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Article

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Amfiteatru Economic Journal

Provided in Cooperation with:

The Bucharest University of Economic Studies

Suggested Citation: Zaharia, Rodica Milena; Grundey, Dainora (2011) : Corporate Social Responsibility in the Context of Financial Crisis: A Comparison between Romania and Lithuania, Amfiteatru Economic Journal, ISSN 2247-9104, The Bucharest University of Economic Studies, Bucharest, Vol. 13, Iss. 29, pp. 195-206

This Version is available at:

<https://hdl.handle.net/10419/168715>

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CORPORATE SOCIAL RESPONSIBILITY IN THE CONTEXT OF FINANCIAL CRISIS: A COMPARISON BETWEEN ROMANIA AND LITHUANIA

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Abstract

The paper aims to identify the link between the corporate social responsibility (CSR) and the recent financial crisis, and to determine the main features of the companies' responsible behavior during this period.

This inquiry follows the pattern of a descriptive study and will concentrate on the search of the literature, in order to identify the relationship between the present financial crisis and CSR, and the corporate behavior in this period. Companies' reports, and discourses on CSR will be considered to characterize firms' behavior. Examples of CSR from Romania and Lithuania are offered in order to illustrate the conclusions of the paper.

The investigation of the literature leads to two major conclusions. One conclusion of the paper is that CSR is on a turning point and it is expected that a new orientation toward theoretical and practical approaches regarding the concept will be developed after this crisis. The other outcome reveals the contradiction between discourse and action: companies' priorities in crisis time are more concentrated on financial aspects; even if at the discourse level all companies declare their commitment to responsible actions.

Keywords: corporate social responsibility, financial crisis, business, Romania, Lithuania

JEL classification: M14, M31, D03, N14

Introduction

The development of the corporate social responsibility concept (CSR) in the last decades grew exponentially and the literature devoted to the responsible behavior of the companies has deepened the controversies about the issue. The last financial crisis that the world still experiences marked a possible revolution in approaching CSR both from theoretical and practical points of view. The causes of the worst crisis that the economies encountered after the Great Depression are still debated. Among these causes corporate' behavior (often appreciated as irresponsible) is considered to be one of the most important.

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This paper is part of the research carried under the grant 1888 IDEI financed by CNCSIS.

This paper aims to present the main characteristics of the companies' responsible behavior during the present crisis. The inquiry will concentrate on a comparative approach of the visions that sustain the role of CSR and the visions that are against CSR.

The paper is structured in two parts. The first part is devoted to a literature investigation concerning the arguments for and against CSR in the light of the causes that led to the present crisis. The literature on CSR issues is increasing (Crowther and Martinez, 2004, Visser, 2008, Kotchen, M. J. and Moon, 2008, Serbanicã and Militaru, 2008, Toma, 2008, Todt, 2009), even in the context of this crisis. Some specialists (Gray, Owen si Adams, 1996, Henderson, 2001) argue that the CSR approach should turn to Friedman's vision, the present financial crisis demonstrating the unnatural nature of the CSR and the real role of business in the society. Others (Visser, 2008) consider that this is the moment that reveals the necessity of a responsible behavior and that the crisis is nothing else than a result of the irresponsible manners of companies. A synthesis of these arguments is presented in the table no.1. The goal of this part is to investigate if the corporate behavior is responsible for the present recession, especially that of banks and financial institutions. In these domains, institutions manifested disregard for their clients and lack of responsibility for the consequences of their business actions. More than that, during the financial crisis, almost all companies declared they have not sacrificed the CSR budget, even though studies show that the CSR activities have been affected by the profit decline. Both supporters and detractors of CSR agree that this is the time for redefinition or reinventing CSR, and a new framework for responsible business practices has to be put into practice. Such a position represents a consequence of the difficulties that CSR encounters during this period.

The second part is devoted to an analysis of the CSR activities during crisis period, in Romania and Lithuania. In these two countries, CSR is done mostly by multinational companies. Romanian and Lithuanian markets, as most of the former communist countries, are considered to be still in their infancy in the area of CSR. The financial crisis hits companies in these countries and despite the declarations of large firms that they have not reduced the budget for CSR, NGOs are complaining that the involvement of business in sustaining different projects diminished in 2009, compared to 2008 and companies are not so generous with their causes as they used to be in 2007 or 2008.

The conclusions of this paper are in the spirit of the mainstream findings, according to which CSR is in an impasse both from conceptual and business practices points of view. Another set of conclusions sustain the fact that companies declare their commitments to CSR, in crisis period CSR is under the same restrictions of economic efficiency. CSR budgets are cutting and as CSR activities, are considered those that serve the best the image of the company. More, rethinking CSR is a long time objective and in times of crisis, it is difficult to project an activity that means to be in the same time financial efficient and community sustainable.

1. For and against CSR

Corporate social responsibility (CSR) is a concept that grew in the last half century and encompassed a lot of elements. Starting with '53, when Bowen used for the first time the notion of "modern" CSR, as the obligation 'to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society' (Bowen in Thomas, 2006, p. 4), CSR has been enriched with

other dimensions, internal and external: employees, consumers, other categories of stakeholders, environment protection, poverty alleviation and other society's concerns. The growing pressure on large companies, due to globalization and increasing concerns related to the power balance between corporation and society transformed, over the years, CSR into an issue discussed from legal, economic, political, ethical, and social point of view.

