

THE CAPITALIST FIRM AND HIS COMPATIBILITY WITH A SOCIETAL MISSION

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Abstract:

Although many literatures try to explain that socially responsible practices have a favorable impact on the performance of the corporation while taking into consideration the vocation of profit maximization, it remains that the initial business point is still built on an economic project that brings the stakeholders who have conflicting interests and dispersed preconceived ideas. By proposing a critical overview of the notion of corporate social responsibility (CSR), we will seek to appreciate if the capitalist model allows cohabitation between the economic and the social in a corporation. In particular, we will examine the extent in which CSR is still devoid of a consensual definition and remains an ambiguous concept. We will try to prove that this approach to the corporate is incompatible with the capitalist firm with a fragile consistency when we try to apply it to the corporation's internal operating processes.

Keywords : Capitalist firm, profit, compatibility, corporate social responsibility.

Jel Classification Codes : JEL – G300

ملخص

على الرغم من أن العديد من الأدبيات تحاول توضيح أن ممارسات المسؤولية الاجتماعية لها تأثير إيجابي على أداء الشركة مع الأخذ في الاعتبار الغاية الأساسية للمنشأة الرأسمالية والمتمثلة في تعظيم ربحية نشاطها إلا أن الانطلاقة الأساسية للمسؤولية الاجتماعية للمؤسسة تعتمد على مبدأ مفاده التنظير لمشروع اقتصادي يهدف إلى خلق نموذج حوكمة مؤسسي يتم من خلاله التوافق ما بين المصالح المتضاربة للمنشأة من طرف وباقي الأطراف المعنية من طرف آخر و الذين لديهم مصالح متضاربة و أهداف مسبقة متفرقة .من خلال اقتراح نظرة عامة نقدية لمفهوم المسؤولية الاجتماعية للشركات، سنسعى إلى تقدير ما إذا كان النموذج الرأسمالي يسمح بالتعايش بين الغاية الاقتصادية للمنشأة و ضرورة الدور الاجتماعي المنوط بها على وجه الخصوص، و بالتالي سوف ندرس إلى أي مدى يمكن للمنشأة الرأسمالية أن تحدد سلوكا اجتماعيا وتبناه كغاية لا تقل أهمية عن مسعى تعظيم الربح .

كلمات مفتاحية: الشركة الرأسمالية، الربح، التوافق، المسؤولية الاجتماعية للشركات.

تصنيف : JEL – G300

• INTRODUCTION

Corporate Social Responsibility involves reconsideration to the capitalist economic model used by companies. This measure redefines the corporation's place in society and puts forward the social and environmental impacts of its activities, increasing inequalities and disproportional financial markets... etc. In the face of the criticism of contemporary capitalism, some companies seek to integrate and correct its impacts, in particular those of a social and environmental nature, on their activities.

The explanatory and comprehensive reasons for the interest in this topic do not lack in principle and they are not strange to the profound transformation of capitalism since the last quarter of the twentieth century (Plihon, 2004, p 123). So to what extent can the capitalist enterprise reconcile profit and the common resource?

• CORPORATE SOCIAL RESPONSIBILITY

In recent years, Corporate Social Responsibility (CSR) has once again become one of the key themes of several disciplines in managerial literature. This concept would correspond to the integration of social objectives and economic objectives in the strategic vision of the corporation. Taken this into perspective, CSR appears to be a concrete implementation of the use of ethical guidelines in the corporate field (Sautré, 2003, p 48), which appeared destined to be governed solely by profit logic.

The fundamental ambiguity of the concept of CSR refers to the use the term of responsibility as such. According to the Little Robert Dictionary, the responsibility is preceded by an obligation or moral, intellectual necessity in order to fulfil a duty, a commitment and an acceptance to support the consequences of these acts. Thus, responsibility relates directly to ideas of obligation (moral, ethical, legal or other) and imputability (a person must be answerable for what he accomplishes and especially for the effects caused by his action). In this meaning, responsibility necessarily assumes the identity of a subject (attribution of the action to an author or a person) and the complement (for what is it responsible?) (Tourneau, 2003, p 727) . We can then think that this concept represents a path of conciliation between ethics and economics within the firm.

