

Corporate Social Responsibility
POL S 398A
Spring 2010

Instructor: Aseem Prakash
Class Time: Monday and Wednesday, 1:30-3:20 p.m.
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Course Objectives

Corporate Responsibility has emerged as a dominant issue in recent years. Corporate accounting scandals, executive compensation, banking scandals, and other instances of corporate malfeasance have led several stakeholders to wonder whether corporations can be trusted to serve the public good. Fearing both new regulations as well as loss of reputation, some corporations have proactively adopted policies which seek to signal their commitment to behave responsibly. Some believe that such policies do not lead in any tangible improvement in corporate social behavior. In the context of this highly charged debate, this course will examine issues such as whether corporations and their executives have responsibilities to shareholders only and or do such responsibilities extent to other constituencies and stakeholders as well? How have corporations decided to pursue socially responsible policies? How does this vary across sectors? Across countries?

Course Material

Book:

Matthew Potoski and Aseem Prakash. Editors. Voluntary Programs: A Club Theory Perspective. MIT Press.

Articles:

The readings have been placed on E-reserves. To access them, please go to the library homepage (www.lib.washington.edu), click on course reserves, select instructor and fill in "Prakash."

After clicking on "Prakash Aseem" you should be able to click through to the relevant readings for this particular class. You will have to accept electronic copyright restrictions and enter your UW Net ID, etc., but after going through those screens, you will be able to access the readings.

Course Expectations

This is an undergraduate honors course and my expectations from you are therefore high. I will adopt a seminar format. To maximize your learning from this course, it is imperative that you read the assigned articles in advance and actively participate in class discussions. You will be evaluated on the following:

Article Presentations

You will be assigned 4-5 articles to present in the class. Your presentation should last about 15-20 minutes. After briefly summarizing the article, please highlight the key lessons that emerge from the article and finally comment on its strengths and weaknesses. Please email me a two page (single-spaced) handout a day prior to your presentation. I will share this handout with the rest of the class.

Class Discussion and Memos

If you are not presenting an article, you still have to do the readings. Please email me a one page memo identifying key questions (based on the assigned readings) you will like to discuss in the class and why do you think this question is important. Your memo should reach me a day prior to the class.

Project

You will undertake a comparative study of (published) corporate responsibility reports of any two companies of your choice (they need to be from the same industry). In examining these reports, briefly consider the national and the sectoral/industry context in which these firm functions. This should give you some idea of the institutional and structural pressures on these companies to pursue corporate responsibility. Then compare the two reports in terms of the quality and quantity of the information provided.

Ask questions such as: Are these mere PR exercises? Do these reports measure corporate responsibility performance against some benchmark? To what extent, they present information that is critical of the firm? To what extent they lay out concrete goals and plans for the future?

In terms of your empirical strategy, please think in terms of the following questions: Which firms you are comparing and why? What are the interesting theoretical issues that this comparison is expected to raise (e.g. how country level institutional variations influence how firms think about and report on CSR), what is your empirical strategy (what specific empirical material you are going to examine), what sorts of conclusions or lessons do you expect to emerge from this comparison?

Project outlines are due Monday, May 12, and project reports (5 pages, single-spaced) are due Wednesday, June 4. In-class project presentations (20 minutes) are scheduled towards the end of the quarter. Project presentations and project reports will be evaluated on the following criteria:

- Research skills: Has the individual collected the appropriate and sufficient data?
- Analytical skills: Has the individual adequately analyzed the data by employing the concepts discussed in this course? Have the key market, regulatory and political issues been identified and their implications examined?
- Presentation skills: Is the presentation interesting and creative? Is it focused?

