CSR as a Means of Law: Regulation of Business Conduct to Take Account on Social Responsibility

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Abstract: The article aims to capture an opaque relationship between Corporate Social Responsibility (CSR) and law. While it is generally perceived that a corporate structure aims solely at profit maximization and high financial returns to shareholders, modern trends of business seem to unveil the other side of the internal corporate strategies for ‘green’ and ‘fair’ composition by way of endorsing ethical and responsible accounts into the action. Nonetheless, these corporate strategies are the subjects of immense criticism. In this circumstance, the article is set out to call on emerging soft compliance in CSR global practices and relevant international CSR codes to propose a regulation that CSR confers on business conduct.

Keywords: CSR, law and regulation, accountability

1. Introduction

Modern corporations have increasingly been embracing a blend of social and business goal toward CSR movements (Milman, 2009). Recent trends unveil a phenomenon where a series of CSR policies has been adopted by major corporations worldwide to pursue social policies. Transnational corporations like Unilever gain positive recognition from successfully linking business practices with CSR that contributes to sustainable development and poverty reduction to local people and community in Indonesia on which its operation is based (Clay, 2005). One reason behind the rising number of CSR adoptions is that corporations see a long-term benefit in applying CSR to their business for an advantage in publicity which would constitute an additional value to their products (Parker, 2002). As promising as it sounds, CSR is however subject to criticism on its lax compliance and obscured legal character. This article will set out to analyze contexts of CSR’s critiques and consider the extent to which CSR is capable of proposing a normative value on business regulation. For this, it calls on various arguments to reveal CSR’s standing in law and its capability to render regulatory control over business conduct.

Utting (2010) presents that transnational corporations can be motivated by an array of soft law norms such as CSR toward the way they conduct business. CSR involves a range of voluntary initiatives seeking to improve corporate performances in response to the social, environment and human rights; and also to minimize the adverse corporate practices that endanger human and social sustainability (Utting, 2007). CSR encompasses the economic, legal, ethical, and social expectations placed on purported corporations by society (Carroll, 1979). For soft law proponents, CSR affects mindsets of corporations by directing non-hard law measures such as social credibility and other forms of market forces to create motivation to improve their social credibility by embedding social responsibility to people and units under their operations (Murphy, 2002). These non-hard law policies have often been incorporated into company’s
documents such as codes of conduct, business policies, partnership agreements and certification schemes, which detail social plans on how businesses can blend with social responsibility (Bendell, 2004). Global corporations feel motivated to take up these soft law norms to present to consumers that their products are, for example, free from sweatshop labor and environmental harm (Foo, 2007). CSR is also seen as a foundation of a corporate moral domain toward non-monetary concerns (i.e., the rights and freedom of workers, environment protection), in which it aims to adjust the corporate policy to have more responsibility toward social and human values (Savitz and Weber, 2006). It seeks to curve bad impacts to social and human development of those disfavored under the regime of current international trade system, i.e., small producers in developing countries and labors from small communities (Crouch, 2009). It is also set out to hold corporations responsible to values not only from their business spheres, but also from different interests in society, environment and human development including human rights and worker’s rights (Crouch, 2009).

In a corporation analysis, CSR has risen to attack a widely perceived principle of hard law ‘shareholder primacy’ – the rules abided on the corporate practice to exercise duties that seek the best options to maximize share values and yield highest returns of investment for the greatest benefits of shareholders (Pillay, 2010). Under shareholder primacy, business corporations maintain their duties to maximize the profits to shareholders by rating their most priority on business short-term financial returns rather than long-term corporate social morality and responsibility (i.e., social development and environmental protection) (Gunningham et al., 1998). These short-term financial focus shed light to a cost-advantage rationale, especially when they conduct purchasing activities (Howe, 2010). Corporate purchasing conduct has always been weighed in cost-benefit balance to secure an economic edge by seeking lower cost of purchase and cutting out considerations for social concerns (Howe, 2010). The concern on costs has been evident in several major corporations who attempt to reduce costs of production by disrespecting basic labor regulations and fair wages (Laufer, 2006). Transnational corporations like Wal-Mart have been scrutinized on conducting labor malpractices in developing countries in pursuant of cost-advantage benefits which include repressive labor regime, lower pay, and unionized neglect (Tulder, 2008).

