

# CSR, Sustainability and Other Confusing Terms: Transatlantic Perspectives

Report on the Workshop of the 4<sup>th</sup> meeting of the Transatlantic Academy  
on Corporate Responsibility, Montreal, October 11-16, 2010

THOMAS HAJDUK\*

The Transatlantic Doctoral Academy on Corporate Responsibility (TADA)<sup>1</sup> brings together German and Canadian PhD students who are dealing with questions of corporate responsibility and business ethics. Each one of the semi-annual TADA meetings includes a workshop attended by scholars from North America and Europe. The fourth TADA meeting took place in Montréal on October 11-16, 2010 and included a workshop on ‘CSR, Sustainability and Other Confusing Terms’ in order to elaborate on ‘transatlantic perspectives’ (October 15-16). Both TADA and the workshop were hosted by Thomas Beschorner of Université de Montréal, Emmanuel Raufflet of HEC Montréal and Matthias Schmidt of Beuth Hochschule Berlin.

The workshop was divided into two sections. The first comprised two presentations and dealt with CSR in practice. *Emmanuel Raufflet* made a start by presenting a research project on “The other North American voice: exploring Canadian corporate social responsibility”. Together with five colleagues he aims to reveal distinctive features of CSR in Canada by systematically documenting and analysing its origins and evolution. Overall, the project identifies three features of Canadian CSR. First, it is characterised by the structural context, such as Canada’s vast continental land area, its reliance on natural resources and bilingualism. Second, the Canadian rule and norm-making is effective and consensual, as shown by the FSC, the Responsible Care Programme and roundtables which were all developed or are applied in Canada. Third, CSR practices of Canadian firms adapt to local and mono-industrial milieus and the relations to Canada’s indigenous people. The following debate centred on a wide range of issues like the impact of multinational enterprises on Canadian CSR, whether it actually differed from the US variety and whether the possible conceptual differences would also reflect practical ones.

*Matthias Schmidt* introduced the German perspective on CSR which was summed up in Germany’s National CSR Strategy launched in October 2010. In general, CSR is seen as a cross-cutting issue and has become a mainstream topic after years of neglect. In Germany, CSR is highly convergent with sustainable development. Moreover, it is related to the paradigm of a new social market economy and stresses the importance of values and the need for change. Thus it caters to German features, such as the small and medium-sized companies (Mittelstand), high degree of regulation, demo-

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\* Thomas Hajduk, University of St. Gallen, Institute for Business Ethics, Tannenstrasse 19, CH-9000 St. Gallen, phone: +44 (0)71 224-3105, e-mail: thomas.hajduk@unisg.ch, fields of expertise: public policies on CSR, multinational enterprises, CSR standards, CSR in historical perspective.

<sup>1</sup> <http://www.doctoral-academy.net/>

graphic change, shift to pluralism of values, globalisation and the transformation of societal paradigms. Schmidt concluded that guiding values and new ways of thinking would become more important, as more and not less complexity had to be expected in the future. The comments on his presentation focused on the role of small and medium-sized enterprises and globalisation, the nature of the paradigm shift and actual differences between Canada and Germany.

The second section of the workshop was devoted to different terms of CSR. *Corinne Gendron* of UQAM applied discourse analysis to contest common definitions of CSR that stress its voluntary nature or describe it as a practical tool to manage stakeholders. Gendron sees CSR as a symptom of several profound transformations which include the shift towards sustainable development, the breaking of the compromise underlying the capitalist business model and the weakening legitimacy of corporations. This transformation would lead to new governance structures of the firm and stronger participation of social movements. The participants' questions referred to the epistemological limits of discourse analysis, the question whether new governance structures were reality or wishful thinking and issues related to stakeholder co-management of firms.

*Chris MacDonald* of Saint Mary's University in Halifax presented a philosophical critique of the notions of CSR, sustainability and the triple bottom line (3BL). CSR as well as its three elements (C-S-R) were presented as being too narrow and insufficient to substitute ethics in business, which MacDonald encapsulated as 'doing the right thing in business'. Likewise, the aim of 'sustainability' was criticised as being unclear; and while the 3BL suggests that exact measurement of environmental and social performance is possible, MacDonald argued that it cannot live up to in practice. The traditional term 'ethics', he stated, is also confusing, since it can be misperceived as a set of laws or the highest possible – and therefore utopian – standard of behaviour. Overall, MacDonald believed there was no best term and suggested to be aware of the costs and limitations of the notions researchers operate with. The ensuing discussion revolved around the role of standards in measuring CSR performance, the most important component of 'C-S-R' (which all agreed was responsibility) and the practical meaning of these terms.

*Luciano Barin-Cruz* of HEC Montréal offered a practical solution to bridge the gap between CSR and sustainable development. According to him CSR is about integrating societal issues on the organizational level while sustainable development takes place on the societal level. To link these levels the concept of 'Strategic CSR' could be used by companies which identify business opportunities that explicitly address issues of sustainable development and vice versa. As an example of strategic CSR, Barin-Cruz cited products and services catering to 'bottom of the pyramid' (BOP) consumers. The development of products and services for poor consumers in the developing world would help companies to foster both innovation and access to new markets. Questions from the audience included doubts whether BOP is actually CSR or just business as usual, the ethics underlying strategic CSR and the necessary distinction between useful and harmful products, with strategic CSR working only for the former.

*Jean-Pascal Gond* of HEC Montréal presented a meta-view on CSR and CSR research and argued in favour of a pluralised research agenda. The conceptual history of vari-

ous CSR terms had equalled a search for a unifying paradigm, a unique definition and socially ‘sensible’ organisation theory. According to Gond this endeavour had resulted in constantly failing projects since it had not gone beyond its functionalist perspective which is orientation towards business and questions about methods and instruments. This “trap” could be left behind by (again) conceiving CSR as the interface between business and society. In this case, CSR researchers would need to consider alternative paradigms of social theory. Gond concluded his presentation with an overview of four ideal types of research paradigms: CSR as socio-cognitive construction, CSR as power relationship, CSR as cultural product and CSR as social function. In the debate, participants discussed the lack of normative approaches, the permeability of disciplinary boundaries and the case of methods, not theories driving theoretical development.