

Preface

Responsible entrepreneurship has become one of the most important enterprises' activities. Corporate social responsibility (CSR) and socially responsible investing (SRI) treated as a voluntary inclusion of the needs of stakeholders in the company's strategy are more and more recognizable concepts in the modern economy. They are usually believed to concern the biggest transnational companies, which have already grown their business to the point where they can give back to society. But recently they started to refer also to the small and medium firms. Often enterprises from the very beginning start to take into account environmental protection or local community activities in their strategies, assuming that it will help them to boost the brand and build good relations with stakeholders.

The idea of responsible entrepreneurship refers to issues raised in many different fields of science, e.g., economics, management, law or ethics, and philosophy. It had a significant impact on the development of theories such as Social Responsiveness, or Corporate Social Performance, which emphasize the appropriate behavior patterns, mechanisms, structures, and procedures to respond to the expectations of stakeholders in the right way. In addition, other acronyms more and more often highlight the areas of interest of researchers related to the concept of responding business, such as CSI (*corporate social investment, corporate social integration, corporate social innovation*), CSD (*corporate social development*), CSO (*corporate social opportunity*), CSE (*corporate social entrepreneurship*) etc. In other words, the concept of responsible entrepreneurship can be treated in an interdisciplinary and multidimensional way.

In today's world, an active commitment to, e.g., social responsibility, has been becoming more common for a company. Carefully planned responsible entrepreneurship behaviors (like CSR, SRI, etc.) are equally valuable for a company and the community. It entails, on the one hand, that investors must bear the consequences of their decisions and actions and, on the other, that they should take into account the specific needs of people, social organizations, and economic entities operating in their environment and on the local market. Implementation of the CSR and SRI concepts can also help to forge a stronger bond between employees and the corporation; they can boost morale and can help both employees and employers feel more connected with the world around them. Moreover, the growing importance of this concept results from the fact that it is perceived as an effective tool for increasing competitiveness, improving the image of the company or contributing to the generation of higher profits.

The main research goal of the book is to identify the scale and scope of implementation of CSR and SRI strategies and standards in companies operating in different transition and emerging economies as well as assessing the global effects of these activities. It is essential to know how MNEs behave in the area of social responsibility on host markets as well as to assess how local companies respond to these strategies and all in all – how local clients and stakeholders perceive the social duties and responsibilities of enterprises.

The research cope of the book are focused on, but not limited to, the following key subjects: responsible entrepreneurship, responsible investing, social investment from the perspective of transition and emerging economies. The book provides an in-depth insight into socially responsible business strategies, their impact on the company's performance as well as global wellbeing of the society. Apart from that, it will also deliver a set of "best practices", ready to use in companies.

Until now, CSR and SRI concepts have been widely discussed in the literature and the debate among scholars of different disciplines. This discussion has produced a rich set of contributions, especially in highly developed countries, but much less in developing and emerging countries. It is also worth stressing that in the last decade, studies of responsible entrepreneurship have merged with those on sustainable development of the company what other authors sometimes forget. This book will be able to fill this gap, because it will contribute to debates over "holistic development" of a firm, paying particular attention to the importance of implementing CSR or/and SRI ideas into business philosophy.

Our book consists of 2 sections and 14 chapters. The first section (Chapters 1-7) is dedicated to "Corporate Social Responsibility and Socially Responsible Investing Strategies: Practices in the Context of Sustainable Development," the second section (Chapters 8-14) analysis the processes and mechanisms of "Value Creation Through Responsible Business and Socially Responsible Investing Strategies."

In the first chapter, Cornelia Philipova from University of Economics – Varna (Bulgaria) underlines that the processes accompanying state social policy over recent decades as well as their contradictory impact on the sustainable development of the society are one of the fundamental contemporary problems. Nowadays, there are still no clear solutions to the debate on how to alleviate some of the significant problems like environmental pollution, poverty, aged population, income inequality, social exclusion, etc. Her chapter, "Corporate Social Responsibility: Business Contribution to Sustainable Development", aims to show how multinational corporations take the role to solve these issues following some CSR policies. She argues that the current CSR model can be used more effectively to achieve these sustainable development targets.

Next chapter, "Corporate and Financial Social Leadership in Emerging Markets and the Developing World", by Julia M. Puschunder from The New School, The Schwartz Center for Economic Policy Analysis, Columbia University and Graduate School of Arts and Sciences, (USA) addresses the concepts of CSR and SRI in emerging markets and the developing world with special attention to top-down and bottom-up approaches. Theoretical descriptions discuss the human constituents of responsibility and the international emergence of CSR, with special attention to multi-stakeholder partnerships. The rise of SRI in the international arena in the wake of stakeholder activism and intrinsic socio-psychological motives are outlined. Recommendations target ingraining social responsibility in economic systems by global governance, multi-stakeholder management, and governmental assistance of the implementation and administration of corporate and financial social responsibility. She argues that future research must attribute the newly defined role of social responsibility in the interplay of public and private actors, given concurrent anti-globalization trends.