The trade liberalization philosophy invented under Bretton Wood institutions is argued to take part in a spun of labor arbitrage in developing countries (Welford, 2002). Focusing on progressive economic outcome, trade liberalization has been resonated in a wide range of corporate policies to expand their commercial activities to a growing number of transnational corporations worldwide, which yields positive as well as negative results on impoverished people in developing countries (Zerk, 2006; Rahim, 2009). These transnational corporations have established major export-led factories which create a large-scale labor employment (Munck, 2005). While this is believed to contribute to a positive development for developing countries in job creating, it also causes competition among adjacent developing countries to lower costs of land and labor standards to attract foreign investment for these factories. A case of EPZs (Export Processing Zones) in Asia is an indication of how labor rights are affected by the expansion of a large-scale factories where transnational corporations are given concessions to benefits from cheaper labor costs by waving labor laws and regulations in favor of foreign business in specified zones (Ghosh, 2002). Under EPZs, The minimum wages officially paid in EPZs are subject to arbitrariness of employers; and also the labor contracts have generally been ignored to manipulate the wage’s conditions (Munck, 2005).

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1 For example, a famous case of Nike in their production in Vietnam where an abusive labor regime (i.e., child labor practice, extending long working hours, disrespecting health and safety benefits) has been employed to maintain operation cost.
With no trade unions to defend them or give them advice, it has been reported that workers did not usually realize how to refuse or modify conditions of employment, or were not even aware that they should sign a contract (Munck, 2005). An insight statement by a former CEO of General Electric, Jack Welch, confirms the ongoing corporate practice in overriding labor costs in developing countries that “an ideal company would be on a barge that would move from country to country, taking advantage of the cheapest labor available at any given time” (Stenzel, 2009).

In order to rectify social harms caused by business corporations, CSR is increasingly seen as a stepping stone towards business regulation weaving ‘soft law’ compliance to curve bad business practices (Utting, 2007). Soft law entails voluntary measures to be in place in cases where hard law is deemed unfit for adopting measures about social responsibility (Murphy, 2002). Since CSR requires partnerships between participating corporations and states which are extended by negotiations and timetable for adoption, the bureaucratic pattern of hard law would further lead to complexity in designing law that expresses requirements from both parties; for instance, methods of dispute settlement, jurisdictional restraint, legal mandate, and vice versa (Rahim, 2010). Soft law becomes a valid option for states to avoid delicate jurisdictional restrictions (Sindico, 2006).

2. Legal Norms of CSR

In order to fully analyze the legal impact that CSR impose on business regulation, the important question becomes where CSR norms emerge from? It has been proposed that CSR norms can arrive at different stages from governmental and intergovernmental processes, private initiatives to international norms (Auld et al., 2008). With respect to international norms, CSR takes place in an array of international initiatives to ensure corporate commitment towards nourishment of social and human development (Dine, 2004). International organizations like the United Nations (UN), International Labor Organization (ILO), and Organization for Economic Co-operation and Development (OECD) have played a vital role in developing CSR norms (Dine, 2004). Thorough the past decades, CSR norms have been successful in inducing corporations to create partnerships with NGOs, international agreements, civil society organizations, which see the prevailing consensus of corporate involvement in moving toward social-oriented business strategies (Pillay, 2010). These corporate movements represent the adoption of CSR initiatives from sources of international and voluntary attempts in many venues including the United Nations. The drafting process of the United Nations Code of Conduct on Transitional Corporations took place in 1976 to address the primary concern about social and ethical behavior of corporations towards the environmental exploitation and the treatment of labors (UN, 1974). This draft came alive with the adoption of the Resolution 2003/16 calling upon business corporations to set minimum standards for their internal codes to incorporate social accountability in business operations (Weissbrodt and Kruger, 2003; Rahim, 2009a). The UN Global Compact was established with the goal of encouraging business corporations to engage in CSR for the sustainable future of economic and social development for all people (Anderson, 2004). According to its policy statement, the Compact is established to “provide a

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policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a leadership initiative endorsed by chief executives, it seeks to align business operations and strategies everywhere with ten universally accepted principles in the areas of human rights, labor, environmental and anti-corruption (The UN Global Compact). The UN Global Compact links participation of managers from corporations to involve in strategic decisions to advance their commitments to sustainable and corporate citizenship. It remains the largest body of CSR initiatives with 7,700 participating corporations in over 130 countries. However, the regulatory forces that CSR have on corporations depend greatly on the voluntary governance and willingness of participants to adopt rules as strategies to implement their business practice (Anderson, 2004).

