is because between RSE and CSR we can not draw an equality sign, they refer to different cultural models, even if they are based upon universal principles developed by international organizations – The International Labor Organization, the Organization for Economic Cooperation and Development, the European Union and the United Nations. (Schiopu Burlea, 2007).

The present paper aims at analyzing the concept and the evolution of CSR in an international context, with the special mention at the stats in Eastern Europe, recently accessed to the European Union.

## **I. Concepts**

CSR (Corporate Social Responsibility) is a conception about the contribution that companies should have on the development of the modern society. Over time, this contribution was approached in theory in different ways. “Responsible” initiatives of the companies were named through a variety of terms: corporate citizenship, corporate philanthropy, corporate societal marketing, community affairs, community development etc.

States and international institutions realized that the adaptation on CSR principles by companies serves the objectives of sustainable development, thus the need for international standards for defining what a “desirable corporate behavior” means appeared.

### **I.1. Generalities**

The CSR concept appears in literature as a dynamic evolution, suspect of many standards that evolve more rapidly than even its definitions.

Considering the many benefits that CSR practices bring, literature offered a variety of definitions. Kotler and Lee (2005) defined CSR as being “a commitment that contributes in the welfare of the community through their business practices and contributing to corporate resources”. In his introduction about CSR in the Encyclopedia of Public Relations, Rawlings (2005) proposes a different meaning for CSR “to be comfortable doing better”. Thus organizations with CSR practices become desirable employers, chosen neighbors for the community and elected sellers. Basu and Palazzo (2008) have argued that CSR is “the process by which managers in an organization think and discuss relations with stakeholders and their roles in relation with the common good”. CSR is thus “the permanent commitment of business to behave ethically and to contribute to economic development, improving quality of life and the labor community” (Watts and Holmes, 1999 cited in Sims 2003, p.43).

### **I.2. The relevance of the CSR concept**

The answer to this issue depends on how you define the CSR concept, the requirements in this definition, and the performance standards of the organization and conceptualization of social obligation in exchange for license to operate (Heath 2007).

CSR is the foundation for aligning stakeholders interests with the interests of the organization and winning the moral debate on the social relevance of the organization. The modern approach emphasizes organizational management market remodeling business advantage-an approach to relationships from the inside out (Heath 2007). A post modern approach suggests that the approach from outside to inside is better able to create and strengthen the organizations long-term relationship with key stakeholders.

Consumers, communities and investors are entities that can benefit out of a socially responsible corporation. Buying products from, invest in or cooperate with a responsible firm may ultimately lead to real benefits, either economic, social or ethical.

Companies work on CSR for a number of reasons (European Commission, 2007):

- there is often a direct benefit to profitability. Companies who pay attention to training opportunities, well-being in the workplace, or work-life balance are more likely to command

loyalty from their employees. This helps productivity and its quality. In addition, many companies are seriously addressing environmental challenges, either through reducing emissions from a polluting process, or through reducing the carbon footprint created by the offices they occupy. On the one hand, this is good for the environment, but on the other, it can cut costs. Finally, it stimulates training and new skills in technologies of the future.

- there is a benefit to company image and reputation. Good corporate citizens command more respect than ever before, not least because the behavior of companies is more visible than it has been in the past. Where consumers are attracted by responsible behavior (through attention to fair trade issues for example), companies' profitability is likely to benefit. The perception of a company in the eyes of its stakeholders should also be of concern to a company. So a good image of a company among trade unions, non-governmental organizations, investors, the education world, local communities, and the public sector can only enhance its standing and influence.

- companies choose to act out their corporate values through CSR. Corporate governance has come under scrutiny recently and company ethics have consequently become more prominent. CSR and ethics are closely linked.

*Is CSR still relevant during this time of economic crisis?*

CSR remains a priority for the European Commission. It is part of a long-term strategy and is about quality of life, which is something that should not be put to one side in an economic downturn. Although there might be pressure on companies to reduce their CSR in the short-term, we hope that they will think about the longer term as well.

The Commission would also advocate that companies - especially in the financial sector - pay more attention to ethics and responsibility generally in the light of recent events. Overall, considerations of short-term social needs and longer-term competitiveness should, we would argue, persuade companies to keep to their CSR strategies through this downturn.