Evaluation

Article critiques:	40 points
Project	30 points
Memo/Questions	20 points
Class Participation	10 points

I will strictly follow UW's policy on plagiarism:
<http://depts.washington.edu/grading/issue1/honesty.htm#plagiarism>

Class Schedule

Week 1

Monday, March 29

Introduction

Wednesday, March 31

Notion of a Firm

- Coase. 1937. The Nature of the Firm. Economica, 4 (16): 386–405
(<http://www3.interscience.wiley.com/cgi-bin/fulltext/119896448/PDFSTART>)
- Alchian and Demsetz. 1972. Production, Information Costs, and Economic Organization, American Economic Review, 62: 777-795.
- Williamson. 2009.
http://www.kva.se/Documents/Priser/Ekonomi/2009/sciback_ek_en_09.pdf

Week 2

Monday, April 5

Responsible to Whom?

- Friedman. 1970. The Social Responsibility of Business is to Increase Its Profits. New York Times Magazine. September 13,
<http://www.colorado.edu/studentgroups/libertarians/issues/friedman-soc-resp-business.html>
- Clark. 1916. The Changing Basis of Economic Responsibility, The Journal of Political Economy, 24(3).
- Dodd. 1932. For Whom are the Corporate Managers Trustees? Harvard Law Review, 45(7).
- Templeton Foundation. 2008. Does the Free Market Corrode Moral Character? Thirteen views on the question. <http://www.templeton.org/market/>

Wednesday, April 7

Stakeholder Approach

- Carroll. 1999. Corporate Social Responsibility: Evolution of a Definitional Construct. Business & Society, 38(3): 268-295.
- Donaldson and Preston. 1995. The Stakeholder Theory of the Corporations. Academy of Management Review, 20(1).
- Freeman. 1994. The Politics of Stakeholder Theory. Business Ethics Quarterly, 4(4).

Week 3

Monday, April 12

Globalization of CSR

- Kollman and Prakash. 2001. Green by Choice? Cross-National Variations in Firms' Responses to EMS-based Environmental Regimes. World Politics, 53(April): 399-430.
- Prakash and Potoski, 2007. Investing Up: FDI and the Cross-National Diffusion of ISO

- 14001. International Studies Quarterly, 51(3): 723-744.
- Matten and Moon. 2008. Implicit and Explicit CSR. Academy of Management Review. 33(2): 404-424.

Wednesday, April 14

Voluntary Programs

- Chapter 2, Club Theory Approach
- Chapter 5, Kimberley Process
- Chapter 6, Sweatshops

Week 4

Monday, April 19

Voluntary Programs

- Chapter 7, Shipping
- Chapter 8, Accounting
- Chapter 9, Universality of Standards

Wednesday, April 21

Voluntary Programs

- Chapter 10, Fiorino
- Chapter 11, Coglianesi and Nash
- Chapter 12, Gugerty

Week 5

Monday, April 26

CSR Across Countries

- Antal and Sobczak. 2007. Corporate Social Responsibility in France: A Mix of National Traditions and International Influences. Business & Society, 46: 9-32.
- Kimber and Lipton. 2005. Corporate Governance and Business Ethics in the Asia-Pacific Region. Business & Society, 44: 178-210.
- Nobuyuki Demise. 2005. Business Ethics and Corporate Governance in Japan Business & Society, 44: 211-217.
- Bedicks and Arruda. 2005. Business Ethics and Corporate Governance in Latin America. Business & Society, 44: 218-228.

Wednesday, April 28

CSR in Africa

- Eweje. 2006. The Role of MNEs in Community Development Initiatives in Developing Countries: Corporate Social Responsibility at Work in Nigeria and South Africa. Business & Society, 45: 93-129
- Bolton. 2008. Corporate Responses to HIV/AIDS: Experience and Leadership from South Africa. Business and Society Review, 113(2): 277-300.
- McEwan and Bek. 2009. The Political Economy of Alternative Trade: Social and Environmental Certification in the South African Wine Industry. Journal of Rural Studies, 25: 255-266.

