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CORPORATE SOCIAL RESPONSIBILITY IN CHINESE AND INDIAN MULTINATIONALS

Abstract: Empirical studies show that there is a positive correlation between socially responsible behaviour and corporate returns. The CSR is said to be good for society and good for business. The structure and models of CSR in developing countries present a conceptual and practical implication for corporate managers seeking a viable solution to extend their organization's investment in CSR. Research in development of strategies to implement CSR models will be highly useful in the future development of CSR in India and China. With the challenges of globalization, liberalization and the emerging trend towards a free market economy facing India and China, the role of CSR became more and more paramount. The CSR in India evolved from charity and traditional philanthropy (like "infrastructure philanthropy" of Indian Multinational – the Tata Group) towards a more diversified forms of corporate social responsibility (CSR). While the rapid development of the Chinese market brings about more opportunities to implement CSR strategy in many new fields (like "sport philanthropy" of Chinese Multinationals – Haier and SAIC during the Beijing Olympic Games, the same as "CSR in art or culture" of SAIC and its global joint venture partner GM during Shanghai Expo 2010). Both Chinese and Indian corporations can benefit from adopting corporate responsibility strategies. The development and the implementation of strategies based on international standards and different types and models of corporate social responsibility (CSR) are essential for Chinese and Indian corporations for further expansion on their home and international markets during the internationalization process. The internationalization process of Chinese and Indian corporations¹ has been increasing the role of corporate social responsibility (CSR) on their home markets, which extended to create positive image and reputation of Chinese and Indian multinationals on foreign markets.

Key words: corporate social responsibility (CSR), Chinese and Indian multinationals.

1. Theoretical aspects of CSR

1.1. Evolution of corporate social responsibility – from CR to CSR

Corporate responsibility CR is the impacts that a company's strategies and operating practices have on its stakeholders and the natural environment, and is distinguished

¹ H. Zou, P.N. Ghauri, Internationalizing by learning: The case of Chinese high-tech new ventures, *International Marketing Review* 2010, Vol. 27, No. 2, pp. 223-244.

from *corporate social responsibility* CSR which means those activities that companies undertake to directly benefit society. The adverse notion is *corporate irresponsibility*² which generates risks and costs to company.

The definition for CSR is often debated – one of Chinese is: “The notion of companies looking beyond profits to their role in society is generally termed corporate social responsibility.”³ Po-Keung conducted in 2008 a survey in Beijing, China, and found out that the fairly strong corporate culture and CSR are contributive to the company’s major social capital, including trust, cooperation, harmony, loyalty, and morale of the company. Indian economist Amartya Sen (2001) studied and discovered the relationship between CSR and consumer’s intention of purchase.⁴

1.2. Areas and concept of CSR

CSR is referred to business areas⁵: corporate/business responsibility, corporate environmental responsibility CER,⁶ environmental sustainability⁷ or strategic philanthropy, business ethics⁸ or corporate governance. The concept of CSR consists of four-part model of CSR: economic, legal, ethical and philanthropic responsibilities.

1.3. “Individual” versus “corporate responsibility” and multinationals

Multinationals have the need to protect their reputations, to be a good corporate citizen⁹. Reputation¹⁰ has become critically important to corporations because of growing

² F. Robins, Learning from corporate mistakes, *Corporate Communications: An International Journal* 2010, Vol. 15, No. 2, p. 169; B. Jones, R. Bown, R. Tench, Corporate irresponsibility and corporate social responsibility: Competing realities, *Social Responsibility Journal* 2009, Vol. 5, No. 3, www.emeraldinsight.com_Insight_ViewContentServlet_contentType=Article&Filename=_published_emeraldfulltextarticle_pdf_3680050201, pp. 300-310.

³ CSR Guide, Corporate Social Responsibility (CSR), *South China Morning Post* 2002, p. 2.

⁴ H. Chen, Y. Kong, Chinese consumer perceptions of socially responsible consumption, *Social Responsibility Journal* 2009, Vol. 5, No. 2, www.emeraldinsight.com_Insight_ViewContentServlet_contentType=Article&Filename=_published_emeraldfulltextarticle_pdf_3080050302, p. 145.