## **II. CSR in international view**

The United Nations by their Global Compact initiative, the European Union, the Organization for Economic Cooperation and Development and the International Labor Organization are four of the most important organizations that were involved in developing a CSR framework to define and establish indicators for its assessing in a transparent manner.

This framework was accompanied by recommendations and principles to guide states and local authorities in the formulation of public policies to promote, to ensure transparency and to support CSR initiatives.

Therefore, in the present time, to demonstrate that a company is “social responsible”, it has to understand which principles of CSR are promoted internationally and to report regularly on the integration of these principles in its activities.

There are two distinct features of a corporate responsibility program. First, CSR is voluntary involving moral responsibility assumed by companies above, those required by law. Secondly, CSR involves creating long term relationships with market profitability and equal social environment, so more than the mere act of charity or donation. Although it requires costs, CSR

management is a profitable strategy, provided that it generates long-term credibility and trust, which are necessary for a company that depends on relationship with people, shareholders, business partners, customers (Sims, 2003).

Beyond these general elements agreed upon, there are many controversies on specific issues that confront those who seek to adopt a CSR strategy. These are questions that managers can find only specific answers: How far from the theoretical model do the CSR practices go? How to integrate the concept of social responsibility in business objectives? How can a company identify social needs and expectation of the community and how the public agenda may or may not include elements of its policies? And finally, how to transform a model of CSR in a profitable strategy?

### ***II.1. CSR in the European Union***

In 2001, the European Commission published a Green Paper on “Promoting a European framework for corporate social responsibility”, defining CSR as “a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment [...] This Green Paper aims to launch a wide debate on how the European Union could promote corporate social responsibility at both the European and international level, in particular on how to make the most of existing experiences, to encourage the development of innovative practices, to bring greater transparency and to increase the reliability and validation, It suggests an approach based on the deepening of partnerships in which all actors have an active role to play.” (Green Paper, 2001).

The EU's main role is to raise awareness of CSR, facilitate exchange of best practice across Europe, and organise discussion on typical CSR issues leading to further debate and action. Examples of concrete activities include (Green Paper, 2001):

- A European Multi-Stakeholder Forum for CSR bringing together employers, employees, NGOs, academics and socially-responsible investors every two years to update each other on their CSR activities and to discuss further steps for the EU in encouraging more CSR take-up. The most recent session took place in February 2009 and tackled issues such as how to report on CSR practices, how to deal with unethical conditions in supplier companies and should CSR be included in education curricula.

- A High-Level Group of Member States' representatives which meets every six months to share different approaches to CSR and encourage peer learning. The high-level group is a mechanism for the Commission to sound out Member States on its own initiatives. The group is also a focus of major dissemination events. In October 2008, the Commission jointly organised with the French Presidency of the EU and the European Economic and Social Committee a conference on transparency and partnership. In November 2009, the future Swedish Presidency of the EU plans to organise a conference related to the work of UN Special Representative on business and human rights, John Ruggie.

- A Commission inter-service group on CSR to ensure a coherent approach across the different Commission services concerned. CSR is increasingly a cross-cutting issue, reflecting a trend by companies towards a greater mainstreaming of their CSR activities. It involves the following policy areas: environment; justice, liberty and security; internal market; health and consumer affairs; and external affairs (external relations, trade, aid and cooperation, and development).

- Funding for cross-European research and information-sharing on themes where project partners have a particular expertise and which fit in with the Commission's CSR agenda.

