

Tax incentives in corporate social responsibility

D. Georgaraki

Trainee lawyer, European & Corporate Law & Human Rights, Greece, E-mail: dimitrageorgaraki@gmail.com

Nowadays, by generally speaking, the term "Corporate Social Responsibility" (hereafter CSR) is more a set of actions, which companies are developing even more and more, in order to face social and environmental issues.

It is embraced to the philosophy of "moral conduct" of business, especially in relation to the society in which they operate. By saying "moral conduct" means that such operations affect and are themselves the results of their actions in society - in other words, there is an obvious interaction between the corporate social responsibility and the environment (society).

Like in other concepts, in this general concept of "corporate social responsibility", we can identify different approaches that move around both the sustainable development and the voluntary nature of CSR, as well as around the development of social, environmental and economic status.^a

First, as far as the so-called "sustainable development" is concerned, we mean the moral conduct of a company's relationship with society. Specifically, this means the responsible actions of its administration in company's relationships with other interested parties (stakeholders).

Due to the complexity of the concept is not an universally accepted definition worldwide,

^a<http://www.ncyclades.gr/polidinamo/>

although widely used in public debate around the world.

Several operators, however, have expressed their own definitions. The diversity of definitions associated with a different philosophy, the different degrees of development of each country, and different priorities in the different regions.

Here are some of them, which may reflect the diversity of approaches:

According to the Greek Network for Corporate Social Responsibility "the CSR is the voluntary commitment of businesses to include in their business practical social and environmental actions, that is beyond what is imposed by law and are related to all those directly or indirectly affected by their activities. " While in accordance with the European Commission (Green Paper, 2001): "Corporate Social Responsibility is a concept whereby companies voluntarily integrate social and environmental concerns in their business operations and in their contacts with other interested parties. "

Moreover, the "CSR could exist as the continuing commitment of businesses to ethical behaviour and contributing to economic development while improving the quality of life of both their workforce and their families as well as local communities and society in general, "according to WBCSD Stakeholder Dialogue on CSR, The Netherlands, 1998)

Finally, a more precise and comprehensive definition of the concept of CSR is that of the Research Center of France on CSR and social investment (Research Centre in France on Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI)), the Novethic, according to which "the idea of Corporate Social Responsibility has to do with how a company applies the concept of sustainable development, which is based on three pillars: economic, social and environmental. The Corporate Social Responsibility indicates that a

company is serious not only for profitability and growth, but also for its social and environmental impact. We also pay particular attention to concerns expressed by interested parties of: employees, shareholders, customers, suppliers and society, generally "

It is interesting to note here that, despite their different definitions there are three items for which there is a consensus and concurrence.

One is the voluntary nature of CSR .That means all the actions that companies charge beyond the law.

The second is the close relationship with the concept of sustainable development and the third to be as a chosen strategy firm and not just an occasional secondary option.^b

With the voluntary implementation of CSR programs, companies show their positive attitude toward society and the environment.

Thereby, they gain competitive advantage, become more resilient to surprises and increase the likelihood of attracting and retaining customers and employees.

Some companies also consider CSR as an important part of risk management and strategy for maintaining and enhancing their reputation.

At this moment, when the reputation of a company is considered one of the most valuable aspects, the adoption of CSR can build upon all those involved directly or indirectly with the activities (stakeholders), fidelity and trust, thus ensuring a bright future. Moreover, these companies can be integrated into specific securities and banking indicators evaluation, by attracting more investment and easier access to public and private entities.

On this issue, there have been numerous studies in recent years.The majority (68%)of those results showed a positive relationship between corporate social performance and financial

^b<http://www.csrhellas.org/portal/-meanings>

performance (Margolis & Walsh, 2001).

The researchers conclude that, overall, there is a positive relationship and certainly very small negative relationship between the two aforementioned issues.

The London Business School confirms these findings: in 80 studies on CSR that has examined, 42 showed positive effects, 19 showed no relationship, 15 showed mixed results and only 4 showed a negative effect. Similar confirmation did the Harvard University, which found that firms engaged in all those, are affected by their activities four times higher in growth rate than those who are targeted only to their shareholders ^c

On the other hand, the alignment of companies' business strategy with the principles of sustainable development is a journey that requires businesses commitment, self-evaluation of how they work and eventually adjust, if it is necessary.