Besides UN, the OECD also launched their guidelines on the practice of multinational enterprises in 1976 (OECD Guidelines 1976). Under OECD Guidelines, companies are encouraged to attach responsibilities about business ethics, environmental protection, and other public policy commitments (OECD Code, Principle IV, A2). A year later, International Labor Organization (ILO) released the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO Tripartite Declaration 1978), setting standards on the scope of business operation with respect to fair labor practice and social development. Within a scope of ILO impacts on purchasing conduct of businesses, the Labor Clauses (Public Contracts) Convention 1949 provides that “all public procurement contracts must include clauses ensuring wages hours of work, and other considerations of labor which are no less favorable than those established for work of the same character in the trade or industry concerned” (Howe, 2010). The experience in Australia shed a light on an adoption of ILO’s norms into their purchasing policies in the Victorian Government Purchasing Board 2003 which required all business corporations to comply with ILO’s ethical employment standards according to state’s codes of practice (Howe, 2010). In terms of labor protection and fair practices, CSR includes international attempts from organizations such as Fair Labor Association (FTA) and Ethical Trading Initiative (ETI), which involve partnerships that offer fair conditions to impoverished producers among global corporations, thousands of suppliers, international trade union bodies, and international bodies. The corporations respect the ETI standards under ETI Based Code founded under ILO Tripartite Declaration which is an international recognized code for labor practice.

Albeit being perceived as voluntary instruments, CSR norms also develop regulatory tool as such a reporting mechanism under Global Reporting Initiative (GRI), which is a network-based organization pioneered to set up a reporting mechanism of corporate commitment in terms of civil society, labor practices, and sustainable business. In December 2005, GRI commitment had involved in business practice indicating a 24 per cent rise in numbers of participating corporations from 2004 (Lillywhite, 2010). In 2008’s KPMG study, which reveals trends in CSR reporting mechanism in top 250 listed companies around the world, it found that from 2005-2008, a promising rate of compliance is high in

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7 GRI (Global Reporting Initiative), available online at: http://www.globalreporting.org/Home. (accessed 9 March 2010)
countries like Japan (80 per cent in 2005 to 88 per cent in 2008) and UK (71 per cent in 2005 to 84 per cent in 2008); and interestingly, US has shown a major development in a rising number from only 32 per cent in 2005 to 74 per cent in 2008.


As pointing out earlier, corporate conduct is generally regulated by ‘hard law’ principles under company law governing corporate managers to exercise duty to maximize the best financial benefits for shareholders. Despite dominant corporate adoption of hard law, modern legal scholars acknowledge that shareholders have tendency to hold explicit rights to utilize their moral controls over the operations of the companies concerning an array of interests not only limited to maximizing profits or meeting contractual terms (Dine and Andrew, 2006). Soft law norms have recently been active in a growing concept of an ethical corporation where CSR practices extend rapidly and become instruments that shareholders consider for their profit-management. Managers seek the moral decisions from shareholders in order to utilize various options to balance the interests of different groups (employees, consumers, local communities, non-governmental organizations) to benefit their business (Pillay, 2010). From an increasing corporate involvement with CSR, managers of corporations tend to see benefits from complying with soft law norms; and agree that there are benefits from implementing CSR, which best interests of their shareholders depend greatly on - for example, the improved credibility and publicity that corporations gain from incorporating CSR (Pillay, 2010).

The expanded view of corporate persona presents a plausible argument for the movement of soft law to become widely accepted when the principle of shareholder primacy has been extended to include various CSR initiatives. There is an indication in UK corporate law that shareholder’s interest has been widely construed as not only aiming for profit-maximization but also the moral deflection of the shareholder’s interests in wider social and business goals (Milman, 2009). Soft law norms from international organizations such as UNCITRAL have influenced common corporate practices in adopting international guidelines and principles (Milman, 2009). With respect to UK insolvency law, UNCRITAL provides significant legal instruments such as a Model Law on Cross-Border Insolvency (1997) to be applied in case of conflicts arising out of transnational corporation collapses. The Model Law has been widely adopted by UK, USA, Ethiopia, Mexico, Serbia, Montenegro, South Africa, and New Zealand (Milman, 2009). In the UK’s application of the Model Rule, the jurisdiction conflict arising out of this Model Law will be determined by using the concept of center of main interests (COMI) as being applied under EC insolvency regulations.8