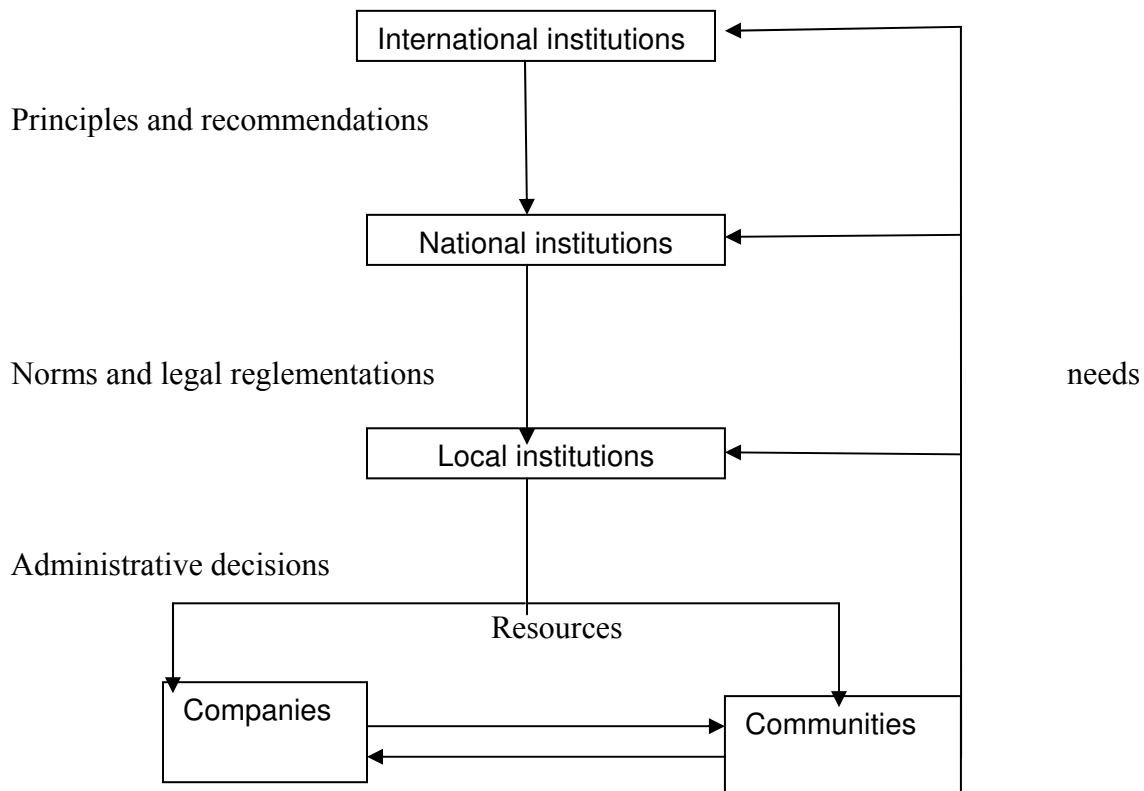


Fig.1: CSR framework Source: The Green Paper, 2001

To guide companies in implementing CSR, the European Union has developed a set of principles. They cover two dimensions of the relationship between company and community: a company devoted exclusively to internal and external, that captures the interactions with the environment in which the company operates.

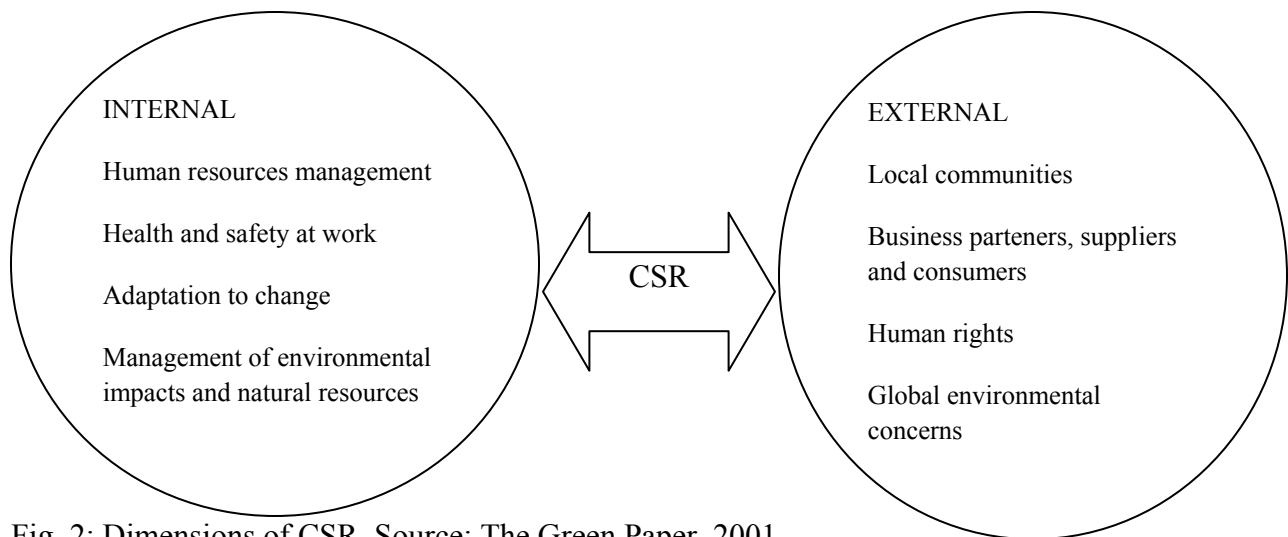


Fig. 2: Dimensions of CSR, Source: The Green Paper, 2001

## ***II.2. CSR from the view of UN Global Compact***

Global Compact is an initiative of UN Secretary General, to create a partnership between the United Nations and companies to achieve global sustainable development. The program became operational in July of 2000.

