
CSR IN EUROPE: A NEW MICRO-SOCIAL CONTRACT?

Germán Granda Revilla

Abstract: This paper adopts Donaldson and Dunfee's (1999) approach to business ethics to examine the consequences of a fragile social contract regarding Corporate Social Responsibility (CSR) for companies and governments in Europe. Drawing on Integrative Social Contracts Theory (ISCT), the development of a specifically European policy on CSR might be viewed as a "micro-social contract". However, factual evidence reveals the limitations of the European approach so far. In this sense, it would be important to identify and discuss whether the process of promoting CSR in the EU could then be seen as an attempt to establish a new social contract between society and enterprises, specifically European, and based in part on shared political traditions (consented and accepted) and partly in universal ideals (macro-social contract), on which a consensus in Europe would also exist. For this purpose, the EU's key texts, initiatives and official documents on CSR have been analyzed to test the robustness of this attempt.

Keywords: *corporate social responsibility, integrative social contracts theory, micro-social contract, European policy, applied ethics*

I. INTRODUCTION

For the first time in 2000, within the Lisbon European Council, the discussion and inclusion of the term Corporate Social Responsibility

(CSR) was institutionalized in the language and official documents of the European Union (EU)¹. Since then, the EU has devoted great efforts to promote CSR through policies, strategies, objectives and common values that form a fundamental pillar of the EU not only from an ethical perspective but also from a regulatory structure that has been deepening over the years.

All this underpinned a strategic objective: make the EU “the most solid, competitive and dynamic economy based in knowledge, sustainable development and social cohesion²”. The model proposed by the EU was rooted on the integration of social and environmental concerns within the business sector, and has been a key ally for the generation of CSR public policies in many EU member countries.

In fact, the majority of the EU member countries have evolved from simply supporting CSR to engage in a desire to institutionalize CSR in the proper work of their own national governments and their relationship with companies (Vogel and Moon, 2008)³.

This paper adopts Donaldson and Dunfee’s (1999) approach to business ethics to examine the consequences of a fragile social contract regarding Corporate Social Responsibility (CSR) for companies and governments in Europe. Drawing on Integrative Social Contracts Theory (ISCT), the development of a specifically European policy on CSR might be viewed as a “micro-social contract” (1999: 40).

In this sense, it would be important to identify and discuss whether the process of promoting CSR in the EU could be seen as an attempt to establish a new social contract between society and enterprises, specifically European, and based in part on shared traditions (consented and accepted) and partly on universal ideals (macro-social contract), about which also a consensus would also exist in Europe. For this purpose, a selection of EU’s key texts, initiatives and official documents on CSR have been analyzed, following a content analysis method, to observe the robustness of this at-

¹ The reference of the EU official documents mentioned in the article are included in an Appendix after section V. Conclusion.

² Lisbon European Council (2000). Presidency Conclusions. 23 and 24 March 2000.

³ In 2014 all EU countries had adopted a CSR National Action Plan based in the EU CSR Strategy except Croatia, Greece, Latvia, Portugal, Romania, Slovenia, Slovakia, whose CSR National Plans were under development. Luxembourg was the only country without plans to develop their own national CSR Strategy (European Commission, 2014).

tempt. This selection includes the analysis of the documents that made an impact on member countries' national policies such as the conclusions of the European Councils, the EU Green Paper on CSR (2001), EU communications on CSR (2002 and 2006), the Treaty of Lisbon (2007) or the 2011 renewed EU strategy 2011-2014 for CSR, to name but a few.

The article reasserts the factual evidence of the limitations of the EU approach so far, and concludes that it is not clear that the ISCT, or any theory of business ethics, has been dominant in building the European CSR strategy on the basis of reflection. Nevertheless, some aspects that are very closely tight to the ISCT vision were found, which leads to the hypothesis that the EU is pushing a slow process of cultural transformation of the relationship between business and society by promoting CSR and, therefore, the adjustment of the European micro-social contract with companies. In any case, further research will be required to confirm this proposition. Finally, it is suggested that the EU policy should benefit from a more focused strategy exploring common understanding at the continental level and trying to attune European CSR policy to the ISCT normative postulates.