The idea of *ad hoc* actions and social responsibility programs that have the character of charity and enclosed in an annual review of actions has been exceeded. Today we talk about the need for a broader corporate philosophy based on sustainability principles of morality and moral entrepreneurship with very specific goals, measurable and also demanding, that create a direct connection with all stakeholders and address the whole value chain and processes in place. We are not talking about actions that are achieved by constantly changing priorities and commitments, aimed at improving fragmented corporate reputation and the best marketing of products and companies. What is sought today is the re-evaluation and repositioning of existing resources, in the light of a broader new philosophy without necessarily require investment in more resources, which can burden a company.

This clearly implies a commitment on the part of enterprises to adjust the model function.

This also requires businesses in-depth understanding of the role CSR plays in social and economic affairs of their country, but also the environmental and economic footprint may

^c<http://www.agelioforos.gr/sunday> 26/6/2011

have. It requires, too, a long-term vision, but very specific goals, measurable and demanding - the progress of which would commit to regularly present.

In this way, it is necessary a clear determination of how they will use CSR to achieve these goals and of course, open, transparent communication, dialogue and interaction with all relevant stakeholders. We arrive, in other words, not just talking about investing in corporate reputation, but focus and investment in the magnitude of a company's social impact of a business.

In any case, this approach adds another dimension to the concept of profit earned in a business.

A clear indication for this is the category of ethical products and services, such as "fair-trade products", which in the last decade were tripled, reaching 36 billion pounds in Britain, according to the Co-operative Bank.^d

The term fair-trade product of, and in general "fair-trade practices" mean an organized social movement and market-based approach that aims to help producers in developing countries make better trading conditions and promote sustainability. The movement advocates the payment of a higher price to producers as well as higher social and environmental standards. It focuses in particular on exports from developing countries to developed countries, most notably handicrafts, coffee, cocoa, sugar, tea, bananas, honey, cotton, wine, fresh fruit, chocolate, flowers and gold.^e

Speaking about open and transparent dialogue with corporate customers – consumers, we must not forget and ignore the other side of things! That side, that the most businessmen deny its existence, that do not even know what to say about it, beyond the usual definition of

^d June 2011 Corporate Social Responsibility "The value of the integration of CSR into business strategy" article of Teti Kanellopoulou, General Director of V+O Communication. http://www.epistimonikomarketing.gr/article_show.php?article_id=5277

^e http://en.wikipedia.org/wiki/Fair_trade

CSR.!!!

To give the impression that companies can make our world more beautiful, no matter of other signs and events, is not and does not necessarily mean believing in the good practice of a company. Things seem to be just in the middle of those two opposing views: the "real" CSR and "advertising" one.

Speaking from the second side, there is given the impression, that the reason companies pay attention to anything and spend even one euro, is because they know very well that the euro will bring them more money in long term.

And that is not a lie. These companies strongly believe that they will not invest in the 'corporate social responsibility' programme, if they- first of all- compare carefully the costs and the expected benefits from this investment.

These decisions are made with very serious design - if a company (or manager) decided to invest in something which is not expected to bring in more money, and if this action makes 'bad attitude' of money, then it will be 'punished' by the market soon, when its donors or shareholders will prefer to give their money to another company that does not waste their money on bad investments, but instead, to businesses that can invest their money in investments with the greatest efficiency. Therefore, and always explaining the second view, corporate social profile of a company exists because (and only when) 'sells' to consumers.

If it does not sell, no company would risk its money to make more beautiful or better or fairer the society.

An enterprise shall make its social profile knowing that consumers in turn will reward it, and not by preferring the competitors. This is simple arithmetic. On the basis of such "advertising" CSR is the 'individual' social responsibility. Individual responsibility is more important than the company's one, for the following reason.

Without the individual social responsibility can not exist the CSR. And that, because

consumers determine the benefits that would have a company that thinks to take A or B (or no) action of corporate responsibility. The same thing happens when they are deemed to take thousands of investment decisions daily, often without realizing it.

Each euro offer for X is also a decision not to give the euro the product F. And any decision to pay one euro in the product X is also a message to all businesses to offer something similar to F.