However, both in the corporate field and in the academic sphere, CSR is far from being unanimously accepted (Van Luijk, 1990, p 45). While this notion has been finding increasing resonance recently, it has nevertheless raised several controversies. And for (Allouche, Huault, Schmidt, 2004, p 391) , the CSR and the tools and what that it has engendered, evolve within a conceptual context of confusion and imprecision. The ambiguity is attributed to the theoretical, managerial and ideological implications of this concept (Lockett A, Moon J & Wayne V, 2006, p 127) . To

understand the extent of these implications, it would be useful to reconsider each other's approach to CSR.

- **Genesis of corporate social responsibility**

In its current expression and meaning, CSR is essentially associated with the North American context after the Second World War (Charles, Hill, 2004, p 139). This is the book of (Bowen, 1953, p 276) which marks the advent of the concept and the beginning of research on corporate social responsibility. The book entitled the social responsibilities of the businessman founded the basis for CSR. For (Acquier, Gond, 2005, p 286) , this work, which was later criticized by its own author (Bowen, 1978) for idealistic and normative character and, it prevailed on two principles. The first refers to the fact that businessmen should only make decisions that are in accordance with the orientations and values sought by society. The second stipulates that the firm's consideration of social concerns must be voluntary.

If Bowen is recognized in the literature as the pioneer of CSR,, (Caroll, 1999, p 499) nevertheless, he indicates that the ideas that he expressed in his book did not originate ex nihilo and that they have been documented in some essays in managerial literature, particularly in the 1930s and 1940s (Acquier, Gond, 2005, p 303). For their part, point that the author had formalized in his book ideas that were fashionable at the time in the North American context. They find in Bowen's book (Bowen, 1953, p 43-67) the traces of Protestant ethics as described by (Weber, 1964, p 103) which is an integral part of American culture. CSR has become a research topic of the origin of the emergence of a new academic space, namely the current trend «Business and Society» who are interested in the relationship between the corporation and its societal environment. Many researchers will identify with this trend (Steiner, 1971, p 134); (Auperle et al, 1985, p 453); (Wood, 1991, p 699) .

After occupying American researchers (Davis, 1973 p 315); (Caroll, 1979, p 503); (Auperle et al., 1985, p 455), and raised some controversies from liberal academics (Levitt, 1958, p 195); (Friedman, 1970, p 11) and , CSR research will decrease in intensity from the mid-1980s and move towards other concepts such as corporate citizenship or stakeholder approach. CSR then remained an almost exclusively North American phenomenon and was perceived in this context as an obstacle to liberal logic Godfrey et Hatch, 2007, p 93); (Mc Williams et al, 2006, p 13), would then bend to the new world economic order established by economic liberalism. Thereafter, CSR will gain renewed interest by once again becoming an increasingly present phenomenon in the political and economic scene at the beginning of this century, but, as this time, well beyond the North American continent only (Doh et Guay, 2006, p 56).

In Europe, academics began to focus on CSR in the mid-1990s following the actions of civil society organizations towards companies that have caused environmental damage (Shell, Total, etc.), social (Danone, Renault, etc.) or society (Parmalat, Vivendi, etc.) damage. On the other side, the renewed interest in the subject has increased since the early 2000s, in the United States with the bankruptcies of major American groups (Enron, Arthur Andersen, Worldcom, Xerox...).

There are therefore two elements that explain the renewed interest in CSR: the emergence of civil society, on the one side, and the financial scandals of big companies, on the other side (Doh et Guay, 2006, p 53). Pour (Allouche et al., 2004, p 77) For, the analysis of the history of CSR reveals a "cultural contingency" of the concept. This finding of concept is shared by (Veschoor, 2003, p 23) for whom the definition of what constitutes CSR varies from one region to another and from one context to another. In this regards, most researchers such as (Doh et Guay, 2006, p 53) and (Capron et al, 2007, p 13) foster a duality between the American and European approaches to CSR.