II. ISCT: MICRO-SOCIAL CONTRACTS AND THE STAKEHOLDER THEORY

A literature review on the social contract tradition shows that it has a very broad set of approaches and understandings (e.g., Wempe 2005, Hsieh 2008, Sacconi 2011, Pies et al. 2009, Lütge 2015, Bishop 2008, Mansell 2013)⁴ but all of them very suitable to CSR, for the reasons explained both by Donaldson and Dunfee (1999) and Freeman (1994): few metaphysical premises, widely accepted as a criterion of justice (Rawls, 1971), use of methods borrowed from economics, principles easily translated into basic rules for companies or suitable for an empirical contrast as it is based on actual attitudes of individuals and societies (Francés-Gómez

⁴ See for example Hsieh (2015) and Hsieh (2008) for a discussion of Rawlsian theory as applied to normative business ethics; Sacconi (2011) for an approach based on Binmore's naturalistic version of the social contract; Pies et al (2009) and Lütge (2015) for an approach based on behavioral economics and the political theory of ordo-liberalism; Bishop (2008) for a Rawlsian approach to the ethics of international business. Finally, Mansell (2013), chapter three presents the philosophy of stakeholder theory as mainly based on the social contract theory.

et al., 2015). In fact, this conceptual framework is chosen because Freeman (1994) considered it the normative core of its stakeholder theory; and the stakeholder approach defines Europe's CSR strategy (European Commission, 2011).

In addition, this framework starts out from explicit (legal, political, social) and implicit (ethical) contracts of companies and societies, and this creates a greater expectation of applicability of any conclusion⁵. Accordingly, it is specifically adapted to applied business ethics (as opposed to purely normative business ethics) because it relies not only on a hypothetical contract among perfectly rational agents, but also on the extant social contracts, or on-going tacit agreements and common understandings to add content to the abstract principles of justification usually derived from social contract theories. Thus, it is relevant to choose the ISCT as the more ambitious and most influential social contract approach and therefore test with this theory the construction of CSR in Europe.

ISCT was first described in the 1994 article signed by Donaldson and Dunfee 'Toward a Unified Conception of Business Ethics: Integrative Social Contracts Theory' (Dunfee, 2006:303). Then, they co-authored *Ties that Bind* (1999), the most convincing attempt to date at developing a social contract theory of business ethics (Wempe, 2009).

Donaldson and Dunfee justify through the ISCT that companies, since they are not natural entities but human-made (artifacts), need a justification to exist. The social contract model had been used to justify only the construction of a political State and the question is whether it could equally be applied to economic institutions. Both authors considered that the way businesses operate suggests the existence of an implied agreement between them and the society in which they operate, which would mean the existence of certain indirect obligations between them. Therefore, they used the idea of a hypothetical contract to imagine the terms of an agreement between business and society, drawing upon Donaldson's (1982) seminal work. In fact, both sides have mutual expectations set by maximizing the benefits and minimizing the damage. On the one hand, members of society would agree to recognize the company as a single agent as well as to authorize the use of natural resources and to hire employees if, meanwhile, the organization assumes at least one basic issue: that benefits obtained for the society outweigh the losses.

⁵ Coherent with the views of other authors like Ulrich (2008), Sacconi (2012) or Mansell (2013).

The ISCT argues that the ethical obligations in the economic sphere are based on two levels of consensus: a macro-social theoretical contract between rational beings involved in economic activity and real micro-social contracts between members of each of the different communities. Thus social contracts may take, under this theory, two different ways: the hypothetical contract or “macro” which reflects a rational hypothetical agreement among members of a community; and “extant” or “micro” contract, which reflects a real agreement within a community. Donaldson and Dunfee argue that the agents would like to keep a “moral free space” where they could interpret and preserve ethical traditions and customs as long as they are not damaging to outsiders and are preferred among members of the relevant community.

Consequently, the first principle of the macro-social contract establishes that local communities, through micro-social contracts, will specify ethical standards for its members. However, for such agreements to be valid it is necessary to assume two basic rights of the parties: the right of their members to express their support or their opposition to existing rules as well as the right to leave the community when their disagreement with such rules is unsolvable. The limit for norms generated in this moral free space are “hypernorms”. Hypernorms are thought of as fundamental principles according to which lower standards can be evaluated.