⁵ M. Samy, G. Odemilin, R. Bampton, Corporate Social Responsibility: A strategy for sustainable business success. An analysis of 20 selected British companies, *Corporate Governance* 2010, Vol. 10, No. 2, p. 203.

⁶ M. He, J. Chen, Sustainable development and corporate environmental responsibility: Evidence from Chinese corporations, *Journal of Agricultural and Environmental Ethics* 2009, Vol. 22, p. 323.

⁷ D.K. Nguyen, S.F. Slater, Hitting the sustainability sweet spot: Having it all, *Journal of Business Strategy* 2010, Vol. 21, No 3, pp. 5-11.

⁸ N.L. Trapp, The persuasive strength of values, reputation and interest arguments for promoting ethical behaviour in a global corporate setting, *Corporate Communications: An International Journal* 2010, Vol. 15, No. 2, p. 158.

⁹ Ch.-P. Lin, Modeling corporate citizenship, organizational trust, and work engagement based on Attachment Theory, *Journal of Business Ethics*, 11 December 2009, p. 3.

¹⁰ K. Walker, A systematic review of the corporate reputation literature: Definition, measurement and theory, *Corporate Reputation Review* 2010, Vol. 12, No. 4, pp. 357-387.

distrust of large companies by the society. Many voluntarily initiated programs by multinationals fall within traditional areas of CSR moving to new areas like public-private partnerships, multi-sector collaborations and dialogues and others.¹¹ Some of traditional areas are the same both for individual and corporate responsibility, for example philanthropy or volunteerism, which were even traditionally connected with individual responsibility more than corporate RS.¹² Individual responsibility is both of individual consumers and investors.

1.4. CSR and corporations' profits or other benefits

Empirical studies show that there is positive correlation between socially responsible behaviour and corporate returns. CSR is said to be good for society and good for business.

Three alternative visions on CSR connected with profits are:¹³ "Win-win" – being a good corporate citizen can also make a firm more profitable, "Delegated philanthropy" by stakeholders¹⁴ of corporations – profit maximization and CSR are consistent, "Insider-initiated corporate philanthropy¹⁵" – reflected board or top management's¹⁶ own desires to engage in philanthropy – profit is then typically not maximized. Corporations that implemented CSR actions have other wide range of benefits, such as: motivated workforce, reduced operating costs, enhanced brand image and reputation increased sales and customer loyalty, productivity and quality, competitive advantage¹⁷, etc.

¹¹ S. Waddock, Building a new institutional infrastructure for Corporate Social Responsibility, *Academy of Management Perspectives* 2008, Vol. 22, No. 3, pp. 87-108.

¹² R. Bénabou, J. Tirole, *Individual and Corporate Social Responsibility* (as preliminary work), Toulouse School of Economics Discussion Paper No. 4570, November 2009, The Institute for the Study of Labor (IZA) in Bonn, p. 3.

¹³ *Ibidem*, pp. 12-16.

¹⁴ C.B. Bhattacharya, D. Korschun, S. Sen, Strengthening stakeholder-company relationships through mutually beneficial corporate social responsibility initiatives, *Journal of Business Ethics* 2009, Vol. 84, p. 259.

¹⁵ D. Koehn, J. Ueng, Is philanthropy being used by corporate wrongdoers to buy good will?, *Journal of Management Governance* 2010, Vol. 14, No. 1, p. 1.

¹⁶ E.R. Pedersen, Modelling CSR: How managers understand the responsibilities of business towards society, *Journal of Business Ethics* 2010, Vol. 91, pp. 155-166; H. Liu, M.W.L. Fong, Board characteristics of medium and large Chinese companies, *Corporate Governance* 2010, Vol. 10, No. 2, pp. 163-175.

¹⁷ Ph. Gugler, J.Y.J. Shi, Corporate Social Responsibility for developing country multinational corporations: Lost war in pertaining global competitiveness?, *Journal of Business Ethics* 2009, Vol. 87, Fig. 2, p. 5.

