

Corporate Social Responsibility and Human Rights Abuses. A comparison of the Strategies adopted by Advanced Country and BRIC Multinationals

DAVIDE FIASCHI, ELISA GIULIANI, CHIARA MACCHI and ORIANA PERRONE

Abstract: This paper contributes to the debate over the behavior of emerging economy multinational corporations (MNCs) in terms of Corporate Social Responsibility (CSR) adoption and of involvement in human rights abuses, by comparing the CSR strategies undertaken by a sample of MNCs from Brazil, Russia, India and China (the BRIC countries), with those undertaken by a sample of large corporations from advanced countries (AMNCs). We find that BRIC MNCs' adoption of CSR practices tends to be proactive, while, in the case of AMNCs, more than a third of them adopted CSR practices after involvement in a corporate scandal of human rights abuse. Our evidence points also to the fact that AMNCs may use CSR in an instrumental way to allay suspicions of future abuses and to mitigate the costs of reputational backlashes connected to such abuses. We find support for the view that BRIC MNCs use CSR to gain legitimacy and a reputation of good corporate citizenship in order to operate in international markets.

Keywords: Multinational Corporations (MNCs), Corporate Social Responsibility, Human Rights, BRIC countries.