Donaldson and Dunfee (1999) maintain that it is not necessary (nor possible) to provide a detailed and closed list of these standards. So, how can we test whether a particular norm is a hypernorm? At a minimum, they state respect to human rights and the dignity of each person as the basis. Each community is free to create their own ethical standards, but to be authentic they need to be framed within the limits set by hypernorms. The real standards (micro-contracts) that are compatible with hypernorms are called “legitimate norms” in the ISCT; and those are the ones that generate ethical obligations.

Some authors have perceived a gap between general hypernorms and specific micro-social norms. Therefore, they recognize an intermediate layer of norms called meso or meta-norms (Reisel and Sama, 2003). The social contract built in Europe might be seen as a meso or a micro contract. In fact, the meso interpretation may be supported because of the general and all-encompassing nature of many European declarations on CSR. However, it is suggested that the EU Social contract would be closer to the micro contract, because it responds to an agreement adopted with the intention of having regional and also national and

local validity. What is clear is that they are not hypernorms (as these would be based on a hypothetical agreement). As Dunfee (2006) maintains, it is not helpful to add another layer of norms. Advocates for adding meso norms would have to explain how the process would operate when the decision maker is able to identify local community norms, meso norms of a more extensive community and hypernorms all relevant to a single decision.

Donaldson and Dunfee claim that their contract theory “serves as a normative foundation for stakeholder theory” (Donaldson and Dunfee, 1999:235). ISCT solves some of the problems that stakeholder theory faces (problems such as identifying stakeholders and their legitimate interests, as well as recognition of the priority among them). Again, the concept of hypernorm plays a key role. The appeal to them (or to authentic and legitimate norms) allows to determine what demands are a priority and / or legitimate and, therefore, justify an ethical obligation. Communities create their own (authentic) rules based on their moral, economic and social preferences. Presenting demands compatible with such standards offers a first clue about who should count as stakeholders or which communities are relevant to the organization. The legitimacy of these communities depends, however, on their rules and demands being consistent with the hypernorms. Legitimate stakeholders are those whose demands are supported by the community authentic standards while compatible with hypernorms.

Thus, the ISTC makes it unnecessary to admit any further particular ethical theory as a foundation for the stakeholders theory and allows ample space for creating rules and obligations governing the relationship of the organization with those stakeholders. By emphasizing the idea of relevant communities, ISCT supports the central idea of stakeholder management: the interests of those who are affected by the decisions of the company should be considered. This does not mean, however, that both theories are co-extensive. Donaldson and Dunfee have a conception of stakeholders that can be defined as limited. The essence of this concept, they say, is that “those which could be significantly affected by the action of an organization or that are potentially at risk as a result have an “interest” (Stake) in that decision” (Donaldson and Dunfee, 1999:235). The concept is limited in the sense that stakeholders are considered as external to the organization. Certain groups become stakeholders to the extent that some decision or business action affects them potentially or actually, which differs from the conception that

these groups are, in themselves, constituent elements of the organization. The ISCT emphasizes communities and norms, “not the individual stakeholders or interests not reflected in the norms of a community” (Dunfee, 2006:314).

III. EVOLUTION OF CSR IN EUROPE

A review of academic literature on the development of CSR in Europe and the promotion of public policies since 2000 shows the evolution of EU public policies from simply supporting CSR to the engagement in the process of influencing a more responsible conduct of companies (Lozano et al, 2008 or Vogel and Moon, 2008).

Albareda, Lozano and Ysa (2007) defend that public policies to foster CSR have a key role in rethinking the role of business in society that includes governance and sustainability as its core values. However, some authors like Midttun et al (2006), Steurer (2010) and Knudsen et al (2015) have pointed out the lack of a systematic approach to the development of public policies on CSR in Europe. The review reveals also a strong debate on both voluntary vs. compulsory approaches to CSR (De la Cuesta and Valor, 2004) and a EU CSR government-driven approach different to the *laissez faire* US approach (Matten and Moon 2008) among other controversies.

The approach in this section of the article is to select and evaluate the documents and policy statements that by any standard are the most significant in the construction of CSR in Europe, mainly because they are strategic in nature, intended as directives, or of general application, or simply because they have been generally accepted in all countries as setting the agenda in this field.