Apart from UK experience, there is also an adoption of soft law measures worldwide. In Australia, soft law norms have been influential in motivating industries to voluntarily arrive at compliance in absence of hard law norms (Parker, 2002). Greenhouse Challenge in Australia is a model of voluntary governance between corporations and the government (The Australian Greenhouse Office) to cut down carbon emission to meet Australia’s emission target under Kyoto protocol on climate change. The strategy is to aim at top managers of the targeted environment-polluted corporations who are motivated by a number of influences in order to be a good corporate citizen - the potential benefits of competitive advantage, a sense of responsibility under a social contract, and the need to gain good social credibility in public eyes. An

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evidence in Australia’s Greenhouse Challenge reflects the transformation of soft law measures to replace hard law, in which a group of leading corporations feel the need to address environmental protection measures without having to be forced by the government carbon tax legislation (Parker, 2002). The Greenhouse Challenge allows government to abandon the ‘hard’ carbon tax law but still accomplishes the goal through the negotiations and business actions as a viable alternative to carbon tax measures. The fact that many business corporations welcome CSR to become main strategies for their operations indicates a modest impact that soft law has played a part on corporate practice without a hard law intervention (Pillay, 2010).

In America, a successful model of CSR is evident in environmental regulation where corporations are subject to soft law governance in the face of the building concerns from other stakeholders such as people and community which have been aggrieved by the effects of pollution and waste produced by corporate manufacturing process (Gunningham et al., 1998). It has been revealed in a US environmental regulation that the important task for soft law success is to make corporations think like responsible individuals by making CSR a necessary part of corporate decision making (Gunningham et al., 1998). Embedding CSR in a corporate decision-making process is never an easy task since a corporate nature is to seek the maximum financial gains by overriding costs related to social responsibility (Davies and Crane, 2003). In terms of building CSR in corporate system, it has been suggested that there is a challenge to the bureaucratically-formed pattern of corporations as and it is doubtful whether a business operation is capable of realizing the moral weight of its action (Stone, 1985). Regarding the attempt to convert general perceptions on corporate citizenship, CSR asks corporate managers to become ‘good citizens’ by asserting CSR motivations which can further enhance business edge and at the same time contribute to CSR success (Lobel, 2010).

For a developing country perspective, Thailand also signals a positive trend by resorting to soft compliance of CSR in the face of weak state regulatory environment (ITD, 2008). The roots for Thailand’s growing concerns of CSR can be traced back in the 1997 Asian financial crisis which made business aware of the interconnection between society and sustainable business practice in the idea that the environment is an irreplaceable business resource (ITD, 2008). The collapse of the financial systems in the crisis was apparent to business sectors that market sustainability and good corporate governance were needed to promote more ethical conducts in business operation (ITD, 2008). One of Thailand’s attempts in resorting to soft law measures and CSR is in its joining of the Association for Green Meetings and Events (AGME) - an international organization with 512 members to promote green and ecological conducts of business (Kongrut, 2009). In areas of project finance, IFC (International Finance Cooperation) has been active in promoting CSR through promulgating private actors to create sustainability in their project finance activities in developing countries (Amaeshi, 2010).

However, the very important question needs to be revisited whether soft law can assume an effective compliance measure to be equivalent to that of hard law? There are difficulties in defining soft law movements in relationship to hard law due to the questionability on the voluntary basis and its legal mandates (Zerk, 2006). The viability of soft law movements still depends greatly on voluntary modes of governance, which are questionable on enforcement mechanism and sanctions in a case of corporate non-compliance (Pillay, 2010). With respect to an enforceability of CSR norms, ILO documents stress on the commitment of the corporations’ agenda to take CSR initiatives such as ETI and FLA beyond voluntary basis; they also insist on the importance to have framework for collaborations of regulatory initiatives that
can hold corporations to account for their practices to act responsibly towards suppliers and workers (Utting, 2007). A major soft law sources like UN has provided a series of legal codes towards issues of labor standards as the United Nations Sub-Commission on the Promotion and Protection of Human Rights adopted the ‘Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights’ in 2003, which issued provisions prohibiting the use of forced labor, exploitative working conditions, and child labor.\(^9\) The commission provides lead guidance that enterprises need to offer workers with fair wages and adequate standard of living as well as freedom of association and collective bargaining.