- **Corporate social responsibility, what definition?**

It was in 1953 that Bowen initiated the reflection on Corporate Social Responsibility, as a consequence of the integration of values sought globally by the components of society, beyond the economic objectives sought by shareholders and the legal obligations that constrain their decisions. This question is undoubtedly the one most often asked by all actors having a direct or indirect link with the concept of CSR. The answer to this question is not definitive. Even today, after almost fifty years of searching for the appropriate answer, the definition and delimitation of the concept of societal performance remain the subject of controversy and divergence of concepts.

Even today, after almost fifty years of searching for the appropriate answer, the definition and delimitation of the concept of societal performance remain the subject of controversy and divergence of concepts. In the United States, for example, CSR has traditionally been defined as a philanthropic model. In this country, the companies donate part of their profits to a charity. At first view, they do not expect this kind of contribution to favor them, at least not publicly, because their contribution to the society is a post-factum nature. In comparison, the European model is much more focused on the application of social interaction criteria for all levels of corporate activity.

Le Business for Social Responsibility (BSR) was evoked in the 2003 report, which defines CSR as business practices that strengthen responsibility and respect ethical values for the common advantage of all parties involved. The BSR also

proposes that responsible business practices respect and preserve the natural environment and that helping to improve quality of life and business opportunities, as well as responsible business practices give a people the power and invest in the community in which the corporation operates. If CSR is treated in a global approach, it can deliver the greatest benefits to the corporation and the interveners when it is integrated into the strategy and operations of the organization.

The World Business Council for Sustainable Development (WBCSD 2002) integrates CSR into a sustainable development context. According to the , CSR is the continuous commitment of companies to ethical action and to contribute to economic development, while improving the quality of life of its employees and their families, the local collectivity and the whole of society. Even in this formulation, CSR is considered as one of the three key responsibilities of companies, including economic responsibility and environmental responsibility.

The Canadian Business for Social Responsibility defines CSR as a corporation's commitment to operate in an environment of economic and environmental sustainability while recognizing the interests of its interveners. The intervenors comprise investors, customers, employees, business partners, local authorities, the environment and society as a whole.

The CBSR also noted that CSR extends beyond charities such as volunteering and giving to others. For (Igalens et al, 2005, p. 135) the social responsibility of business includes economic, legal, ethical and other discretionary expectations of the society in relation to a corporation in a given time. From according to (Mc Williams et Siegel, 2006, p 5) CSR includes actions that seem to advance the collective benefit, beyond the interests of the corporation and what the law requires. Finally, we can conclude that in all definitions a new link dominates known as Triple Bottom Line. The Triple Bottom Line concept is the transposition of the notion of sustainable development into the organization by evaluating the performance at three levels (**social**: social consequences of the organization's activity for all the parties involved (people); **environment**: the accounting between the organization's activity and the preservation of ecosystems (planet) and **economic** benefit (profit). Triple Bottom Line corresponds to the triple P: People, Planet, Profit; or Triple Result. The term is an allusion to the Bottom Line (or last line of the balance sheet), i.e. the net result. However, we can also observe other common points such as:

- CSR refers to the role of business within the corporation as well as the society's expectations regarding the corporation;

- CSR presumes that firms enter into voluntary obligations that exceed the scope of existing legislation;
- CSR implies a focus on the social consequences of business activities, whether positive or negative
- CSR refers to the regular activities of a corporate entity and not to its philanthropic actions (many people ask whether philanthropy can be qualified as CSR);
- CSR is evaluated on its ability to contribute effectively to the achievement of social, environmental and economic objectives;
- CSR involves an obligation for corporations to make a report on their social and environmental performance in order to promote transparency.

The definitions mentioned above should be understood as working definitions, since no consensus has been obtained on any of them. One of the reasons would be the fact that in many definitions the aspect of aspiration is present (as it should be), which is not easy to formulate concretely. Besides, CSR practices are different in their nature, as they carry within them local, regional and national specificities. However, it seems to us that the model below facilitates the understanding of the complexity of the field of corporate social responsibility.