From this perspective, it is critical to ponder how the daily consumers' investments contribute to make the society more beautiful, more moral and more humane. ^f

It is useful at this point to cite the words of a philosopher and activist, **Tom Morris**.

In the business world we want results. There is a temptation to achieve objectives, even if this means that to handle incorrectly the human factor. And of course to achieve our goals, sometimes say false arguments as white and non-white lie ... A lie is one of the most corrosive and destabilizing activities of human.

When we walk away from the truth, we begin to create behaviors that lead us into a quagmire of uncertainty^g

The idea of "doing a good action, in order to be characterized as a good business", is the definition of propaganda. Businesses should not do good actions to be described as good but because they believe in good actions. Otherwise it's like the wealthy to donate to charity and to need to be running out and to be applauded. The Public Relations, by the standards of practice indicate that:

"The Word Of Mouth (spread through oral = oral reports) when they are targeted, in other words, a targeted action - deliberately to propagate, then it is a propaganda. Unlike, the sector of Personal Relationships do something so well that it might spread. "

^f Saturday, May 26, 2007 Social Responsibility : individual and corporate, by ex gratia, [4:58 PM http://leapingbunny.blogspot.com](http://leapingbunny.blogspot.com)

^g Tom Morris, "If Aristotle Ran General Motors : The New Soul Of Business", Henry Holt and Company, New York 1997

The Social Responsibility deeply rooted in the actions of Public Relations, does not consist from additional, false steps, directly - quickly to cheat people and to show a perfect company regardless if people at home, languishing daily from bad behaviour; especially all those "cut" for reforestation, recycling and other actions of fashion, which companies and scientific associations for Corporate Social Responsibility baptism as Sociability.

Being raised furiously, a social activity which is up to a business, is just like a driver stops at a red light. As the driver did what he is obliged to do, the same happens with businesses. The social work should be obliged to do so, it is not their choice, so it is not reasonable to rely. The consistency and honesty of the business itself is Corporate Social Responsibility and not the fake distress to prove how good are these companies.^h

So, a company is forwarded, while promoting an environmental message, or specific environmental actions or a message, or information on the uses of water or energy savings.

At the same time showing itself as a body of corporate activity in an expression of corporate social responsibility. But when it relies on exactly the program, which it has followed, without greater information to the public, then we would say, it is of a small performance visibility, and the aforementioned action is mostly advertising. We must gradually reach high yields, of course, of corporate social responsibility, so that they do not touch the boundaries of an escape from other contractual obligations of companies;

while corporate social responsibility is a high thematic performance not only within the enterprise, but also in society.ⁱ

Some of the factors leading this trend towards good corporate social responsibility are: new concerns and expectations of citizens, consumers, public authorities and investors in the context of globalization and industrial change on a large scale, the social criteria, that are

^h <http://georgepatriantafillou.wordpress.com> Public Relationships - CSR_ Posted on April 22, 2011.

ⁱ <http://www.solon.org>.

increasingly influencing the investment's decisions of individuals and institutions both as consumers and as investors, increased concern about the damage caused by economic activity into the environment, and the transparency in business brought about by the revolution in communications and modern information technologies and communications.^j

Specifically, the position paper entitled 'Releasing Europe's employment potential: Companies' views on European Social Policy beyond 2000 'the UNICE (Union of Industrial and Employers' Confederations of Europe) noticed that, when European companies operate in a socially responsible way, see themselves as an integral part of society.

They consider profits as the central objective of the company, and not the only reason and choose a long-term thinking on strategic decisions and investments. And this is because, firstly, CSR always starts within the company, Into a company, the socially responsible practices primarily involve employees and relate to issues such as investment in human resources, health and safety , as well as the management, while the environmentally responsible practices relate mainly to the management of natural resources used in production. Pave the way for managing change and reconciling social development with improved competitiveness. Today a major challenge for companies is to attract and retain skilled personnel. Into this framework, measures may include lifelong learning, the assignment of responsibilities and powers to employees, better information across the enterprise, a better balance between work, family and leisure, greater workforce diversity, equal pay and career prospects for women, profit sharing and systems for shares of the share capital and reflection on employability and ensuring the work. It has also been shown that active oversight and management of staff absent from work due to disability or injury has resulted in cost savings.