Functionally, the Global Compact is a network of United Nations agencies, campaigns, trade unions, business organizations, academic organizations, civil society organizations, government/administrative institutions.

Global Compact acts as a guide for companies that are moving towards CSR. The program in its present course of action subsumes a set of 10 universal principles divided into 4 areas of interest.

The companies ought to:

Human rights:	<ol style="list-style-type: none"><li>1. To support and respect human rights;</li><li>2. To ensure that they are not complicit in human rights violations;</li></ol>
Labor standards:	<ol style="list-style-type: none"><li>1. To support the right to freedom of association;</li><li>2. To help eliminate all forms of forced labor;</li><li>3. To contribute to eradication of the phenomenon of employment in the workforce;</li><li>4. To help eliminate discrimination in employment and profession.</li></ol>
Environment:	<ol style="list-style-type: none"><li>1. Proactively address environmental issues;</li><li>2. To promote environmental responsibility;</li><li>3. To encourage development and diffusion which degrades the environment;</li></ol>
Fight against corruption:	<ol style="list-style-type: none"><li>1. To eradicate any form of corruption, including bribery and blackmail.</li></ol>

United Nations call on companies to integrate the Global Compact principles with their strategy of action and to promote them in all spheres of influence.

## ***II.3. CSR and OECD***

To coordinate the actions of companies in order to achieve global sustainable development OECD has developed, in 1976, “Guidelines for Multinational Enterprises” a series of directives to be taken into consideration for any company, regardless of the consumer interests, corruption and competition. In 2000 the revised version of “Guidelines for Multinational Enterprises” was published.

According to the “OECD Guidelines” companies must:

1. Contribute to economic, social and environmental development, upholding the principle of sustainable development.
2. Respect human rights in all activities that they undertake.
3. Encourage development of local communities;

4. Not accept the waiver that are not included in local legislation on environment, health, safety, labor and taxation;
5. Support and apply equitable principles and practices governing the company;
6. Develop and implement effective management systems to build a trusting relationship with the companies in which it operates;
7. Promote company values among employees through training programs;
8. Not discriminate and not penalize individuals or institutions on the management team warns inconsistent practices of the company;
9. Encourage their business partners to implement the “OECD Guidelines”;
10. Not get involved in the local political activities without reason.

#### ***II.4. CSR in the International Labor Organisation***

Corporate Social Responsibility (CSR) is a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law (ILO, 2006).

There is considerable debate on CSR and on the role of enterprises in society. Some are concerned that the expectations of enterprises CSR initiatives extend well beyond what might be considered as the legitimate role of an enterprise in society: CSR cannot substitute for the role of government. While others might agree with the primacy given to the law and its implementation, they note that CSR should not be confused with what society considers as the social responsibilities of enterprises: CSR is a voluntary concept involving responsibilities unilaterally identified by enterprise management. There is also criticism that in some instances CSR commitments represent little more than declaratory statements of intent. There are concerns over the number and quality of audits being conducted by buyers. Some argue that this is introducing a multiplicity of demands and unnecessary costs in supply chains with little return to suppliers in terms of market expansion, or to workers in terms of an improvement in working conditions.

The point of reference for the ILO’s work on CSR is the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). The MNE Declaration is the only universal instrument addressed, among others, to enterprises which has been agreed with by governments, employers’ and workers’ organizations.