Third Author, Hristina Blagoycheva from University of Economics – Varna (Bulgaria) focuses on a slightly different perspective. In the chapter entitled "The Digitization as a Stimulus for Corporate Social Responsibility", she starts with the statement that it has already been proved that the digitization creates economic growth. But she points out that a key factor for the future of society is its perception from the social point of view. Digitization leads to changes that will inevitably affect aggregate demand, employment, and labor costs. Therefore, the purpose of the chapter is to investigate how the digitization interacts with the corporate social responsibility to increase the positive effects over the society.

Preface

The author argues that CSR is the sphere that implements the non-economic aspects of the digitization. But before its full deployment, there are still a number of obstacles. Numerous studies have shown that digitization can provide tools to facilitate socially responsible activities. At the same time, it can also serve as a push for CSR, as the formation of a socially conscious market leads to socially committed employees and to increasing their demands on the social responsibility of the business.

Ayesha Khatun and Sajad Nabi Dar from Lovely Professional University (India) in “Corporate Social Responsibility in Emerging Economies: A Study With Special Reference to India” bring us closer to the Indian perspective. India, a developing and the second largest populated country in the world, is characterized by many burning issues like unemployment, low literacy, lack of modern medical facilities mainly in rural areas, lack of connectivity of the rural areas with the mainland cities and the like. Authors highlight that although the government has been working on all these issues and has been very much successful, the government alone can not solve all these problems in such a vast populated country. Amidst such situation it is the business sector that can play a more significant role in the all-round development of the society through its CSR initiatives. This chapter attempts to study corporate social responsibility, its role and issues in a developing country with special reference to India. The findings show that lack of understanding, inadequately trained personnel, lack of proper policy making, lack of participation of the local people and so on affects the reach and effectiveness of CSR programs in India.

The purpose of the fifth chapter entitled “Communicating Socially Responsible Initiatives: New Incentives to Sustainable Development” by Ekaterina Arabska from University of Agribusiness and Rural Development (Bulgaria) is to present results of case studies of socially responsible initiatives and their communication inside and outside the organizations through the official websites as well as to make recommendations for improvements. Investigations are directed towards forms and goals of initiatives taken by companies in Bulgaria, including examples of the influence of international corporates’ practice and experience. Theoretical and practical basis and trends, international framework, and national institutional positions and support to corporate social responsibility are discussed. The author finds out and defines the main CSR principles of companies operating on the Bulgarian market as well as proposes a model explaining and enumerating the main steps of incorporating CSR strategies in companies and linking all that to business communications and public relations.

In the sixth chapter, “The Challenges of Green Growth in Armenia”, Susanna Aghajanyan and Gagik Aghajanyan from Armenian State University of Economics, highlight that the process of economy ecologization should take into account the development needs of each nation by developing effective systems of production and consumption. That is why – in their opinion – in the system of measures ensuring the transition to a green economy, overcoming poverty and expanding the livelihoods of the most vulnerable sections of society should be a priority. At the same time, the convergence of economic and environmental policies, where prospects for economic growth are at the forefront, avoiding stress on nature resulting in unpredictable and qualitative implications for natural resources is important. Today, with resource constraints and harmful emissions, the main problem lies in the complete elimination of reliance on economic growth materials and energy resource use, which involves the identification of opportunities to increase the efficiency of the material sectors of the economy.

Hamit Can and Daniela Minkovska representing Technical University of Sofia (Bulgaria) in their chapter “The Energy Policy of Bulgaria” focus on the fact that energy is considered to be the main input for economic and industrial development, and in this context, countries (and governments) must develop sustainable energy policies in order to meet economic growth and energy demand. Their chapter summarizes Bulgaria’s energy policies in the context of the country’s strategic location. Due to the specific

location advantages, Bulgaria may become an important energy transit country. Therefore an appropriate energy policies relevant to characteristics of the country and corresponding with the European Union energy policies play a crucial role. Authors outline that targets to be implemented are as follows: ensuring energy supply security, developing a competitive energy market, satisfying energy needs and protection of consumers, developing the necessary infrastructure and diversifying energy resources, strengthening the external relations and solidarity coordinated in the field of energy.

Chapter 8, starting the second section of a book, by Olga Melitonyan from National Research University Higher School of Economics (Russia), Bela Bataeva from Finance University under the Government of Russian Federation, and Liudmila Cheglakova from National Research University Higher School of Economics (Russia), focuses on identifying motivation for socially responsible behavior in small and medium enterprises (SMEs) in Russia. It also investigates the attitudes of owners and executives of Russian SMEs toward the concepts of business ethics and social responsibility of business. A research is set on 57 focused interviews. Results of a critical analysis conclude that top managers and owners of Russian SMEs do not thoroughly understand these concepts. However, it also shows that they do not neglect them. Research findings point to a growing level of adherence to the principles of business ethics and responsible behavior. There is strong evidence showing motivation for following principles of ethical and responsible behavior. In addition to an understanding of legal requirements, company owners and top managers are finding that positive relationships between firms and stakeholders are crucial for sustainable performance.