2. Corporate Social Responsibility CSR in China and India

2.1. CSR in China

History of adopting the Western Corporate Social Responsibility (CSR) concept in China is less than 20 years old, but the core principles of CSR are not new. The responsible business concept in China returns more than 2500 years ago to Zi Gong (520-475 BC).¹⁸

The practice on corporation's CSR and its communication in China¹⁹: China is a developing country, therefore managers of corporations regard financial profits more than to put large attention on CSR of company. They have not utilized the strong strength of stakeholder during the process of the company's CSR action through the communication between company and stakeholder, which will build a good reputation for company in a longterm.²⁰ In light of China's growing role in the global economic order, potential differences in business ethics between mainland China and Western nations are important.²¹ Rapid development of the Chinese market brings about more opportunities to Western Corporations and Chinese companies, but also greater competition than before. The role of CSR is rising to perform social responsibly for companies as a win-win strategy both to themselves and to the society. There is a need for companies in the Chinese market to improve CSR performance from the viewpoint of special economic and social environments in China.

2.2. CSR in India

Current scenario of CSR in India:²² The last decade of the 20th century in CSR in India evolved from charity and traditional philanthropy towards a more diversified forms of CSR, driven both internally by corporate will and externally by increased governmental and public expectations. With the challenges of globalization, liberalization and the emerging trend towards a free market economy facing India, the role of CSR is paramount. Primarily because the role of multinationals has been extended, which has had a powerful influence on CSR. Indian Corporations

¹⁸ L. Wang, H. Juslin, The impact of Chinese culture on Corporate Social Responsibility: The harmony approach, *Journal of Business Ethics* 2009, Vol. 88, pp. 433, 435.

¹⁹ H. Chen, H. Zhang, Two-way communication strategy on CSR information in China, *Social Responsibility Journal* 2009, Vol. 5, No. 4, www.emeraldsight.com/Insight_ViewContentServlet_contentType=Article&Filename=_published_emeraldfulltextarticle_pdf_3680050401, p. 441; F. Schultz, S. Wehmeier, Institutionalization of corporate social responsibility within corporate communications, *Corporate Communications: An International Journal* 2010, Vol. 15, No. 1, pp. 9-29.

²⁰ J. Tsoi, Stakeholders' perceptions and future scenarios to improve corporate social responsibility in Hong Kong and mainland China, *Journal of Business Ethics* 2010, Vol. 91, pp. 391-404.

²¹ G. Enderle, Wealth creation in China and some lessons for development ethics, *Journal of Business Ethics*, 24 February 2010, pp. 1-15.

²² A.D. Gupta, Corporate social responsibility in India: Towards a sane society?, *Social Responsibility Journal* 2008, Vol. 4, No. 1/2, www.emeraldsight.com/Insight_ViewContentServlet_contentType=Article&Filename=_published_emeraldfulltextarticle_pdf_3680040118, p. 2.

can benefit from adopting corporate responsibility policies. A recent study pointed out that Indian companies and corporations are doing much better than Western multinationals in India in both the scope and content of their work in CSR. With a rich heritage corporate social responsibility has taken root in India. There are several CSR models in India:²³

1) cause-related marketing – a sales-driven, promotional technique that is centred on enhancing brand image and publicity;

2) creation of ancillary units – for example to set up units to hire disadvantaged people;

3) volunteerism – support to employees who have knowledge and skills to help others;

4) micro-credit – loans to establish micro businesses in order to induce self-sufficiency and sustainable development;

5) stakeholder involvement²⁴ – make donation through their company;

6) philanthropy – the most traditional form of CSR in India,²⁵ providing support in cash or through grants, donations, charities, etc.

The structure and models of CSR in developing countries like India present a conceptual and practical implication for corporate managers seeking a viable solution to extend their organization's investment in CSR. Research in development of strategies to implement CSR models will be highly useful in the future development of CSR in India.²⁶ We should also remember that India is global outsourcer, especially for American companies, which gives special background for the diffusion of international standards of CSR.

3. Roots and expansion of Chinese and Indian corporations

3.1. Chinese multinationals

In face of fast economic development of China, the role of „Chinese multinationals” is growing, some of them come from former state companies – SOEs. Restructurization and corporatization processes and their role for Chinese Government gave them a chance for expansion both on China home market and abroad (accelerated internationalization process²⁷). New challenges for them were connected also with

²³ S.Ch. Das, Status and direction of corporate social responsibility in Indian perspective: An exploratory study, *Social Responsibility Journal* 2009, Vol. 5, No. 1, www.emeraldsight.com_Inspire_View-ContentServlet_contentType=Article&Filename=_published_emeraldfulltextarticle_pdf_3680050103, pp. 34, 36-42.