Another main criticism of soft law is on its lack of legal-binding force (Utting and Clapp, 2008, Cloghesy, 2004, Trebilcock, 2004, Marcussen, 2004). Despite an increasing trend of initiatives adopted by corporations each year, recent statistics indicate that the results towards the change remain trivial (Pogutz, 2008). This criticism directly concerns the viability of legal dimensions of soft law when CSR initiatives like ETA and FLA are not deemed to be able to render substantial legal forces to motivate corporate practice (Pogutz, 2008). A study by UN Secretary-General’s Special Representatives (SGSR) for business and human rights in 2006 depicted that only 25 per cent of the surveyed 314 corporations had committed to the community consultation process that cared about human rights standards set in their CSR agenda (Pogutz, 2008). It is believed that the reason which corporations have chosen to shy away from CSR commitment is due to the problematic soft law effectiveness of international initiatives which render only a minimal legal-binding force (Pogutz, 2008).

Soft law remains to be the model of peer pressure that relies on social actors to shape the operation of business (Marcussen, 2004). It has been argued that although international law such as UN’s conventions is capable to form hard law as long as it undergoes processes of a domestic adoption to legislative acts, UN’s subsidiaries such as Global Compact and OECD Guidelines on Multinational Enterprises have always caused controversies over its legal imperatives as soft law (Trebilcock, 2004). Since international law requires domestic adoption to legislative acts, it is questionable whether to what extent these international labor regulations would have remained in force had they not been incorporated within domestic labor laws (Trebilcock, 2004). The enforcement mechanism of soft law is still inherited from the nature of voluntary standards and informal compliance system of international rules, which lack substantial forces of sanction to be imposed on noncompliance (Trebilcock, 2004).

It also remains unclear whether the soft law’s compliance structure can be supported by an intervention of hard regulation from government (Trebilcock, 2004). It has been proposed that even though recent debates on corporate law have accepted governance force from other stakeholders (such as labor codes from OECD Guidelines) into corporate recognition, the extent that stakeholders and international codes secure corporate implementation depends on law and regulation in each country (Dine, 2004). A specific concern is placed on the international codes which always gather controversies when it comes to domestic recognition (Dine, 2004). In regards to OECD Guidelines, they have faced a challenging task to create concrete legal texts because most of OECD legal texts have been argued to create only non-binding legal documents such as guidelines and recommendations (Marcussen, 2004). Generally, OECD legal texts comprise both legal binding acts and non-binding acts, but the present hurdle emerges from the retreat number of OECD legally-binding acts adopted by state members (Marcussen, 2004). The statistics showed

that in 1974-1975, half of the OECD acts were legally binding; but in 2003 there was only one legal-binding act for every fifth act (Marcussen, 2004). While the international guidelines, such as OECD texts, can produce model codes of conduct to seek changes corporate practice, the real legal impact of these voluntary codes are still subject to controversy (Milman, 2009). Even though some soft law provisions often feature stringent rules such as the formal reporting procedures from the UN Global Compact, which impose a requirement for corporations to comply, this reporting mechanism always present a failure when it appears that corporations do not thoroughly comply (Anderson, 2004). In the effectivenss of the CSR reporting procedure, it has been assessed that one-third of the participating corporations failed to fulfill the reporting requirements - it was reported as of total 3,639 corporations, 855 corporations were inactive and another 413 corporations were non-communicable (Utting, 2007).

Despite current criticism on soft law compliance, there is an argument that soft law provides a normative value which is considered to be a step in the progressive development of international norms (Sindico, 2006). This argument recognizes that soft law norms constitute the first step towards a creation of hard law in the future. The international norms such as OECD and ILO guidelines are claimed to be beginning steps towards a comprehensive hard law in CSR compliance (Sindico, 2006). It has been argued that although these international guidelines are non-binding, this does not mean that they can totally be ignored since stakeholders can demand compliance and future regulation may become effective for these instruments (Vives, 2008). Soft law now undergoes the process of hardening to seek for modes of regulation at the equivalent level to those formally official government laws and regulation (Treblecock, 2004). It also act as an instrument to cause rules among informal institutions at the international, transnational, and national elements which depend on the consensus and willingness of participating members, rather than on the formally mandated obligatory legal rules (Treblecock, 2004).