After identifying key documents and statements, a content analysis has been applied with the objective of firstly obtaining a reasonable interpretation of the process, and secondly (in section IV of the article) with the aim of confirming or refuting the hypothesis that the EU policy concerning CSR can be interpreted as the emergence of a micro-social contract establishing legitimate business ethics rules.

It is relevant to mention that the use of content analysis has shown a steady growth not only in the research related to sociology, psychology or business (Neuendorf 2002) but specifically, that the growing body of literature on corporate social responsibility has increased the use of con-

tent analysis (Turker, 2009) as a methodology well-suited to analysing data on the multifaceted phenomena characteristic of CSR⁶.

The promotion of CSR has had a very significant evolution from the perspective of the European Union in the last sixteen years. The first milestone was planted when the European Council (2000a:39) in Lisbon, in its Conclusion number 39 made a “special appeal to the sense of Corporate Social Responsibility regarding best practices in relation to continuous training, work organization, equal opportunities, social integration and sustainable development”. This appeal was immediately echoed by the European Social Agenda adopted at the Nice European Summit in December 2000, in which it was decided to support initiatives concerning CSR through a Communication from the European Commission.

In June 2001 the European Council in Gothenburg adopted the European Strategy for Sustainable Development whose main purpose was to advance economic growth, social cohesion and environmental protection at an European level. One month later, on July 25th 2001 the European Commission (EC) published the Green Paper “Promoting a European framework for Corporate Social Responsibility of business” in which the EC declared that companies try to raise levels of social development, human rights, better governance and environmental protection, to assume voluntarily commitments that go “beyond basic legal obligations” (2001:6).

The significance of the Green Paper is indisputable because it showed the road map and the broad lines of the applied instruments (though without becoming a positive legal norm as such), CSR governmental policies (public policy), proposing also the promotion of business practices based on consistency between internal policies and international standards. The principles that underpinned this document are the following:

- The recognition of the voluntary nature of CSR (principle of voluntariness)
- The triple dimension of CSR: economic, social and environmental responsibility

⁶ Specific research about CSR in Europe using the methodology of content analysis can be found in Vuontisjärvi (2006), Gössling&Vocht (2007) or Gamerschlag et al (2011) among others.

- A logic of social responsibility practices assumed as legitimate and transparent (principle of transparency) for institutions and companies that adopt these CSR principles.
- The emphasis on activities in which the intervention of public authorities provide an added value to CSR.
- An overall approach that includes economic, social and ecological aspects, to promote a balance between business interests and public interests.

On July 8th 2002, after the consultation process started by the Green Paper, the EC presented the first Communication on CSR addressed to European institutions, member states, and also business associations and consumers, individual companies and other stakeholders.

This communication is based on the grounds raised in the above mentioned Green Paper but it includes some major changes. Among these changes we can find a new perspective on the main function of the company, which goes from the primary purpose of generating benefits to a logic of creating value with the production of goods and services that meet the demands of society and thereby generate profits for its owners and shareholders as well as welfare for society in general. Some of the actions proposed in this communication were to publicize the positive impact of CSR on business and society, create the CSR Multistakeholder forum or integrate CSR in all EU policies, among others.

Since 2002 two more European Communications have been adopted. First, in 2006 a Communication promoting Europe as a “pole of excellence in CSR” and establishing the European CSR Alliance was presented. This “European Alliance for CSR” sought to respond to the great challenges that arise in international competition given the context of economic globalization, demographic trends and understanding new concepts of sustainable development. In this communication eight priority areas for EU action were identified: increasing awareness and exchange of best practices; support for multilateral initiatives; cooperation with the Member States; consumer information and transparency; research; education; small and medium businesses, and CSR international dimension.

Before the second communication was adopted in 2011 it is very important to remind that the Treaty of Lisbon was signed in December 2007 and entered into force on 1st December 2009. The purpose of this Treaty was to make the EU more democratic, more efficient

and better able to address global problems, such as climate change, with one voice. The treaty introduced some major changes such as more power for the European Parliament, change of voting procedures in the Council, citizens' initiative, or a permanent president of the European Council.