²⁴ L.A. Clark, S.J. Roberts, Employer's use of social networking sites: A socially irresponsible practice, *Journal of Business Ethics*, 12 February 2010, p. 7.

²⁵ S. Mishra, D. Suar, Does Corporate Social Responsibility influence firm performance of Indian companies?, *Journal of Business Ethics*, 11 February 2010, p. 2.

²⁶ S.Ch. Das, *op. cit.*, p. 42.

²⁷ J.A. Mathews, Dragon multinationals: New players in 21st century globalization, *Asia Pacific Journal of Management* 2006, Vol. 23, p. 13.

Western multinationals, which through joint-ventures gave to SOEs, apart from the capital and technology, international standards both in management and corporate social responsibility CSR.²⁸

The second group of global corporations from China comes from modern waves of entrepreneurialship from 1980s and 1990s: as a result of China's reforms, the increase of competition. They operate in high technology sectors or consumption production, like: Huawei, TCL, Haier, Lenovo.²⁹

3.2. Indian multinationals

High technology international sector – telecommunication and IT – is market for operating and expansion of Indian multinationals, like: Wipro, Infosys, which started to manage large IT systems in USA and Europe, and operate also in outsourcing and offshoring. Infosys is an example of modern Indian corporation of IT sector, established in 1981. Infosys's expansion was based on the strategy of both geographical cost diversification and the internationalization of R&D,³⁰ together with own strategy of global sourcing for such clients of Western multinationals as: Cisco Systems, Dell, Microsoft, Visa, Reebok, Philips and others.³¹

Indian corporations operate not only in IT sector, but, like Chinese multinationals, they are also in many other sectors.

4. Corporate Social Responsibility in Chinese and Indian corporations

4.1. General features of CSR in Chinese and Indian corporations

With the expansion of Chinese and Indian multinationals corporate social responsibility CSR is more and more important for them, together with parallel aims, like: building their reputation and image³² on the international scale. Chinese and Indian

²⁸ W. Li, R. Zhang, Corporate Social Responsibility, ownership structure and political interference: Evidence from China, *Journal of Business Ethics*, 30 April 2010, pp. 1-15.

²⁹ *Built to Last: Sustainability for a new world, Report 2009*, www.lenovo.com/social-responsibility/us/en/FY/2009_Lenovo_Sustainability_Report.pdf; X. Hui, W. Yiqian, P. Degui, A study on risk perception and risk identification in the internationalization process of Chinese hi-tech enterprises – A case study of Huawei Technologies, *Frontier Business Responsibility of China* 2008, Vol. 2 (3), pp. 463-471.

³⁰ R.C. Padgett, J.I. Galan, The effect of R&D intensity on Corporate Social Responsibility, *Journal of Business Ethics* 2010, Vol. 93, p. 407-418.

³¹ *Infosys – Nowe tendencje w zarządzaniu offshoringiem*, www.publicstandard.pl/artykuly/57757_1.html; *Infosys Annual Report 2010*, <http://www.infosys.com/investors/reports-filings/quarterly-results/2009-2010/Q4/Pages/index.aspx>; *Infosys BPO Journal IV – Technology the “New Normal” – Enabling Businesses*, <http://www.infosys.com/offering/BPO-services/Documents/BPO-future-forward-IV.pdf>, pp. 1-39.

³² M. Parich, J. Hart, Going global: Enhancing corporate reputation for Chinese overseas expansion, „*Viewpoint – Emerging Multinationals*” *APCO WorldWide, Business & Policy Perspectives on Today's Global Challenges* 2007, p. 26.

Corporations should adopt international standards in CSR and pay greater attention to building public trust (on the way of the cooperation with media, local society or non-governmental organizations), with less concentration on the bilateral relations with business partners. Transparent communication with environment should be important in CSR strategies of Chinese and Indian corporations.

Chinese Government suggests Chinese corporations to take into account corporate responsibility in their strategies.³³ Moreover Chinese and Indian multinationals should not shift corporate responsibility to lower levels of their organizational structure, but it should become fundamental part of their strategies. Indian corporations have longer tradition and Indian managers are better prepared for building their strategies of corporate responsibility.³⁴ Indian Prime Minister M. Singh for Confederation of Indian Industry, told to business: “to implement wider strategy of social responsibility”.