Furthermore, the responsible recruitment practices, particularly based upon the principle of

^j Green Paper - Promoting a European Framework for Corporate Responsibility /* COM/2001/0366 final*/ , Prologue, par.10

non discrimination, probably make the system easier to recruit people from ethnic minorities, older workers, women, long-term unemployed and disadvantaged people.

Such practices are essential for achieving the objectives of European employment strategy aimed at reducing unemployment, increase the employment rate and combating social exclusion.

To another level and in relation to the lifelong learning, companies play a key role at various sectors: lead to a better definition of training needs through close cooperation with local agencies, to establish education and training programs. They support young people's transition from school to work ,creating apprenticeships for example, adding value to learning, particularly through recognition of prior and empirical knowledge (Accreditation of Prior and Experiential Learning - APEL),and developing an environment, which encourages lifelong learning for all employees, particularly those with less education, the less skilled and older workers.

In the health sector now, approaches to health and safety at work traditionally lie in legislative and executive measures. However, because of the tendency to be awarded work to contractors and suppliers, companies are increasingly dependent on the performance of contractors in the health and security, particularly those, who are working in the same premises of such companies.

On the other hand, the reduction of resource consumption and pollutant waste can reduce its environmental impact. It may also benefits firms by reducing their energy bills and waste disposal and the costs for raw materials and decontamination. Individual companies have already found, that reduced use can lead to increased profitability and competitiveness.

In the environmental field, these environmental investments are normally referred to double profit opportunities - for business and the environment.

This principle has for several years and was most recently recognized at the 6th Commission's action plan for the environment. Explains how the European Union and the governments can fulfill their role to help businesses identify market opportunities and to invest in dual profit. It also sets a package of other measures with focus on: establishing a support program for compliance to help businesses understand the environmental requirements of the European Community, the national development, but also concerted reward systems, that identify and reward companies with good performance, and encourage voluntary commitments and agreements.

Finally, let's not forget that employees are the key factor in a company. Furthermore, the implementation of corporate social responsibility needs the commitment of top management, but also an innovative way of thinking and thus, new skills and greater involvement of workers and their representatives in a two-way dialogue that can provide a structure for permanent information and adjustment. The social dialogue with employee representatives, which is the main mechanism for determining relationships between a company and its employees, therefore plays an important role in the wider adoption of socially responsible practices.^k

At this point, it is important to explore one's current European legal framework in relation to CSR. Although "Green Paper" (July 2001), was the forerunner of all measures and components of CSR, there have already started other measures and proposals of the EU, which contribute to the objective formulated in the Lisbon European Council: to become the European Union "the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social

^k. 52001DC0366 Green Paper -Promoting a European Framework for Corporate Responsibility
/* COM/2001/0366 final */

cohesion ".

Thus, it is stressed repeatedly, that the main purpose of business is to create value, leading profits for owners and shareholders. At the same time can contribute to the prosperity of society. Today, businesses are increasingly aware that economic success depends not only on a strategy of maximizing short-term profits, but also environmental protection and promoting social responsibility, including the interests of consumers.

Indeed, nowadays has reached broad consensus on the importance of CSR in business operations, because businesses have realized the following points:

- Globalization has increased the organizational complexity of business, since the increasing extension of business activities abroad has led to new responsibilities worldwide, particularly in relation to developing countries;
- the image, reputation and therefore business success depends on their behavior toward Consumers ·
- to better identify the success factors and risk inherent in a company, financial institutions require the disclosure of information going beyond traditional financial reporting ·
- companies are more interested to contribute to knowledge development and innovation to derive the benefits of a skilled workforce ·
- the development of practices reflect the environmental and social dimension contributes to the modernization of business activity and, consequently, the long-term competitiveness.