But for our purposes it is very interesting to reflect on the values this new treaty included. The new Article 1a expresses that the EU (2007) is founded on the values of "respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights".

Following those values, recognized as common to the Member States, the new article set the tone for what to expect in the European internal market. This internal market shall work "for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment". The internal market shall promote "social justice and protection" as well.

But there is also an ethical mandate in the Treaty concerning the relations with the wider world where the Union shall promote its values, contribute to the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights.

Incorporating all these values of the Treaty of Lisbon, the new CSR Communication was presented in October 25th 2011. This communication is the first regional CSR strategy in the world and had two very influential outputs. On the one hand, the invitation to Member States to build their own national CSR plans has resulted, until 2016, in the emergence of 24 national plans and CSR strategies all over Europe. On the other hand, in October 22th 2014 the EU 2014/95 Directive of The European Parliament and of the EU Council on disclosure of non-financial information was published, a commitment from the European CSR strategy. The transposition of this directive in December 2016 encouraged over 6000 European companies to make their social, environmental and governance information public in 2018, a big impulse for the CSR movement.

We can find the reason for this new communication in the economic crisis and its social consequences that have to some extent eroded consumer confidence in companies. Indeed, they have focused public opinion on the social and ethical behavior of the latter. By renewing the effort to

promote CSR, the Commission wished to create favorable conditions for sustainable growth, responsible business behavior and the creation of sustainable employment in the medium and long term.

The relevant aspect brought by this new communication is the European CSR Strategy for the period 2011-2014 whose main lines of action are the following:

- Improve visibility of CSR and disseminate good practices: The EU could help to communicate good practices and encourage more companies to develop their own strategic guidelines on CSR.
- Improvement and monitoring of trust in business: The UE recognized that there is a gap between the expectations of citizens and their perception of the reality of corporate behavior. To improve this situation the new communication raised issues such as deceptive trade practices or the need to organize public debates on the role and potential of enterprises.
- Improved processes of self-regulation and co-regulation as part of the agenda for “better lawmaking: Companies establish industry codes of conduct on social matters that are relevant to the sector concerned. If designed properly, the EU defend that they can gain the support of stakeholders and become an effective means to achieve a responsible corporate conduct.
- Improved rewards of CSR in the market: The EU recognized that CSR has a positive impact on competitiveness. Nevertheless, companies still face a dilemma when the more socially responsible course of action may not be the most beneficial one from an economic point of view, at least in the short term. The EU committed to promote concrete policies in the field of consumption, public procurement and investment to encourage more CSR in the market.
- Improved disclosure of non-financial information by businesses: The disclosure of environmental, social and governance (ESG) information can facilitate engagement with stakeholders and the identification of material sustainability risks. It is also an important element of accountability and can contribute to increased public confidence in companies.
- Increased integration of CSR into education, training and research: CSR requires new skills and changes in values and behaviors. Member States may provide incentive mechanisms to schools and universities to integrate CSR in relevant educational programs.

- Importance of national and sub-national CSR policies: According to the European Strategy, many public policy measures to support CSR are best applied at national, regional and local levels. The EC proposed to create a mechanism for evaluating national policies on CSR in conjunction with the Member States.
- Improved harmonization of European and global approaches to CSR: The EU should promote European interests in international policies on CSR and at the same time the integration of internationally recognized principles in their own CSR policies.

The evolution of CSR will continue in the coming years with the expected introduction of a new European strategy on CSR. To achieve this objective the EC already consulted the European stakeholder groups (government, business, unions, NGOs, consumers, etc.) in the so-called CSR Multi-Stakeholder Forum held in Brussels in February 2015, on the direction to be taken by the new strategy. In 2016 the EC has published a new Communication along these lines with the link between CSR and the Sustainable Development Goals (SDGs).

IV. CSR: BUILDING IN EUROPE A NEW MICRO-SOCIAL CONTRACT WITH BUSINESS?

After assessing the evolution of CSR in Europe from the viewpoint of its main political institution, now is the moment to answer the main question: Is the evolution of CSR in the EU an attempt to transform the micro-contract of corporations in Europe? Moreover, has it been successful? Should it be approached in a different way?