4.2. Types and models of CSR in Chinese and Indian corporations – case studies

4.2.1. Individual Social Responsibility SR delegated to CSR

Some of Chinese and Indian corporations had founders or leaders with their own vision of company and special individual social responsibility which was delegated to the corporational level – corporate social responsibility.

Zhang Ruimin became a leader of Chinese Haier as Director of the factory of refrigerators in Qingdao 20 years ago, in the period of serious problems of the company. The first aim for him was to help employees – Zhang borrowed money to pay them – and then he reformed the organizational structure into more plane, without inner divisions and with the general rule that workers should care for clients’ more than for directors or managers’ needs.³⁵

Tata founder – Jamsetji Tata was first Indian entrepreneur-philanthropists in the age of British Colonialism.³⁶ The present owner of Tata Group – Ratan Tata, still represents values important for Tata Family since the beginning – he is conservative, thrifty and responsible. He believes in hard work as a way to success. Under his management the Tata Group is the conglomerate of 99 companies operating not only on Indian, but also on global market.³⁷

³³ E. Walsh, Preparing to go West, “*Viewpoint – Emerging Multinationals*” *APCO WorldWide, Business & Policy Perspectives on Today’s Global Challenges* 2007, p. 30.

³⁴ F. Pullam, Stepping out on the right foot: CR should not be left at home, “*Viewpoint – Emerging Multinationals*” *APCO WorldWide, Business & Policy Perspectives on Today’s Global Challenges* 2007, p. 28.

³⁵ Haier: Wejście smoka, *Harvard Business Review* 2007, nr 57; ZHANG RUIMIN is famous for wielding a sledgehammer, <http://www.businessweek.com/archives/1999/b3633071.arc.htm>.

³⁶ F. Robins, The future of Corporate Social Responsibility, *Asian Business & Management* 2005, Vol. 4, p. 112.

³⁷ K. Godlewski, *Ratan Tata*, <http://www.dziennik.pl/swiat/114308.html>; A. Piński, M. Zdziechowska, Zemsta Taty. Hindusom wstęp wzbroniony, *Wprost* 2008, nr 14.

4.2.2. Corporate Social Responsibility in different fields

Social corporate responsibility CSR in art and culture – example of SAIC: SAIC was an organiser of “Foreign Experts’ Wives Painting Exhibition” with profits for Shanghai Charity Foundation. SAIC and GM – global joint venture partners, opened Shanghai Expo Service Ceremony during Shanghai Expo 2010 and he was the initiator of “Shanghai Expo Countdown 1000 days – the Unveiling Ceremony of Green Culture Wall/Countdown Clock”. It is a mix of CSR in art or culture and philanthropy.

Social corporate responsibility CSR in environment – environmental sustainability: In 2008, in joint venture SVW (SAIC and Volkswagen), SAIC was the initiator of “Olympic Forest in Inner Mongolia” Project.

Social responsibility of Mittal (ArcelorMittal) as Western corporation with international standards in CSR,³⁸ especially in environmental protection:

in RPA in “Steel Valley” Mittal established safari park on 3,000 hectares of the degraded areas. It is the buffer zone around steelwork. Corporation became a symbol of “green and clean”. It is said that Mittal has balanced strategy of CSR in Africa between business activity and environmental sustainability.³⁹

Corporate social responsibility CSR in work environment⁴⁰ – an example of Tata: At the beginning of 20th century, Tata Group was an example of the first initiative of social security in the form of 8 hours’ day of work or payable maternity leaves. At the same time British workers could only dream about such social conditions.⁴¹

Lenovo has basic rule in CSR that business is an integral part of the society – it means common action of workers and local society for better quality of life in work and at home.

Corporate social responsibility CSR in education – an example of SAIC: SAIC Motor Corporation supports for educational institutions, like Shanghai Popular Science Education Foundation, or Shanghai Tongji University.

Corporate social responsibility CSR in health – an example of Lenovo: In 2003 in face of SARS, Lenovo gave funds together with help of its workers who gave their incomes for this aim.⁴²

³⁸ B. Gajdzik, W. Ociecek, Social responsibility management in steelworks plant, *Hutnik – Wiadomości Hutnicze* 2008, No. 11 pp. 676-678.