- **The Fundamentals of CSR: between utilitarianism and moralism**

(Ivanaj et McIntyre, 2006, p 121) Emphasized the existence of two competing ethical perspectives on the subject of CSR. On the one part there is the utilitarian ethic that comes from the firm's strictly economic vision, and is oriented towards maximizing the financial result and, on the other part, the normative ethic that insists on the arbitration, in the activities of the corporation, between the interests of the various parties involved by the corporation's activities. (Branco et Rodrigues, 2006, p 117) They also highlight the existence of two approaches in the study of CSR: the approach derived from the business ethics, current that insists on social benevolence and the approach business case that focuses on the "informed" realization of the corporation's interests.

In the following lines, we will present these two perspectives and their fundamentals successive. Thereafter, we will present the intermediate point of view between these two approaches, with a median posture been increasingly recognized in the CSR literature (Windsor, 2006, p 106), the fact that companies, as distinct from individuals, are devoid of moral obligations and feelings of responsibility (Kilpatrick, 1985, p 499); (Iyer, 2006, p 396) and, finally, the fact that it constitutes a " steal " at the

detriment of the shareholders (Godfrey et Hatch, 2007, p 93); (Mc Williams et al., 2006, p 5).

Liberal criticism is found in Smithian thinking that the actions of individuals are coordinated and made complementary by the market, which, through the competition process, leads individuals to produce what society needs and create richness. For the Liberals, the search for individual profit would be the basis for general prosperity. For Smith, the individual is guided by an invisible hand to fulfill an end that is not his intention. It is on the basis of such beliefs that (Friedman, 1962, p 141) qualified as immoral the fact that the corporation is acting against its economic interests. Therefore, shareholders and managers should only focus on achieving and maximizing their profits and avoid unjustified social spending.

In this trail, other researchers in managerial thinking have raised themselves against the social aims of CSR (Williamson, 1993, p 468). believe in transaction cost theory criticized stakeholder theory, a theory often used in the study of CSR, pointing out that problems of agency and asymmetry of information are compounded when managers operate in the interest of a party other than shareholders. (Doh et Guay, 2006, p 52). This is in accordance with Friedman's view that the corporation is only accountable to its shareholders (De la Cuesta-Gonzales et al., 2006, p 296). The same applies to (Jensen, 2000, p 48) which considers that a corporation manager can only achieve one objective the same time. Any objective other than profit creation must, according to the author, be aligned with it in a hierarchically lower order of priority. (Sternberg, 1996, p 13) et (Jensen, 2000, p 57), promoters of property rights theory have also criticized the stakeholder theory by claiming that the theory is intrinsically incompatible with all legitimate business objectives and undermines the basic tenets of property rights.

They are also among the founders of the agency theory have proclaimed their hostility towards CSR and stakeholder theory by considering that this approach has no basis in comparison with the liberal logic, which (Doh et Guay, 2006, p 54)., for its part, Jensen, 2000, p 51) finds its legitimacy in more than two centuries of wealth creation. Under the pressure of such criticisms, which, alongside their virulence, find echo through the academic notoriety of their authors, a utilitarian vision of CSR has emerged. Thus, for (Friedman, 1970, p 33), the corporation may engage in social actions if they allow it to avoid potentially costly government action (payment of a fine) or to avoid a possible hostile reaction from the public.

In other terms, the liberal approach can be accommodated by CSR if that one contributes to the firm's profitability. More recently, there was mention of the Business Case to discuss about CSR. The business case refers to the change in the corporation's

policy in order to integrate the aims of CSR while having as its primary objective the profitability of the firm (Dyllick et Hockerts, 2002, p 133) and (Holliday et al, 2002, p 128). The partisans of the approach of the business case emphasize the benefits it could have for shareholders. The arguments advanced are that CSR would limit the risks of misgovernance that could harm shareholders and that it would improve the firm's brand image, consumer loyalty and labor relations...etc. It would also facilitate the development of partnership relationships and investment. The environmental component would contribute to economic efficiency by reducing resource consumption and reducing the use of energy. Finally, CSR would make the corporation more competitive and dynamic by promoting creativity stimulated by the implementation of new orientations for the corporation.

These arguments are put forward, but it should to be pointed to, as we will explain later in the text, that the lucrative repercussions of CSR remain essentially hypothetical. Nevertheless, this instrumental view preaching the justification of CSR or at least its acceptance due to its eventual consequences is in total opposition to the view inspired by philosophy.