Table 1. Presents the syntheses and the comparison between the CSR concept in the view of the EU, OECD, ILO,

Corporate Social Responsibility	EU	OECD	ILO	UN
<b>Document</b>	Green Paper “Promoting a European framework for corporate social responsibility”	OECD Guidelines for Multinational Enterprises	Tripartite Declaration of Principles concerning multinational enterprises and social policy	UN Global Compact initiative
<b>Definition of CSR</b>	A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment	-	-	
<b>Principles</b>	A company must be devoted exclusively to internal and external dimensions, that captures the interactions with the environment in which the company operates and also the internal activity of it.	Promotes the effective abolition of child and forced labor, non-discrimination, the right to employee representation, and the protection of health and safety of workers. Provides, in the event of closure of an entity involving collective lay-offs or dismissals, that enterprises should give reasonable notice to representatives of their employees and co-operate with the employee representatives and appropriate governmental authorities so as to mitigate to the maximum extent practicable adverse effects. Asks companies, in the context of bona fide negotiations with representatives of employees on conditions of employment, not to threaten the transfer of activities from the country concerned to other countries in order to influence those negotiations unfairly.	Freedom of association and the effective recognition of the right to collective bargaining. The elimination of all forms of forced or compulsory labor. The effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation	Human rights- to support and respect human rights; to ensure that they are not complicit in human rights violations; Labor standards: to support the right to freedom of association; to help eliminate all forms of forced labor to contribute to eradication of the phenomenon of employment in the workforce; to help eliminate discrimination in employment and profession. Environment: proactively address environmental issues; to promote environmental responsibility; to encourage development and diffusion which degrades the environment; Fight against corruption: to eradicate any form of corruption, including bribery and blackmail.
<b>Implementation</b>	An European Multi-Stakeholder Forum for CSR, a High-Level Group of Member States' representatives which meets every six months to share different approaches to CSR, a Commission inter-service group on CSR to ensure a coherent approach across the different Commission services concerned, funding for cross-European research and information-sharing on themes where project partners have a particular expertise and which fit in with the Commission's CSR agenda	The Guidelines are supported by a unique implementation mechanism – the specific instance facility – which commits National Contact Points to resolve disputes and reduce tensions with respect to the implementation of the Guidelines. Most of the specific instances so far have dealt with employment and labor and industrial relations issues. Moreover, an increasing share of these complaints relates to employment and industrial relations conditions at work sites in non-OECD countries.	The InFocus Initiatives have been designed to generate new and valuable products for constituents. The InFocus Initiative on CSR will seek to advance the ILO's leadership in this area by promoting the principles laid down in the MNE Declaration as the foundation for good CSR policy and practice. It will build on and complement the ILO's role in respect of governments of member States, setting, implementing and supervising labor standards, promoting social dialogue and assisting countries to implement good policies in this regard.	Functionally, the Global Compact is a network of United Nations agencies, campaigns, trade unions, business organizations, academic organizations, civil society organizations, government/administrative institutions.

### **III CSR in practice. Comparative study Romania - Bulgaria**

#### ***III.1. Significant evolutions of CSR in Romania***

In Eastern countries the interest in this managerial concept is pretty low. CSR is a concern especially for multinationals, but not as a response to market pressure or to a requirement of the public. It can also be said that in Romania, apart from multinationals and NGOs which develop public-private projects, small and medium size companies in new industries, such as software, develop and find the benefits of social responsibility programs. In the past few years there have been created several environments that promote good CSR practices, do research and maintain a public dialogue that discusses the business advantages of these management tools (European Commission, 2007).

##### *a) Promoting CSR*

CSR is a concept more and more present in Romanian business society. Obviously, the main drivers in this process are multinational companies that have transferred their corporate culture to a local level. As with almost any imported concept submitted to the need of accelerated assimilation, CSR has been imposed basically more as a fashion, than as a result of awareness of the need for it. As might be expected in a social and economic framework that is still under development, social responsibility has been valued in Romania more for commercial reasons than ethical ones. The market is more and more competitive, and players have rapidly discovered the potential of this dimension in helping to build their image and consolidate their reputation, as well as the promise for the commercial success in the medium and short term. In Romania, the challenge is to move beyond this assumption and encourage people to realize that social responsibility is not only an image building instrument, but an essential element of success in the long term, which is directly related to the social and environment performance of the community.