In this regard, references to laws and EU own policies can be seen as an example of a “micro-social contract”, according to Donaldson and Dunfee (1999). But it is important to identify and discuss whether such a process could then be seen as an attempt to establish a new social contract between society and enterprises, specifically European, and based, in part on shared political traditions (consensual and accepted) and on universal ideals (macro-social contract), on which there would also be a consensus in Europe.

In a first step we have detected “contractarian” elements in these documents, policies and strategies. From this point of view, a first content analysis criterion has been to distinguish the elements that refer

to the social contract of the companies in the macro sense, which would connect with the theoretical approach of Donaldson (1982) and Freeman (1994). But we also needed to detect those elements that seem to refer to a social extant contract, shared values, some of them specifically European.

Within the first, which refer to the social contract from the macro perspective of Donaldson (1982) and Freeman (1994), we find that the idea of the social contract functions as a moral criterion (alternative to other types of criterion, as may be the divine command, Kant's categorical imperative, or the principle of utility). For example, article 1 of the Lisbon Treaty or the introduction of the European CSR Strategy (2011) reflects the importance of shared European values. In the second, in those elements that seem to refer to a social extant contract, based on Donaldson and Dunfee's ISCT (1999), we can find a more precise formulation (what specific rules are those that make up the business ethics). We also find a more tolerant approach, in the sense that they are more than open to permissible conducts decided in the moral free space of companies, sectors, countries, etc.

In the content analysis of the EU documents we discover that the ISCT could have some influence (probably not directly but mainly through the stakeholder theory) as we can observe these concrete ISCT aspects:

- a) References to standards and habits, and not just general interests or social demands.
- b) Pluralism: acceptance of different rules in different contexts. Respect to minorities, solidarity and mutual respect among peoples or building each country its own national CSR strategy based on the European one, are examples already mentioned.
- c) Reference to a few fundamental rules as absolute limits.
- d) In general, less reference to the business case and more references to interests and social purposes on the one hand, and traditions, habits and other conventional standards on the other hand. Probably this is the less clear element related to ISCT. The CSR business case is very present in the EU discourse since the 2006 Communication, as a means to gain competitiveness.
- e) Reference to implicit agreements, tacit or mutual expectations as valuable in themselves. Again, although it is mentioned in the CSR Strategy, this aspect is referred to very lightly.

In fact, this conceptual contractarian framework is chosen because Freeman (1994) considered it the normative core of its stakeholder theory; and the stakeholder approach defines Europe's CSR strategy (European Commission, 2011). In a more in-depth analysis we can examine if Europe's stakeholder approach is based on the ISCT. In that case it will consist in four general principles (Donaldson and Dunfee, 1999:248):

- 1) The main guide to define the obligations that organizations must follow towards Stakeholders is social and political relevant communities within whose boundaries operate. We must look at its rules to respond to questions about who must be recognized as stakeholders, how to resolve conflicts of interest between them and the shareholders/owners, or how to respond to the legitimate demands they faced.
- 2) If the norms concerning the obligations to stakeholders are not firmly established in such communities, organizations have discretion to decide how to respond to the demands and interests of stakeholders.
- 3) All decisions made by organizations and involving stakeholders must be consistent with hypernorms.
- 4) In a conflict between the legitimate rules of different communities concerning the obligations with stakeholders, priority must be given to the community with the most significant interests in the decision. If there is no basis to set the priority, organizations can use their discretion to choose between legitimate conflicting rules.

Again, we can have a positive answer to these four aspects based on the evidences shown in the EU CSR strategy. EU proposals of CSR auto-regulation in specific sectors, the promotion of CSR national strategies, the expectations raised in the European CSR Multistakeholder Forum, comply or explain approaches, are some of the examples that confirm a stakeholder approach that complies with the ISCT requirements.

V. CONCLUSION

CSR has been built on the discourse and policies of the European Union since 2000. There is evidence that the evolution has been positive

(CSR national plans, legislation on Environmental Social and Governance transparency of organizations, growth in the number of corporate CSR annual reports, self-regulatory initiatives, or increase of voluntary CSR audits, among others). Once deployed the first European CSR strategy and after Europe suffering one of the hardest economic crisis in its history, questions come back on the principles, on values, on the ethical basis of the construction of Europe and its policies. In this paper we have reflected, under the ISCT lens, on the ethical basis for CSR in Europe after 15 years of its first mention in a European Council. What conclusions can we draw?