For this reason, the European Parliament Resolution of 13 March 2007 on corporate social responsibility “a new partnership (2006/2133 (INI)”

1. believes that companies should not be considered as a substitute for public authorities when they

fail to exercise control over compliance with social and environmental standards

2. notifies that the credibility of voluntary CSR initiatives is further dependent on a commitment to incorporating existing internationally agreed standards and principles and by adopting a multilateral approach, as recommended by the multilateral forum of the EU as well as from the application of independent monitoring and verification

3. recognizes that many companies make already large and growing effort to meet their social responsibility; and

4. points out that CSR should tackle new areas such as lifelong learning, work organization, equal opportunities, social inclusion, sustainable development and ethics, to an additional instrument for managing industrial change and restructuring

According to the above, the European Parliament:

- Believes that CSR policies can be strengthened through better information and better enforcement of existing legal instruments; invites the Commission to organize and promote information campaigns and monitor the implementation of direct liability under foreign Brussels Convention and the implementation of Directives 84 / 450 / EEC on misleading advertising (1) and 2005 / 29 / EC on unfair commercial practices regarding compliance of companies with which codes of conduct adopted voluntarily;
- Also believes that the CSR debate must not be separated from questions of companies' liability of and that issues of social and environmental impact of business, relationships with stakeholders, the protection of the rights of minority shareholders and related obligations of members boards of companies, should be fully integrated in the Commission action plan for corporate governance notes that these issues should be part of the debate on CSR

- Asks the Commission to consider these specific issues and present concrete proposals to address them;
- Considers that, as part of CSR, companies could sponsor cultural and educational activities that offer added value to European policies in culture and lifelong learning; and finally,
- Recommends, the further researches on CSR should not be limited to a simple "business case", but to focus on the link between competitiveness and sustainable development at the macro (ESC MS), meso (industry sectors and supply chains) and micro (SMEs), and the interrelationship between them and the impact of current CSR initiatives and possible violations of CSR principles; supports the leading role played by the European Academy of Business in Society; urges the Commission to publish an authoritative report on the state of CSR, which will produce independent experts and researchers collating existing information and describing new trends and providing recommendations for future actions.

Apart from the above, in those economic hard times - starting from the national context, that of Greece, it is important to disseminate the good practices of corporate social responsibility, because it has become an integral and fundamental part in developing a state and its economy.

So, as we all know, when the economic situation changed leading Greece to the center of an unprecedented financial crisis, will be initially launched initiatives to support entrepreneurial activity in order to stimulating economic and community empowerment of harmonious cooperation with the wider society, without the "coherent" business model be sacrificed, by unorthodox practices.

In other words, companies should :

- support the Greek economy and the economies of the countries where they operate,

with confidence in their potential development, support customers in every country, making consistent use of best banking practices and contributing to lasting solutions with permanent positive results,

- operate on the international practices of corporate governance and responsibility to their shareholders, to create and add value to property,
 - highlight their human resources, developing talents and skills, and
 - promote green entrepreneurship, being a mortgage on future investment priorities with multiple benefits,
 - systematically reduce their environmental footprint by setting up to do the same employees, customers, suppliers, partners, social partners
- ⑩ offer all their forces for the preservation of culture and preservation of traditional technology and industrial heritage enhancing the region, but also
- ⑩ support and act voluntarily to promote the principles of the UN Global Compact (UN Global Compact) to protect human and labour rights, environmental protection and fighting corruption.

Moreover, remarkable is the effect of CSR not only in manpower but also in strengthening relations and promoting a positive company image at local, regional or sectoral level.

The cost savings while ensuring the efficiency of investment in the environment contributes positively to the company's reputation. Important example is a survey's results, which show that European consumers affected their purchasing decisions by C.S.R. and one in five are willing to pay expensive products with environmental and social background or sabotage through abstinence consumer goods producing companies that violate basic rules of CSR.

Businesses consist of people, so the change of culture will contribute not just of profit but

also to upgrade themselves. The encouragement to offer, promotes the development of collegiality with its user-centered, the man himself.

In this way, it is possible within the EU, the CSR policies to bring the greatest possible impact in relation to global supply chains of companies, in order the responsible investments be able by companies to combat poverty in developing countries, promoting decent working conditions, to support principles of fair trade and good governance, the decrease and the incidence of breaches of international standards, including labour standards, by corporations in countries where regulatory systems are weak or nonexistent.

It should therefore, Member States to develop a strategic vision to develop CSR initiatives worldwide and a major effort to significantly increase the participation of EU companies in such initiatives. Also, member States should support and promote respect of fundamental rules of the International Labour Organisation (ILO) as a component of corporate social responsibility (CSR), wherever they operate businesses and ultimately, the international dimension of CSR should be an incentive to develop guidelines that promote the development of such policies throughout the world.