Week 6

Monday, May 3

Sectoral CSR

- Kolk and Pinkse. 2007. Multinationals' Political Activities on Climate Change. Business & Society, 46: 201-228.
- Jordi Trullen and William B. Stevenson. 2006. Strategy and Legitimacy: Pharmaceutical Companies' Reaction to the HIV Crisis. Business & Society, 45: 178-210.
- Hashwood. 2007. Canadian Mining Companies and Corporate Social Responsibility. Canadian Journal of Political Science, 40(1): 129-156.
- Dolan and Opondo. 2005. Seeking Common Ground: Multi Stakeholder Processes in Kenya's Cut Flower Industry. Journal of Corporate Citizenship, 8: 87-98,

Wednesday, May 5

Corporate Governance

- Ryan. 2005. Corporate Governance and Business Ethics in North America: The State of the Art. Business & Society, 44: 40-73.
- Wieland. 2005. Corporate Governance, Values Management, and Standards: A European Perspective. Business & Society, 44: 74-93.
- Rossouw. 2005. Business Ethics and Corporate Governance in Africa. Business & Society, 44: 94-106

Week 7

Monday, May 10

Corporate Social Strategy

- Fortanier and Kolk. 2007. On the Economic Dimensions of Corporate Social Responsibility: Exploring Fortune Global 250 Reports. Business & Society, 46: 457-478
- Saiia, Carroll, and Buchholtz. 2003. Philanthropy as Strategy: When Corporate Charity "Begins at Home." Business & Society, 42: 169-201.
- Kolk and Tulder. 2006. Poverty Alleviation as a Business Strategy. World Development, 34(5): 789-801.
- Egels. 2005. CSR in Electrification of Rural Africa: The Case of ABB in Tanzania. Journal of Corporate Citizenship, 18: 75-85.

Wednesday, May 12

NGO and Firms

- Derry and Waikar. 2008. Frames and Filters: Strategic Distrust as a Legitimation Tool in the 50-Year Battle Between Public Health Activists and Big Tobacco. Business & Society, 47: 102-139
- Hendry. 2006. Taking Aim at Business: What Factors Lead Environmental Non-Governmental Organizations to Target Particular Firms? Business & Society, 45: 47-86.
- Schepers. 2006. The Impact of NGO Network Conflict on the Corporate Social Responsibilities Strategies of Multinational Corporations. Business & Society, 45(3): 282-299.

Week 8

Monday, May 17

NGOs and Firms

- Sasser et al. 2006. Direct Targeting as NGO Political Strategy: Examining Private Authority Regimes in the Forestry Sector. Business and Politics, 8(3): 1-32.
- Logsdon and Buren. 2008. Justice and Large Corporations: What Do Activist Shareholders Want? Business & Society, 47: 523-548
- King. 2008. A Social Movement Perspective of Stakeholder Collective Action and Influence. Business & Society, 47: 21-49.

Wednesday, May 19

In-class Presentations

Week 9

Monday, May 24

In-class Presentations

Wednesday, May 26

No-class

Week 10

Monday, May 31

Business Case?

- Porter and Kramer. 2006. Strategy and Society. Harvard Business Review December. <http://hbr.org/2006/12/strategy-and-society/ar/1>
- Prahalad and Hart. The Fortune at the bottom of the Pyramid. Strategy + Business, 26. <http://www.cs.berkeley.edu/~brewer/ict4b/Fortune-BoP.pdf>
- Karnani. 2007. Fortune at the Bottom of the Pyramid: A Mirage. California Management Review, Summer. <http://www0.un.org/esa/coordination/Mirage.BOP.CMR.pdf>

Wednesday, June 2

In-class Presentations

Week 11

Monday, June 7 (make up class)

Revisiting CSR

- Graves & Waddock. 1994. Institutional Owners and Corporate Social Performance. Academy of Management Journal, 37, 1034-1046.
- McWilliams & Siegel. 2001. Corporate Social Responsibility: A theory of the Firm Perspective. Academy of Management Review, 26, 117-127.
- Griffin and Mahon. 1997. The Corporate Social Performance and Corporate Financial Performance Debate: Twenty-Five Years of Incomparable Research. Business & Society, 36(1): 5-31.