First, that the field of action of CSR has grown significantly in recent years in Europe. CSR itself contains various theories, approaches and even terminologies ranging from instrumental approaches to other political, integrated or ethical approaches (Garriga and Mele, 2004). In Europe we cannot find a clear answer by analyzing what kind of CSR the EU sought. We can determine that it has a lot to do with the stakeholder theory and observe notions of a contractualist approach. However, although we found elements after a content analysis of the main EU documents related to CSR that bring us closer to this contractualist vision (references to standards and habits, and not just the general interests or social demands, pluralism or reference to a critical few rules absolute as limits) there are many other aspects which differ. These aspects are closer to instrumentalist positions (continuous reference to the business case) or political ones (continuous references to a legislative framework built by the European Union versus implicit reference to agreements). In particular, a normative proposal would be to reinforce these two aspects. A less instrumentalist base would strengthen the discourse of CSR towards society and ensure European leadership. A leadership that should also demonstrate a CSR coherent discourse during the years (with clear principles defended, but also naming those responsible for the CSR strategy, unambiguous objectives, targets and comprehensible timeframes in which it wants to build this new social contract). In fact, building a social comprehensive contract would lead to the alignment of business strategies with the interests of citizens not only from the perspective of risk management or compliance but also in rethinking strategies, and innovating in new products and services that maximize their positive impact on society and the environment.

As a final conclusion from this research, it is not clear that the ISCT, nor any theory of business ethics, has had a monopoly on the basis of reflec-

tion in building the European strategy. Even though, we can find some aspects that are very close to the ISCT vision. Probably the most plausible hypothesis is that the European Union is pushing a slow process of cultural transformation of the relationship between business and society by promoting CSR and, therefore, the adjustment of the European micro-social contract with companies. But this sociopolitical process of CSR development represents a tacit contract or even a common understanding, unconscious in some way, without the ISCT having had much explicit influence. To deepen this conclusion it would be necessary to analyze in a future research more detailed documents (e.g. parliamentary questions or peer review reports on member state policies on CSR). But beyond content analysis, it would be also essential to connect these findings more deeply with the history of the development of CSR in Europe and the key agents involved. That will give us the opportunity to analyze the intentions of those agents and question, among other things, whether the European CSR Strategy represent shared values of European companies and, in that case, only from large ones. Or, on the other hand, they represent the values that politicians want companies to adopt, and not those that they actually have. In summary to question whether there is a genuine common vision of business ethics in Europe and if it can be explained through the ISCT.

The findings of this future research would also contribute to the further development of CSR itself. Understanding the fundamentals will contribute to focusing the CSR domain, to make it self-conscious and critical. Finally, and more importantly, understanding the past would help to build and guide the next European CSR Strategy towards the development of CSR in Europe as a compelling and integrated aspect in the core of the decisions of companies and governments.

APPENDIX: LIST OF EU DOCUMENTS MENTIONED IN THE ARTICLE

European Council (2000a). Presidency Conclusions. Lisbon 23 and 24 March 2000. http://www.europarl.europa.eu/summits/lis1_en.htm

European Council (2000b). Presidency Conclusions. Nice 7-10 December 2000. http://www.europarl.europa.eu/summits/nice1_en.htm

European Council (2001). Presidency Conclusions. Göteborg 15-16 June 2001. http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00200-r1.en1.pdf

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European Commission (2006). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee. Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility. Brussels, 22.3.2006. COM(2006) 136 final.

European Union (2007). Treaty of Lisbon. Amending the treaty on European Union and the Treaty establishing the European Community. (2007/C 306/01).

European Commission (2011). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A renewed EU strategy 2011-14 for Corporate Social Responsibility. Brussels, 25.10.2011 COM(2011) 681 final.

European Commission (2014). Corporate Social Responsibility. National public Policies in the European Union. Compendium 2014. June 2014 <https://ec.europa.eu/digital-single-market/en/news/corporate-social-responsibility-national-public-policies-european-union-compendium-2014>

European Parliament (2014). Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings. <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32014L0095>

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Germán Granda
Director de Forética
ggranda@foretica.es

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