The next chapter, entitled “The Market for Socially Responsible Investments: A Review and Evaluation” by Mark Anthony Camilleri from University of Malta (Malta) explains how SRI concept has evolved in the last few decades and sheds light on its latest developments. It describes different forms of SRI in the financial markets; and deliberates on the rationale for the utilization of positive and negative screenings of listed businesses and public organizations. It also presents a key theoretical underpinnings on the subject, and reports that the market for the responsible investments has recently led to an increase in contractors, non-governmental organizations and research firms who are involved in the scrutinization of the enterprises’ environmental, social and governance credentials. This contribution raises awareness on the screenings of positive impact and sustainable investments. It puts forward future research avenues in this promising field of study.

The chapter “Green Investment Financing Instruments” by Vilma Kazlauskienė from Vytautas Magnus University (Lithuania) and Aura Draksaite from Kaunas University of Technology (Lithuania), is aimed to analyze the peculiarities of modern green financing instruments. The authors spot that rapid development of these instruments markets prompts the need to comprehend the main factors behind it, and thus the necessity to recognize opportunities to profit by the occasion. Therefore, in the chapter, such green financial instruments as green bonds, green equities, and green loans are discussed. Also, private green investment promotion instruments are overviewed. Moreover, the authors present and discuss current green financial instrument market development trends and the main contributing factors, as well as the main challenges of investing and the development of environmentally sustainable business practices. Based on the analysis and discussion results, insight regarding further development of green financial markets is offered.

The concept of creating company value is constantly evolving due to globalization, changing business realities, and the widely expanded idea of corporate social responsibility. The purpose of the chapter “Value Creation via Corporate Social Responsibility: The Case of Emerging Countries” by Małgorzata Macuda and Justyna Fijałkowska (from respectively Poznań University of Economics and Business,

Preface

and University of Łódź, Poland) is three-fold. Firstly, it describes CSR involvement and CSR reporting practices in emerging countries. Secondly, it presents different theories related to value creation. Thirdly, it investigates CSR value creation measurement and disclosure in emerging economies (Brazil, Chile, China, Colombia, Indonesia, Korea, Malaysia, Peru, Russia, and Taiwan). The authors conducted a content analysis of all publications concerning CSR issues and value creation in emerging countries over the years 1984-2019 included in the Scopus database. Among publications over the years 2014-2019, several concerned CSR implications to value creation in emerging economies strictly.

In the twelfth chapter, Burak Çapraz from Ege University (Turkey) underlines that for many years, companies have tried to keep the public as close partners. In this bilateral relationship, the financial gains of the companies have raised public views on the distribution of these gains. Likewise, regulations and standards determined by supranational institutions such as the United Nations forced companies to give higher priority on CSR activities. The primary purpose of his chapter entitled “‘It Fits My Business’: Corporate Social Responsibility Activities of Companies on the Route to Gain Competitive Advantage” is to explain the relation between CSR activities and the preferability of these activities among companies. Summative content analysis is conducted on data collected from the websites of the top 100 companies in the Turkish BIST 100 Stock Index. Findings show that CSR activity choices differ among industries, and these choices unveil related and unrelated differentiation in CSR activities.

The chapter proposed by George K. Amoako (from Central University in Ghana), Kwasi Dartey-Baah (from University of Ghana Business School) examines the extent to which corporate social responsibility could generate and boost better brand perceptions and improve competitive advantage within some selected banks in Ghana. The concept of CSR, brand perception and competitive advantage are discussed in relation to findings from a study that was conducted at the national headquarters of GCB Bank and Barclays Bank Limited in Accra. The findings indicated a good understanding of the concept of corporate social responsibility from both customers and employees of both banks. There is a significant and positive connection between effective implementation of CSR initiatives, brand perception, and competitive advantage. Furthermore, CSR is discovered as a tool for business success in the banking sector in Ghana. This chapter, entitled “Corporate Social Responsibility: Strategy for Boosting Brand Perception and Competitive Advantage” explains the benefits of CSR activities to the development of impalpable organizational assets, and as a result, generating better results for banking institutions in Ghana. The authors make a case for the inclusion and active involvement of customers and employees in the CSR initiatives of banks in order to boost brand perception.

And last but not least, it should be outlined that India became the first country in the world to have a mandatory CSR contribution legislation in 2014. This mandate every qualifying company must spend at least 2% of its average net profit on CSR activities. “Mandatory Corporate Social Responsibility and After That? An Analysis from India” by Remya Lathabhavan from VIT University (India) analyses these following aspects of CSR. First, it describes Sustainable Development, CSR, and its relevance across the world. Second, it explores the prevailing CSR models and models used in India. Third, it discusses the importance of CSR in India, mandatory CSR, and its provisions. Fourth, it analyses existing SRI strategies in India and their scope. Finally, it shows the current scenario after mandatory CSR, considering the CSR contributions from different corporates. Such discussion is essential for a country like India, an emerging economy with diverse groups with non-aligned social, cultural, economic, and environmental backgrounds.

We wish you a pleasant reading

Agnieszka Kłysik-Uryszek
University of Łódź, Poland

Anetta Kuna-Marszałek
University of Łódź, Poland