• **FUNCTIONS AND ADVANTAGES OF A CAPITALIST ECONOMY**

The financial capitalism is characterized by two dominant institutional forms:

- The governance of institutional shareholders, which obliges the corporation to maximize profit per share, intervenes in the sharing of the profit on which the distribution of dividends depends, influences business combinations and dismemberments of firms;
- Globalization, which, by removing the current balance constraint through international credit, affects the simultaneous determination of the interest rate and the exchange rate and causes companies to lose control over prices.

To correctly identify our problem, it is necessary to underline certain positive and negative aspects of a capitalist economy. Of course, our ambition is not to make a substantial analysis of it, but only to point out the salient facts that will interest us. The main attribute of this economy is its price system. At the center of this mechanism there is the market, which can be defined as all the companies and individuals who are involved in the purchase and sale of a certain goods and services (there are therefore several markets). These markets allow people to maintain commercial activities in order to satisfy their multiple needs. In a situation of perfect competition, i.e. when the number of sellers and buyers is so high that no one can individually influence the price, the market determines the price. The price of the good or service will then be

called the equilibrium price, it is the price at which the quantity requested and the quantity offered of this good or service are equal.

Price equilibrium is extremely important because it clarifies the demand for goods and services, in this case, it can make observable the needs. This has in effect the optimization of the quantity produced, since it will correspond to the desired quantity. Moreover, being involved in the same fierce struggle, companies are forced to innovate and produce more efficiently, otherwise they risk bankruptcy.

Also, since in a liberal economy, everyone is free to produce what they want, the individual will probably practice an activity for which they are gifted, which engenders a very efficient division and specialization of labor. This model also has its own set of problems. The main reason is that for market-based regulation to be effective, three conditions are necessary: the competition must be perfect, the information must be perfect and there must be no externalities. Otherwise, there will be a failure of the market. However, these three conditions are never achieved, so there is always a failure in a market that is kept free. Let us look at this in more detail by examining the externalities.

First of all, it should be noted that what allows people to exchange in a marketplace is that they own certain things. This property is governed by property rights, i.e. the right to use and dispose exclusively of something under the conditions prescribed by law. The owner of the property may require some money to transfer his ownership rights to another person. This transfer of rights, implicit at present, simply represents the sale of a property.

- **Shareholder theory versus stakeholder theory**

In the 1960s, social and environmental scourges multiplied: we can mention the growing gap between rich and poor countries, climate change, the scarcity of resources, etc..... Some observers have criticized capitalism or at least try to place various social and environmental responsibilities on enterprises. Some capitalists react, including Milton Friedman, a strong advocate of neoclassical economic theses, who insists that the role of the business leader is to maximize shareholder value; it is known as the shareholder theory.

It's to (Freeman, 1984, p 83) that we owe the popularization of the parties' concept. Freeman is first and foremost an author of moral philosophy and a strong connoisseur of the debates on economic philosophy. He is currently a professor at the Darden School of the University of Virginia in the United States, and is arguably the most influential contemporary author of Business Ethics. Its management manual is associated with the well-known definition of the notion of the parties' concept. Since

the early 1990s, Freeman has been constantly improving a description and theoretical justification of a new capitalism that must gradually impose its existence in the face of old forms of capitalism. He argued that profit maximization must be the sole objective of the corporation, and that if each corporation takes all the (legal) tools to achieve it, the dynamics of the markets will generate the common benefit.

This thesis obviously echoes in the theorem of the invisible hand (d'Adam Smith, 1776) its defenders who faithfully believe in the universal virtues of the markets. Without going into detail, we could even say that Friedman is part of the ultraliberal current at the extremity of the regulatory spectrum, which defends the idea of a minimal state. However, we have just seen that markets can sometimes be deficient. Thus, a complete absence of institutions and a profound erasure of the State may lead to harmful effects (mainly negative externalities).