##### *b) Awareness raising*

Over the last two years a series of conferences has been initiated in Romania on the theme of sustainable development, but this concept still requires supplementary information and elucidation. The companies in Romania that give a high importance to sustainable development tend, at least for the moment, to be multinational companies implementing demands and policies established at their head offices. In addition, the programs frequently encountered are programs for social assistance, programs for support of humanitarian foundations, and donations and assistance to educational and research programs. Involvement in community projects is beginning to take place in Romania. It is coming to be seen not as a simple image-building tactic, a bid for publicity or an act of charity, but as an essential element in developing business activity, leading to success in the long term, which is directly connected to the economic and social performance of the community that hosts the enterprise.

Romania hosted the first international CSR conference in Eastern Europe (CSR06 - Investing in the future), which dealt with all the issues related to CSR: business conduct, relations with employees, occupational health and safety, systems of monitoring and community involvement. The participants encouraged the setting up of a specific law regarding CSR, and especially the setting-up of an European Alliance for CSR. CSR is not a grounded area in Romania, so CSR06 had an educative role for the stakeholders in the Romanian market, including the public and

private sectors, civil society and the mass media. The project Social Responsibility in the Carpathian Region: 'The way it works' aims at enhancing CSR activities in the Carpathian region by exchanging best practice at the international level and with the involvement of all the relevant stakeholders. This project is co-financed by D-G Employment and includes regions from Slovakia, Hungary, Poland and Romania. It is managed by the Carpathian Foundation. The main target groups of the project will be social partner organizations, SMEs, multinational companies, regional, national and local governments, universities, NGOs and civil society organizations, business and professional associations from the districts within Slovakia, Hungary, Poland and Romania that make up the Carpathian region. The direct goals of the project are:

- raising awareness and improving knowledge about CSR and its impact on society among businesses, governments, education institutions, civil society organizations and other stakeholders in the Carpathian region;
- developing expertise and exchange of information on CSR and its existing instruments and practices;
- constructing transferable models of CSR practice for new Member States of the European Union and the candidate countries, involving active partners from Member States of the European Union as well as from candidate countries.

#### *c) Ensuring transparency*

The European Union, the United Nations and the OECD are three of the most important institutions involved in the drawing-up of a framework defining CSR and establishing the indicators by which it may be assessed transparently.

This framework has been accompanied by recommendations and principles that guide states and local authorities in formulating public policies that promote CSR, ensure transparency and support CSR initiatives. Moreover, taking into account the local need, it is necessary for Romania to ensure a better and permanent contact with the European experience and good practices that are promoting and regulating CSR activities. It will be useful to bring Romanian market norms into line with the experience of countries with a longer tradition regarding CSR.

On the other hand, a weak point could be the fact that the social responsibility program are not yet well covered in the sector press, because the level of public awareness is still low. Also, there are few major programs and only few companies are involved in social responsibility projects in Romania. Maybe when it becomes mandatory for companies to publish social responsibility reports that will encourage local companies to be involved in such projects.

### ***III. 2. Significant evolutions of the CSR concept in Bulgaria***

#### *a) Promoting CSR*

CSR is a highly important issue and a permanent priority in the government policy of the Republic of Bulgaria. In accordance with the European CSR policies, government policy is oriented towards promoting CSR at national level. The targets set are focused on promoting sustainable development, including the aspects of socio-economic development and preserving the environment, as well as creating economic and financial tools for CSR promotion.

### *b) Awareness raising*

In October 2004 the first session took place of the National Round Table for Labor Standards Introduction. The participants in this round table represented state institutions, social partners and businesses. The main objectives of the round table were as follows:

- improving dialogue and the exchange of information;
- raising the awareness of social standards among the participants, the community and political institutions;
- supporting the auditing process in the enterprises;
- building national continuity.

This round table meeting led to articles published in specialized magazines and newspapers, the preparation and distribution of a booklet, arrangements to present an award to the socially responsible enterprise of the year, and the first National CSR Conference. The first National CSR Conference took place in July 2006, with the participation of state institutions, social partners, business representatives and experts from NGOs and other EU Member States. At the beginning of 2007 the United Nations Development Program (UNDP) launched the first regional project directed at accelerating CSR development in the new EU Member States and, which were the candidate countries Bulgaria, Croatia, Hungary, Lithuania, Macedonia, Poland, Slovakia and Turkey. Business networks from Spain, the United Kingdom and Germany will take part in the project, which will contribute to the exchange of experience and good practices in the CSR area. The project is directed at disseminating practices adopted by local and foreign companies, but it is also aimed at business and branch associations, local and central governing bodies, trade unions, scientific circles, NGOs and the media from participating countries. The project is being implemented by the resident representatives of UNDP in the relevant countries, in cooperation with national and regional partners. The main target of this project is to accelerate the development and the application of socially responsible business practices in the new Member States and EU candidate states. This is seen as a way of harmonizing CSR across the European Union, improving competitiveness and social cohesion. For this purpose the project will:

- outline in detail the activities and actors in the CSR area;
- map the capacity losses out and the fields that need support, in both public and private sectors;
- ensure the exchange of experience and good practices, awareness raising and the support of interested parties.