³⁹ Setting new standards in environmental protection, *The Quarterly Bulletin of Mittal Steel*, Autumn 2005, Issue 7, p. 10.

⁴⁰ H.-R. Kim, M. Lee, H.-T. Lee, Corporate Social Responsibility and employee-company identification, *Journal of Business Ethics*, 13 February 2010, pp. 1-13.

⁴¹ A. Piński, M. Zdziechowska, *op. cit.*

⁴² *Lenovo CSR Highlights: Adopting socially responsible business practices in every aspect of operation*, http://www.lenovo.com/social_responsibility/us/en/FY2009_Lenovo_Sustainability_Report.pdf#page=9&view=fit, p. 13; *Built to last...*

4.2.3. Corporate philanthropy in CSR⁴³ – different forms and examples

Traditional and “constructive philanthropy” – examples of Tata Group and Infosys: Tata Group is an example of professional philanthropy strategy with ability to cooperation with others, like non-profit organizations, which is rather rare in India. Tata is one of the greatest donors in India. The ground of philosophy and ethics of Tata Group was the model of “constructive philanthropy”. During the industrialization process in India, the group established large foundations of multi-aims character, like: Sir Ratan Tata Trust (SRTT) and Sir Dorabji Tata Trust (SDTT).⁴⁴

Rohini Nilekani (wife of IT Major Infosys’ co-founder and former CEO Nandan Nilekani), a former journalist, pledged \$25 million in 2005 to Arghyam, which helped India’s rural poor get better access to water and sanitation services. In 2008-09 she donated hospitals.⁴⁵

„Infrastructure philanthropy” of Tata Group and Chinese corporations in Africa: Tata Group was a pioneer in the “infrastructure philanthropy”.⁴⁶ Nowadays the corporation tries to promote new technology infrastructure.

Chinese multinationals (Sinopec, Baosteel) implement special strategy of CSR in Africa, not only to make business, but also to invest in infrastructure or public sector.⁴⁷

„Sport philanthropy” as a new form of philanthropy⁴⁸ – an example of SAIC and Haier: in 2007, SAIC spent 77 million RMB to organize Paralympic Games – Shanghai Special Olympic Games and other sport events, such as Beijing Olympic Games.

Haier was one of sponsors during Olympic Games and opened in Olympic City futuristic building “U-Home” with high technology to show “day of life in future”.⁴⁹

⁴³ R. Zhang, Z. Rezaee, J. Zhu, Corporate philanthropic disaster response and ownership type: Evidence from Chinese firms’ response to the Sichuan earthquake, *Journal of Business Ethics* 2009, Vol. 91, pp. 51-63.

⁴⁴ India’s Tata Group: Empowering Marginalized Communities 2004-5, *The Synergos Institute/World Economic Forum*, Feature February-April 2005.

⁴⁵ S.Ch. Das, *op. cit.*, pp. 34, 36-42; Infosys Foundation, [in:] *Infosys Annual Report 2008-09*, www.infosys.com, p. 138; *Infosys Sustainability Report 08-09*, <http://www.infosys.com/sustainability/Documents/infosys-sustainability-report-0809.pdf>, p. 27.

⁴⁶ India’s Tata Group, *op. cit.*

⁴⁷ S. Zadek, Ch. Xiaohong, L. Zhaoxi, J. Tao, Zh. Yan, K. Yu, M. Forstater, G. Morgan, *Responsible Business in Africa: Chinese Business Leaders’ Perspectives on Performance and Enhancement Opportunities*, Corporate Social Responsibility Initiative, Working Paper No. 54, November 2009, J.F. Kennedy School of Government, Harvard University, Cambridge, MA, www.accountability21.net, pp. 1-65.

⁴⁸ M. Walker, B. Heere, M.M. Parent, D. Drane, Social Responsibility and the Olympic Games: The Mediating Role of Consumer Attributions, *Journal of Business Ethics*, 13 February 2010, pp. 1-22; H. Sheth, K.M. Babiak, Beyond the Game: Perceptions and practices of Corporate Social Responsibility in the professional sport industry, *Journal of Business Ethics* 2010, Vol. 91, pp. 433-450.