Therefore, in this difficult economic era, any provision of tax breaks under new recruitment or the provision by the state tax of other incentives to the companies for an activation in problem areas and sections, would temper the increase in social and employment problems and would significantly reduce unemployment. Particularly crucial for creating conditions of transparency and objectivity in the market may be the role of the state, following examples from other European countries like France or Sweden, would make mandatory the inclusion of information of social and environmental impact in the annual financial statements of large companies, starting from utilities, by adapting the law to practice corporate accounts that already have been widely adopted, by requiring disclosure of such

data from all companies supplying the Public sector, establishing mechanisms for certifying corporate responsibility, adopting similar reporting requirements for listed companies, offering institutional and fiscal incentives for transparent CSR reporting of data or require the publication of details relating to specific fields, as the emissions of greenhouse gases.

The private sector can express its environmental awareness through corporate social responsibility programs, having as an incentive, the under the law, exemptions. A commonly accepted body is necessary also to seek funding assistance, actions and applications to improve the quality of the environment, developing "green" technologies and products, strengthening the diffusion and promotion of export.

It is important here to emphasize that, in a survey of Workshop of New Technologies in Communication, Education and Mass Media, Faculty of Communication and Media Studies - (University of Athens) on CORPORATE SOCIAL RESPONSIBILITY IN SMALL BUSINESS, at the question :

(6.3.7.) Expectations from public bodies (D7 Question: What do you expect from public bodies for the application from your company actions CSR (Eg. Award, tax cuts, streamlining bureaucracy))¹

When companies were asked about expectations of the public bodies, respondents to answer what they expect from public bodies in order to make actions accordingly to C.S.R. The majority of respondents said that they would have CSR actions, if there was a streamlining of bureaucracy, as the latter deprives them of much of their time so that eventually abandon any efforts.

¹ New Technologies Laboratory in Communication, Education and the Media Department of Communication and Mass Media - University of Athens - RESEARCH for CSR. In Small Companies- Results-ATHENS- October 2006

The second motivation was the importance of indirect economic benefits such as tax cuts, followed by immediate economic benefits, such as grants and loans. Also, there were few respondents who will be seeking visibility and recognition through an award, a conference, or through an adoption of best practices of each company. In contrast, several respondents that CSR practices should not be made in order companies be recognized. Some businesses answered that they would be interested to pursue CSR practices, if there was more information by public bodies.

A small proportion of respondents would take such actions, if there was participation and awareness and public sector, while some called for better organization and administration and merit-based methods. Some, finally, respondents claimed the existence of specific institutional framework that specifies the actions of CSR. However, there was a small number of respondents, who indicated that they were performing CSR activities without expecting any return from the Public Institutions.

Furthermore, the reduction of social security contributions for newly hired young people and women, providing tax breaks to companies that maintain or increase their staff, creating tax-free reserves to support mainly the small businesses, which refrain from dismissing, and businesses that operate based on corporate social responsibility, other than to deterrent the gradual recovery of the economy, generally.

As far as the incentives from the state are concerned, providing tax incentives for the programs of CSR and not just for actions related to culture, would be a very important move. Thus, the existed disincentives, which concern both legislation and practice of public administration, central and regional, should be eliminated in the pursuit of CSR policies. At the same time, governments could play an important role in encouraging and facilitating social and environmentally responsible business practices. Especially, on a European level, there are more specific reasons for strengthening CSR and can be used to promote EU

policies. Although, if the CSR is left without the creation of common and comparable tools, that, could easily lead to distortions of competition and general market.

In particular, a responsible corporate responsibility should be considered as a governance approach. That implies the creation by the Government conditions that allow the CSR be developed. Governments should create an environment that facilitates and provides incentives, encourages responsible business activities aimed at building a sustainable and inclusive economy. Two are the fundamental variables, which play a dominant role in the establishment of government policies:

- a) the type of used government intervention to the promotion of responsible entrepreneurship and
- b) the address of a specific issue or action.