The project contained three basic components:

1. Analysis of the current situation regarding CSR in the project countries. Basic sociological research among the interested parties will identify the actors and assess their engagement with CSR promotion. It will also collect examples of good practice, tools and recommendations about CSR development in the region. The research report is to be presented at a regional European conference in mid-2007, and discussed at national and local level in the relevant countries. Two

national forums are foreseen for discussion of the national and the European report on the CSR status in the project countries.

2. Stimulating the dialogue between the interested parties in order to raise awareness and the exchange of good practice for CSR development. The project will assist in the dialogue between the interested parties, the promotion of joint activities in the CSR area, and at the same time will give a platform for the discussion and exchange of tools, approaches and mechanisms for reporting the achievements, and possible economic incentives for engaging enterprises with CSR. This is anticipated to involve round tables, exchange visits and the formation of collegia.

3. Building local and national capacity for popularizing and accomplishing CSR. It is foreseen that the capacity will be built by the means of introducing particular tools for accomplishing CSR, and their application to the interested parties in particular conditions. This will happen through researching particular practices and issues which arise when introducing and promoting CSR. In the course of the project an informal partners' group including business representatives, public institutions and the NGO sector will act as a lobbyist in order to introduce national and sector CSR strategies. A group of business representatives will make working visits in the partner countries - the United Kingdom, Spain and Germany - to acquaint them with particular examples of applied CSR policies and practices. A group of journalists from the project countries will visit organizations in each partner country, where the promotion of CSR and its application as a business management principle are successful and recognized all over Europe.

#### *c) Research*

Nationally representative research among 400 companies in Bulgaria, in a program entitled Practices and Attitudes to Giving among Bulgarian Businesses (March 2005), assessed the understanding, practices, drivers and gaps for businesses in Bulgaria with regard to social engagement. The first Responsiveness Business Directory, issued jointly by UNDP, the Bulgarian Business Leaders Forum (BBLF) and the Bulgarian Charity Aid Foundations (BCAF) in June 2005, included individual profiles of companies and NGOs in order to share best practice on CSR and provide an analysis of the development of CSR in the country.

#### *d) Business incentives*

In June 2005 the Minister of Labor and Social Policy gave awards to enterprises that had succeeded in preventing accidents at work over a long period. Enterprises from various economic sectors all over the country took part in the competition. The criteria for choosing the winners were the length of the accident free period and the degree to which the enterprise met the requirements of occupational safety and health legislation. The purpose of the competition was to direct the attention of employers to occupational safety and health issues, and show the benefits for both the enterprise and its employees from following the requirements of the legislation.

In July 2006 Vladimír Špidla, Commissioner for Employment, Social Affairs and Equal Opportunities, and Emiliya Maslarova, Minister of Labor and Social Policy, presented awards to the winners of a national competition for the socially responsible enterprise of the year during the first National Corporate Social Responsibility Conference. The national award for a socially responsible enterprise is annually competed by enterprises that work in the territory of Bulgaria and that aim to implement the concept of CSR in relations with their staff, business partners and

the local community. The competition is held in partnership with state institutions - the Ministry of Labor and Social Policy, the Agency for Small and Medium-Sized Enterprises and the General Labor Inspectorate - NGOs and social partners. The national award is a public acknowledgement aimed at boosting morale and giving support to the enterprises in Bulgaria that adhere to the best practices for socially responsible enterprise. It aims to raise trust within both the society and its external markets in the efforts that Bulgarian businesses make to strictly implement the national social legislation, and popularize and attract a wide range of enterprises for voluntary implementation of international corporate standards and specifications for social responsibility. The national award is given for the categories of micro and small enterprise, medium-sized enterprise and large enterprise. The purpose is to identify socially responsible attitudes and practices within Bulgarian enterprises that go beyond the requirements of Bulgarian labor legislation, and are introduced voluntarily. These include aspects both internal and external to the company environment. The winners in each category receive their awards at a national conference that has the goal of raising the awareness of socially responsible attitudes and good practice in Bulgarian enterprises.