⁴⁹ Haier struggles to overcome the China slowdown, *China Economic Review*, www.chinaeconomicreview.com/partnercontent/info/Haier_Struggles_to_Overcome_the_China_Slowdown.html;

4.2.4. Volunteerism as a form of CSR – an example of SAIC

SAIC promotes volunteerism among young people. One of the aims of SAIC in social responsibility is the building of harmonic society.

4.2.5. Mixture of philanthropy and business – an example of Tata Group

“Nano” as people’s car⁵⁰ – the idea of a very cheap car for everyone with the price at about 2264 USD – similar to Indian IT programist’s 2 months’ salary.⁵¹ Ratan Tata about “Nano”: “We give Indians the right to individual transport”. It was the element of philanthropy, but also business, based on Indian motor sector’s perspective with the growth rate at 14.5% a year till 2013.

4.2.6 Ethical investments or “socially responsible” investments of CSR – Tata Group

The production of “Nano” was connected with problems of social irresponsibility. Thousands of people protested against factory of “Nano” in Singur, because of their right to the property of the ground. They wanted from corporation and local government to return of 160 hectares to owners. The production of “Nano” was moved to another place.⁵² It was the collision between types of CSR: the responsible idea of people’s car, a chance for development of the region through its production, better salary for local workers, but socially irresponsible in the form of realization.

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B. Wanxin, Haier green sponsor for Olympics, *China Daily*, 11.08.2008, http://www.chinadaily.com.cn/bizchina/2008-08/11/content_6928164.htm.

⁵⁰ H. Tommons, Mr.Tata – Tata pulls Ford units into its orbit, *New York Times*, January 4, 2008;

J. Silberberg, In India, a \$2,500 pace car, *New York Times*, October 12, 2007.

⁵¹ J. Mitchell, Najtańsze samochody świata, *Forbes*, 5.08.2008.

⁵² *Tata Group zawiesza budowę fabryki najtańszych na świecie aut*, www.pb.pl.

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SPÓŁECZNA ODPOWIEDZIALNOŚĆ BIZNESU W KORPORACJACH CHIŃSKICH I INDYJSKICH

Streszczenie: Studia empiryczne pokazują istnienie pozytywnej korelacji pomiędzy zachowaniami społecznie odpowiedzialnymi korporacji a poziomem zysków. CSR jest korzystne zarówno dla społeczeństwa, jak i dla biznesu. Struktura i modele CSR w krajach rozwijających się przedstawiają koncepcyjne i praktyczne implikacje dla menedżerów korporacji poszukujących odpowiednich rozwiązań inwestowania ich organizacji w obszarze CSR. Badania w zakresie rozwoju strategii implementacji modeli CSR mogą być bardzo użyteczne w przyszłym rozwoju CSR w Indiach i Chinach. Wraz z wyzwaniem globalizacji, liberalizacji oraz pojawiającego się trendu w kierunku gospodarki wolnorynkowej w odniesieniu do Indii oraz Chin, rola CSR stawała się coraz większa. CSR w Indiach rozwijało się od form bardziej tradycyjnych, takich jak działalność charytatywna czy tradycyjna filantropia (np. *infrastructure philanthropy* korporacji indyjskiej – Tata Group), w kierunku bardziej zróżnicowanych form społecznej odpowiedzialności CSR. Podczas gdy szybki rozwój rynku chińskiego przyniósł więcej możliwości do wdrażania strategii CSR w wielu nowych obszarach (jak filantropia w sporcie – *sport philanthropy* takich chińskich korporacji, jak Haier czy SAIC podczas Igrzysk Olimpijskich w Beijing, podobnie jak strategia CSR w obszarze kultury i sztuki – *CSR in art or culture* korporacji chińskiej SAIC i jej globalnego partnera *joint-venture* GM podczas Wystawy Shanghai Expo 2010). Zarówno chińskie, jak i indyjskie korporacje mogą odnosić korzyści z zastosowania strategii społecznej odpowiedzialności. Rozwój i implementacja strategii opartych na międzynarodowych standardach oraz zróżnicowanych typach i modelach społecznej odpowiedzialności biznesu CSR są sprawą podstawową dla dalszej ekspansji chińskich i indyjskich korporacji na ich rynkach rodzimych i międzynarodowych w ramach procesu internacjonalizacji.