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24<sup>th</sup> International  
Public Relations Symposium  
BLEDCOM 2017 | June 30 - July 1, 2017

# FROM CORPORATE TOWARDS 'SHARED' SOCIAL RESPONSIBILITY?

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# Main Claim

The character of Corporate Social Responsibility is changing by moving from only 'corporate social responsibility' towards 'shared social responsibility'.

# The 'signs' of change

- On the one hand, social groups (society) is more and more involved in the CSR process, what allows to interpret social responsibility as a broader concept than just corporate.
- On the other hand, the changing societal demands require a more active engagement from the Government's side.

# Shifts in CSR Literature I

- The initial conceptualisations of the corporate responsibility to society (Bowen, 1953)
- Attempts to rationalise the role of CSR for shareholders (Wallich and McGowan, 1970)
- Development of a link between CSR and corporate social performance (Carroll, 1979; Wartick and Cochran, 1985; Wood, 1991)

# Shifts in CSR Literature II

- Defining CSR as part of strategic management and adaptation of stakeholders management model for CSR (Ullmann, 1985; Clarkson, 1995; Jones, 1995; Jones and Wick, 1999)
- Developing of a link with studies on reputation (Kanter, 1999; Porter and Hamer, 2002) and marketing (Kotler and Lee, 2005; Haigh and Jones, 2006)
- Emphasis the importance of stakeholders' engagement for CSR process (Foster and Jonker, 2005; Prado-Lorenzo et al., 2008)

# A Case Study

The *development of public attitudes* towards extraction of gas in Groningen, the Northern Province in the Netherlands, from the early 70's till now.

# A Gas Story

- In 1959 the gas was discovered in Groningen: the clean fuel replaced the dirty coal and brought prosperity to the Netherlands. The profits have been lucrative not only for NAM (the Shell-Exxon venture ), but also for the Dutch government, who collects taxes and is also a 40% stakeholder in the field. Since production began, the field has generated almost €300 billion.
- However, in 1986, the earthquake of 3.0 according to Richter scale, and in August 16, 2012 it was 3.6.

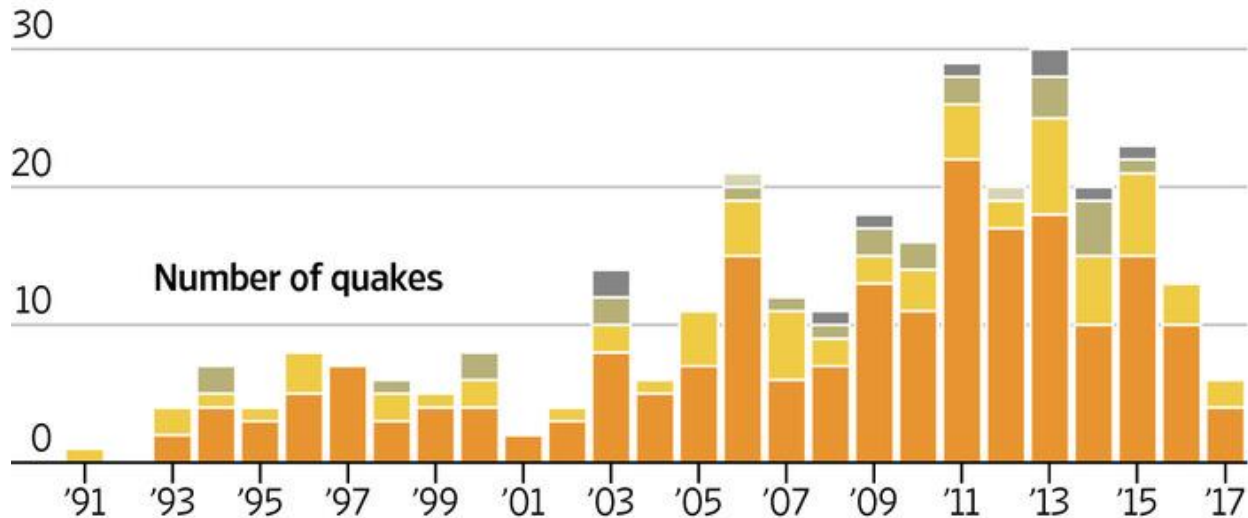


# Shaken Up

Decades of extraction from Europe's biggest gas field have led to earthquakes and forced production cuts.