#### **IV. Conclusions**

The concept of CSR goes back about half of century. The points of view in this matter at national and international level illustrates the specific evolution, the most relevant being those of the EU, OECD, UN and ILO. The analysis of the component illustrates the following:

- *document*: the way in which the information about CSR is delivered shows that even though the interest for this concept is present, the levels of implication differ; from the Green Paper of the EU to the Global Initiative of the UN we can notice a different institutionalizations of the CSR concept.

- *definition*: the only definition offered though a official document is the one given by the EUs Green Paper; the other organization analyzed use the principles and the characteristics of CSR to define the concept;

- *principles*: given the importance that all the 4 organizations give to the CSR practices and the specific activity of each one of them, the way in which the principles are introduced vary from general, universal principles to guidelines and direct and specific terms;

- *implementation*: independent from the theoretical framework, their set up, the programs, projects and activities set up by the 4 organization are ambitious, visionary and pragmatic. From forums of discussion, work initiatives using their networks in states all over the world, the 4 organization play the decisive role in the development of CSR practices.

Going from international to national level, the country analysis on Romania and Bulgaria, shows that even though the 2 countries have the same position in the EU, ILO and OECD ( members of the first two and partners of the latest), the implication of Bulgaria in the UN Global Compact plays a defining role. Given that this was the case for Bulgaria even before its accession to the EU, the Bulgarian legislation and the implication of the public sector and government in the promotion and implementation of the CSR practices showed positive results from the business sector.

Table 2. Comparative study of Romania and Bulgaria on the progress of CSR

	Promoting CSR	Awareness raising	Ensuring Transparency	Research	Business incentives
<b>Romania</b>	<ul style="list-style-type: none"> <li>- the main drivers in this process are multinational companies that have transferred their corporate culture to a local level;</li> <li>- CSR has been imposed basically more as a fashion, than a result of awareness of the need for it, social responsibility has been valued in Romania more for commercial reasons than ethical ones;</li> </ul>	<ul style="list-style-type: none"> <li>- a series of conferences has been initiated in Romania on the theme of sustainable development;</li> <li>- the companies in Romania that give a high importance to sustainable development trend;</li> <li>- the programs frequently encountered are programs for social assistance, programs for support of humanitarian foundations, and donations and assistance to educational and research programs;</li> <li>- Romania hosted the first international CSR conference in Eastern Europe.</li> </ul>	<ul style="list-style-type: none"> <li>- it is necessary for Romania to ensure a better and permanent contact with the European experience and good practices that are promoting and regulating CSR activities</li> <li>- it will be useful to bring Romanian market norms into line with the experience of countries with a longer tradition regarding CSR.</li> <li>- a weak point could be the fact that the social responsibility program are not yet well covered in the sector press, because the level of public awareness is still low</li> </ul>	-	-
<b>Bulgaria</b>	<ul style="list-style-type: none"> <li>- CSR is a highly important issue and a permanent priority in the government policy of the Republic of Bulgaria;</li> <li>- the targets set are focused on promoting sustainable development, including the aspects of socio-economic development and preserving the environment, as well as creating economic and financial tools for CSR promotion;</li> </ul>	In October 2004 the first session took place of the National Round Table for Labor Standards Introduction.	Nationally representative research among 400 companies in Bulgaria, in a program entitled Practices and Attitudes to Giving among Bulgarian Businesses (March 2005), assessed the understanding, practices, drivers and gaps for businesses in Bulgaria with regard to social engagement.	Practices and Attitudes to Giving among Bulgarian Businesses Bulgarian Business Leaders Forum (BBLF) Bulgarian Charity Aid Foundations (BCAF)	<ul style="list-style-type: none"> <li>- in June 2005 the Minister of Labor and Social Policy gave awards to enterprises that had succeeded in preventing accidents at work over a long period;</li> <li>- the purpose of the competition was to direct the attention of employers to occupational safety and health issues, and show the benefits for both the enterprise and its employees from following the requirements of the legislation.</li> </ul>

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