Instances of civil regulation give rise to claims of the hardening soft law where the advent of NSMD (Non-State Market Driven) emerges to secure corporate compliance via market force and consumer demands (Auld et al., 2008). The fair trade movement has been recently successful in asserting a soft law governance to challenge existing ‘hard law’ trading regulation (Dine, 2008). It employs civil solidarity network which uses consumer demands to bind corporate purchasing conducts to attach to CSR standards instigated by certification labeling initiatives (Fair Trade Labeling Organization - FLO). Recent statistics indicate a drastic corporate participation to the fair trade movement’s regime resulting in job creation and social leverages to more than 1.5 million impoverished farmers worldwide. The fair trade movement provides a valid argument for soft law compliance that is progressing towards hard law and, so far major corporations (such as Starbucks, Tesco, Carrefour) appear to adapt their contractual terms in business conduct to include fair-traded sought goods (Renard, 2005).

In a case of soft law non-compliance, it has been asserted that soft law can strengthen compliance by building co-operative code and implementation involving the private sector, government, and civil society working cooperatively in cross-sectoral networks (Dashwood, 2004). In terms of governmental involvement, soft law regulation has been brought to life in the European Parliament’s recent enactment of Resolution of 13 March 2007 on CSR that extends legal obligations to cover matters such as director’s duties and environmental and social reporting.

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10 Fair Trade Labelling Organization (FLO), Consumers Purchase Fair Trade Products More Than Ever Before, Press Release.
Another success involves UK government sector to secure support for soft law measures. Department for International Development in UK referred fair trade and sustainable development to discuss in House of Commons in 2001 which then adopted agenda to support corporations that sought for fair trade products such as Day Chocolate and Cafédirect where small-scale producers are granted shares in a company (DFID, 2001). In 2009, the European Parliament reflected similar support by issuing the Communication\(^{12}\) to the Commission to provide guidelines for raising customer awareness and implementing CSR procurement policies. These governmental initiatives depict a progressive scheme towards a soft law hardening process for a future employment of CSR as means to regulate business conduct.

4. Concluding remarks

In the world of corporate power, profit maximization seems to be the priority that business companies aim for. This corporate rationale causes its management to scrape the profits out of their disposal to exploit cheap labors and unfair labor practices. Recent legal trends have placed concerns over the corporate ‘money face’ behaviour arguing for a reconstruction of a corporate mindset to balance the interests between financial ends and social responsibilities towards issues such as fair labor practices, environment protection, and fair wages. CSR has emerged from voluntary and international norms to address ethical and social responsibility towards the corporate conduct in order to minimize the corporate malpractices on labor and other issues such as environmental degradation. To protect labors and fair dealings, CSR includes an array of initiatives, primarily from international organizations such as UN, ILO, OECD, and UNCTAD, which sought out codes and guidelines for corporate practices.

While some experiences have expressed moderate success on corporate compliance to CSR codes and guidelines, many concern that these instruments merely purports ‘soft law’ approaches which lack expressed ‘hard’ legal-binding forces. However, many corporate managers act in compliance to CSR’s ‘soft law’ power when their participation in various CSR norms has raised the credibility in the eyes of public. Therefore, these companies gain their best interest in business from increasing reputation in respecting CSR while keeping up the support for social responsibility.

It is widely argued that soft law approaches of CSR have faced with hardships on their questionable legal power. Although legal measures from various ‘soft law’ sources have now been adopted to regulate corporate practices to some extent (i.e., Model Law in insolvency law in UK, Greenhouse Challenge in Australia), these instruments have not been granted a full power in domestic ‘hard’ law to operate in the same level as state law. However, soft law compliance is not to be written off since stakeholders and future regulation from soft law may become binding. Soft law is proposed to be a progressing scheme to assume the same compliance as hard law. With that in mind, a cross-sectoral cooperation needs to take place to adopt a comprehensive model between private and public sectors. It is interesting to consider recent development in European government’s involvement in issuing legal papers giving life to CSR practice. This could lead to a potentially vital roadmap for a normative development in CSR to become means of law to effectively regulate modern corporations to be morally responsible when conducting businesses.

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