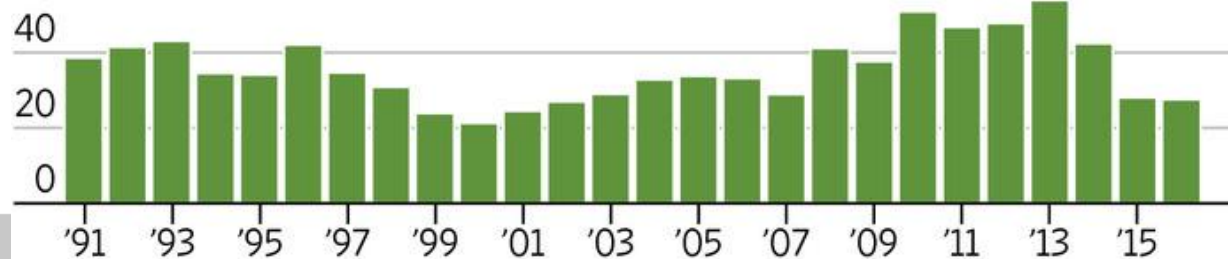
## Earthquakes in Groningen

■ Magnitude 1.5-2 ■ 2-2.5 ■ 2.5-3 ■ 3-3.5 ■ 3.5-4



## Groningen gas production

60 billion cubic meters



Sources: Dutch Ministry of Infrastructure and the Environment; NAM

THE WALL STREET JOURNAL.



<https://www.facebook.com/financielecompensatie/videos/1617461051603752/>

# Government is (Co)-Responsible

- In a 2015 report, the Dutch Safety Board said NAM and the country's Ministry of Economic Affairs failed to “act with due care for citizen safety” and didn't adequately research the risks posed by earthquakes.
- Currently the government bears 64% of the costs related to compensation to residents, efforts to reinforce buildings, lawsuits and other items.

# Government is (Co)-Responsible

het nu  
..BEGRIJPT'U WEL!?!  
!

Freek  
Bedankt!



**Houd Groningen Overeind**

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**Egidius Rietveld** 'Begrijpen' doet EZ het allemaal wel, maar kennis is niet hun uitgangspunt bij het beleid. Freek gooit EZ de 'kerk' uit. 😊

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**Herman Huizenga** nee

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About

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**What did we learn from  
the case study?**

# Observations from A Case Study

- Dramatic change of *public attitudes* towards extraction of gas in Groningen, the Northern Province in the Netherlands, in the period from the early 70's till now.
- Change in public expectations regarding corporate behaviour and CSR.
- Change in understanding of the role of government in this process.

# The reasons (drivers) for CSR change

- The growing and changing public demands towards corporations. *(case)*
- The increasing public participation in shaping corporate social responsibility process *.(case)*
- The changing expectations regarding the role of the Government in CSR process. *(case)*
- The failure of businesses to address growing and changing public demands regarding CSR. *(case)*

# The expectations about Government's role in CSR process I

1. Active promotion of socially responsible corporate behaviour.
2. Establishment of a regulatory regime that requires socially responsible corporate behaviour.
3. Timely and effective intervention in situations of irresponsible corporate behaviour.



# The expectations about Government's role in CSR process II

*More importantly:*

4. The public requires the Government to *assume responsibility for implementation* of socially responsible corporate behaviour within businesses.
5. The public sees the Government *accountable* for not addressing the continuing failures of businesses to act in a socially responsible way.
6. Moreover, in some cases, the public sees the Government *co-responsible for damages* that result from irresponsible corporate behaviour.

# What developments in CSR process can we expect in the future?

- The changing public expectations push the Government to assume a more active role in supervising implementation of CSR by businesses.
- The hold (co-)responsibility for societal damages pushes the Government to not just address CSR in public policy making, but to base the public policy on principles of CSR, similarly, as businesses would base their strategies on CSR

# The CSR as a Public Good?

If socially responsible corporate behaviour of businesses is a *public good* for current and future generations then it should be also seen as the main *public interest* to be defended and pursued.