Moreover, the ultraliberal thesis is based largely on a presupposition coming from (John Locke, 1691) who considers the markets as natural and the government as artificial. Locke claims that men inherently possess natural property rights and also respect the rights of others. Even accepting the thesis of respect for the rights of others, this vision of things is wobbly in a corporate context, since the corporation is not a person, it itself is artificial? Indeed, although the corporation is often considered a legal person, it does not have the imputability of a real natural person, since it is a group of persons. In this unit composed of a greater or lesser number of individuals bound together by relationships of authority, influence and interdependence, it will always be difficult to attribute responsibility for a particular act to a specific person. To be imputed a particular act; one must have the volitional and cognitive capacities that are debatable in the case of an organization. They contrast shareholder capitalism with partnership capitalism. They try to give a theoretical basis and arguments to this conception.

In response to this considerable evidence, the shareholder theory partially fell into disuse in the 1980s (despite the fact that it is still strongly anchored in mentalities and practices today) and another great theory of organizational management has emerged the stakeholder theory.

This theory argues first of all that the corporation is not only accountable to its shareholders, but to a range of stakeholders. So, a stakeholder can be defined as any owner of interests, individual or collective, material or symbolic, who may be affected by the corporation's decisions. This expanded approach to the business environment, is therefore included in strategic analysis groups of actors such as NGOs, activist groups, host communities and other external interest groups. In other terms, the corporation is not alone in the economic sphere, it coexists with other actors (Mitchell

et al., 1997, p. 853). In addition, stakeholder theory offers itself as a method of thinking about the socio-political environment of the corporation, beyond the purely economic and commercial aspects. (Freeman, 1984, p 33).

Let us remember that we said above that the corporation was part of the social sphere, so it seems that there is a double intrusion, so today, the corporation is not only evolving in the social sphere, but social movements have begun to invest in the economic sphere, formerly the domain reserved for the corporation. In short, contrary to neoclassical economic philosophy, which stipulates that corporate social responsibility, in addition to its legal obligations, is exercised only through attempts to improve profitability for shareholders, the corporation has responsibilities towards its stakeholders.

Economic responsibilities have never had any difficulty in being respected since the corporate survival depends on them, but social and environmental responsibilities have often been ignored at a high societal cost. The concept of corporate social responsibility is part of this view of integrating the company into a network of stakeholders. The original ambition is to propose an alternative theory of capitalism and big business, no longer focused on shareholders but on stakeholders.

This opposition to the standard theory as presented, for example, by Friedman, partly explains some of the principles of stakeholder theory, in particular the intention to give equal importance to all stakeholders, thus avoiding the pitfall of privileging one of them to the detriment of the other ones. And for other authors, (Evan et Freeman, 1983, p 259) the concept of stakeholder is a generalization of that of shareholders, which has been unduly favored by existing theories.

3.2 Between the theory of those who hold shares and the theory of stakeholders

However, reconciliation is possible (Jones et Wicks, 1999, p 208) thus proposes the elements of a convergence theory. To do this, they formulate premises (Jones et Wicks, 1999, p 207).

- The corporation has relationships with many constitutive groups of stakeholders that affect its decisions and are affected by it (Freeman, 1984, p 336).
- The theory is interested in the nature of these relationships, both in terms of process and results for the organization and its stakeholders;
- The interests of all stakeholders (legitimate) have an intrinsic value and no single set of interests is supposed to dominate the others (Clarkson, 1995, p 101); Donaldson, Preston, 1995);

- The theory focuses on managerial decision-making (Donaldson, Preston, 1995, p 39)..

The development of capitalism, in its technological, financial, cognitive and organizational dimensions, has made it an increasingly collective entity. The corporation is both the place of the essential cooperation that sustains production and the seat of power conflicts motivated by indissociably interests but partly contradictory. In this regard, it is of a partnership nature. It follows that the issue of governance is not, in the first instance, the control or submission of managers to the requirements of shareholders. It is the constitution of a collective interest that is expressed for a recognized and accepted purpose by the stakeholders to the company's activities.

- **Predominance of the interests of the firm and the absence of a consensus**

Three readings of the firm's responsibility towards society and its environment:

The first reading that we can designate as deontic is based on the moral approach and its obligations which are imposed towards society. This reading was able to make possible a compromise on which the firm and under the moral constraint of having a responsibility towards society. Any entity that considers itself to have moral obligations towards society can be considered sensitive to the conception of CSR which is composed by means of these obligations. However, we can admit that this first reading cannot be successful without having a normative approach to the behavior of the firm.