These can be achieved by:

- the increased knowledge through programs award, information campaigns, educational programs and building skills, labeling, creative special tools, etc.
- partnerships through involving all interested parties, synergies between the private sector and public one, efforts for joint action, etc.
- flexible approaches by establishing rules for the governance and rules of conduct, implementation of international standards, the Adoption and implementing CSR principles in public procurement, tax incentives for charitable actions, creating a national strategy on CSR, etc.

At this point, it would be appropriate to mention the meaning of the voluntary nature of CSR activities. There has been much debate about the role of legislation and public political development actions of CSR with a greater focus on the role of those voluntary

actions. Although required tools have enforcement mechanisms, the challenge for voluntary actions is to ensure their effectiveness. The voluntary initiatives - which by definition is not legally binding - they ought never to be substitutes for effective provisions and rules, but they can be force supplements. The flexible approaches have sole own perspective on providing enterprises with the possibilities to fully develop innovative actions, allowing them to become better than required by law.

However, if the elastic or voluntary intervention program lies actually to change the behavior of firms, it should be part of a broader, more cohesive public agenda.

At a European level now, there is wealth of experiences for those, who are looking for effective ways to promote CSR actions through public policies.

The complete and detailed patterns might come from countries such as Denmark, Sweden, Germany etc., but in most countries governments have already used - in last three to five years - of - at least some measures at local or sectoral level. From the part of European Commission, it has announced its intention to make a new policy on CSR. In recent Multilateral Forum held in Brussels, showed clearly the trend for new initiatives or revision of laws, in order to improve existing policies on the issue of information and publicity actions implemented by businesses to the community, the environment and respect for human rights. In other words, the mandatory adoption by business social reports emerges through legislation or regulation. Moreover, special role expected to be awarded to the governments of member states to formulate national strategies for CSR. It is a prospect that should be taken seriously by both the companies and the state.

Ultimately, the issue of CSR is on everyone, in whatever position we are. In a society that is constantly evolving, no one can remain indifferent towards equal opportunities, encouraging and rewarding initiatives in word and deed. It should be also noted, that the CSR has entered

^m Journal Eleftherotipia, Article of N. Analitis, president of Greek Network for CSR, "The CSR as strategic tool for Business and society"
http://www.csrhellas.org/portal/images/stories/ARTICLES/na_2010_12_eleftherotipia.pdf

into an important parameter into the design strategy and management models, but its implementation is patchy and often, occasional. In most cases, unfortunately, the actions related to CSR activities include work, social content and strong sponsorship activity, nevertheless they have a profile of an advertising campaign.

In the constantly changing business environment of recent years, particular attention shall have the meaning of social responsibility that a company must take in its operation. Details, such as globalization, technological development, free market, competition and many others, have given substantial differentiation between social structures resulting in the movement of social responsibility in business organizations. There are few more businesses rely on their CSR policies, having a clear sense of goals and values, that differentiate a company from its competitors.

Corporate Social Responsibility represents the human face of the highly competitive world of commerce. Continuing education, knowledge transfer and experience, new technological solutions, and full respect for human rights, are elements that indicate the purpose of a company, which wants to work with human dimension and to help in creating sustainable livelihoods.

Consequently what it becomes an important factor for companies, is that Corporate Social Responsibility in no way will be exploited or simply displayed for the marketing, but a basic element of company's dominant culture, leading to clearly differentiate the company in relation to competition and the overall success of the action.ⁿ

Furthermore, what can make a state to help the creation and development of social actions, is settled. It is about time to take more effective measures, as tax breaks and tax incentives, because only good can make such a provision. The benefits from the arrangement of such an

ⁿ ATEI CRETE, SCHOOL: MANAGEMENT AND ECONOMICS, DEPARTMENT: BUSINESS: CORPORATE SOCIAL RESPONSIBILITY: "THE BUSINESS AS GOOD CITIZEN" NOVEMBER 2008 AGIOMYRGIANNAKI ANASTASIA, SURVEILLANCE PROFESSOR: Mrs. ANTHI PINAKOULAKI (p.39)
<http://nefeli.lib.teicrete.gr/browse/sdo/ba/2008/AgiomyrgiannakiAnastasia/attached-document-1294996183-315960-15425/agiomyrgianaki2008.pdf>

action are much more than the cost, so it could benefit the whole corporate world.