The second reading For social responsibility to permeate the decision-making and action reflexes of decision-makers, it is imperative that they see the concept of social responsibility as natural and profitable for the firm in the long and medium term

the third reading is based on the necessity that the firm must have a moral purpose if we analyze the behavior of the firm under the prism of deontics its conduct would be natural and in the end she will succeed in her responsible bet.

The social responsibility of the firm can be classified according to its nature into four levels.

1st level: economic responsibility;

2nd level: legal liability;

3rd level: ethical responsibility;

4th level: philanthropic or discretionary responsibility.

Fig.1 : Carroll's Pyramid of Corporate Social Responsibility



source : Carroll, A. (1991) The Pyramid of Corporate Social Responsibility Toward the Moral Management of Organizational Stakeholders. *Business Horizons*, 34, 39-48. <https://www.financialeducatorsCouncil.org/corporate-social-responsibility-definition-and-history/>

The critical line underlying this article is nourished by the conviction that the capitalist firm, through its Darwinian logic, inevitably leads to social dislocation if it is not regulated by public power. The firm is by instinct a predatory creature that society, via its institutions, must tame and temper its impulses. Capitalism left to its own devices can only dehumanize the society in which it was born.

• CONCLUSION

Karl Polanyi proposes (Polanyi, 1944) a very profound institutionalism theory of the tenets and outcomes of capitalism. It is articulated without major problems with the two major radical representations of capitalism (Marx, 1867; Keynes, 1936) and adds an environmental perspective to them. For us, this analytical framework is a very enlightening context to set in perspective the criticisms of Freeman's political philosophy, in order to understand the real socio-political issues of CSR. So, the CSR is a subjective concept, it is perceived in different manners, depending on the ideology and the current of thought. It is related to various fields such as economics, law, sociology and affects the ethical and discretionary levels of the corporation. According to some authors, it includes three dimensions: psychological, ecological and financial (Chaniat J.-F, 1990a and 1990b).

However, these dimensions are interrelated, it is difficult, or even impossible, to separate them from each other (Carroll, 1991, p 47). It would be necessary to apply different measures to identify the concept from its different viewpoints. It is clearly established that the capitalist corporation is intrinsically incompatible with this societal role and that this interest in CSR is just a quest for legitimacy. From this theoretical approach, it emerges that the strategic management of companies is conditioned by their environment, by market and by the influences suffered by all stakeholders. Thus, the decisions taken as well as the choices and arbitrations among the different options must integrate the principles of sustainable development that induce new constraints that have become a requirement among the management inputs dominated by the logic of profit from new opportunities. This new

situation ultimately enriches the complexity of the corporate model, without fundamentally changing its nature.

Nevertheless, strategic analysis tools can be mobilized to elaborate a business plan that includes corporate social responsibility based on the premise of a convergence between the company's performance and the value created for stakeholders that contributes tangibly to sustainable development.

In this context, the societal strategy conceived as well as a response to the corporate environment aims to strengthen the company's legitimacy. We will then distinguish two main business strategies, on a first level, the substantial strategy which attempts to bring a company's objectives, methods and structures closer to the company's values and on the other level, the symbolic strategy which strives to ensure that the company's behavior will be accepted by the society without changing its behavior or its fundament.

Thus, the sphere of application of CSR will allow the company to respond better to the challenges it faces (business and social climate, the demand for transparency, etc.). Consequently, the remaining problem concerns the process to be undertaken in the context of social responsibility, which allows the organization to adjust to its environment and indicates the degree to act differently or the level of change that accounts the opportunity costs (unrealized opportunities).

The implementation of this cost leads to an assessment of the hidden costs associated with CSR decisions, particularly in terms of management, i.e. the opportunity cost of not making investments (the return must be at least equal to the opportunity cost of CSR).

This evaluation at least makes it possible to account for the company's reputation and image in relation to the expectations of stakeholders (consumers, association, trade unions and shareholders), in other words, CSR accounting.

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