The present financial crisis has reinforced the debate regarding the sense of CSR. More than anytime, this recession focused the attention on the role of big corporations in the society, on the origin of crises, in general, and on the relationship between market and public sector.

Discussions regarding the role that companies should play into the society are not new and have been developed together with the CSR concept. However, this financial crisis determined more intense debates against and for CSR, as they are presented in the table no.1. The causes of present financial crisis are symbiotically linked with the arguments for and against CSR.

Table no.1: Arguments for and against CSR

FOR CSR	AGAINST CSR
The rise of the modern corporation created and continues to create many social problems. Therefore, the corporate world should take on responsibility and address these problems	Taking on social and moral issues is not economically feasible. Corporations should focus on earning a profit for their shareholders and leave social issues to others.
In the long run, it is in corporations' best interest to take on social responsibilities. It will increase the chances that they will have a future and reduce the chances of increased governmental regulation.	Taking on social responsibilities places those corporations doing so at a competitive disadvantage relative to those who do not.
Large corporations have large reserves of human and financial capital. They should devote at least some of their resources to addressing social issues.	CSR is developed by those that harm the most, as an instrument to redirect attention from the companies' practices oriented against people and environment. Companies do "good" in order to compensate for "bad."
	CSR is another expression of capitalist domination and multinationals' power
	Those who are most capable should address social issues. Those in the corporate world are not equipped to deal with social problems.

Source: Adapted by authors after: Barnett, T., 2009. Corporate social responsibility, Reference for Business, *Enciclopedia for Business*, [online] Available at: <<http://www.referenceforbusiness.com/management/Comp-De/Corporate-Social-Responsibility.html#ixzz0n4UJhEr8>> [Accessed 22 March 2010] and Kotchen, M.J. and Moon, J.J., 2008. Corporate Social Responsibility for Irresponsibility, *Working paper, University of California-Santa Barbara*. [online] Available at: <<http://www2.bren.ucsb.edu/~kotchen/links/CSR9-04-07.pdf>> [Accessed 22 March 2010].

Supporters of CSR see this crisis as a confirmation of the necessity to reinforce CSR, as a way to avoid major turbulences in the future. Detractors, no matter which vision they share, argue that CSR is neither a necessity nor a solution; the present crisis demonstrated the artificial nature of CSR.

The main source against CSR is based on Friedman argument, developed in '70, that a business should take care of profit creation, respecting the laws and ethical customs imposed by the society; companies have no moral duties, they are not persons, and any concern of the firm with the effect of its actions upon external entities is not relevant and, therefore, not a proper concern for its management (Crowther and Martinez, 2004, p. 103).

The position seems to gain a lot of attention starting with the present crisis. The liberal view that claims for free market and free competition argues that repeated interventions on the market, new obligations created for the companies (as CSR) down turned the business from their primary goal: that of having profit. "The most effective way to improve the business contribution to society is to extend the scope and improve the functioning of markets", (Henderson, 2001, p. 31). CSR, being a voluntary set of actions place companies at a disadvantage position relative to those businesses that are not engaged in CSR. Therefore, the present crisis is a result of an intrusion in the market mechanism; CSR is a failure. It is bad both for companies and for the society.

Different studies that are coming in the same spirit show a negative relationship between CSR and aspects regarding companies' performances: environmental performance has a negative effect on financial statements (Ingram and Frazier, 1983 in Souto, 2009), CSR and shareholder's value do not coincide (Freedman and Jaggi, 1982 in Souto, 2009), social and economic performance have opposite consequences on financial statements (Waddock and Graves, 1997 in Souto, 2009), social constraints and responsible social behavior can work against value maximization (Jensen, 2001 in Souto, 2009), CSR investment is negatively related to insiders' ownership (Barnea and Rubin, 2005 in Souto, 2009). This is strong evidence against the idea that CSR initiatives have universal or systematic positive financial impacts (Mittal et al., 2008 in Souto, 2009). As a consequence, economic recovery cannot be expected if companies are asking to take care of other aspects than those that are economically sustainable.

Other arguments against CSR lie in the motives that lead companies towards CSR. A lot of entities, grouped under the broader understanding of stakeholders (NGOs, groups of consumers, environmentalists, human rights organizations etc) brought into debates concerns regarding companies' activities under CSR. The Marxist view considers CSR to be an instrument to cover the exploitation of poor and uninformed people, an expression of capitalist dominance and a method to gain the trust of consumers, good for companies and bad for the society. CSR is not in the capitalist nature; power is held by capital and on the behalf of the capital (Gray, Owen and Adams, 1996), it is the result of the logic of super-competitive capitalism (Reich, 2008, p. 3). Consumers are sensitive to a company's reputation; therefore, CSR is associated with instruments meant to increase reputation, not necessary to contribute to the society's wellness. All companies develop CSR activities for environment protection, health or education, because those areas concern people the most, or are sensitive points related with companies' domains, not because they have identified these aspects as being important. Those companies that harm more develop more CSR activities. The most active players in the area of CSR are oil companies, tobacco companies, and other large companies from industries with a significant corporate social irresponsibility (Kotchen and Moon, 2008).

Many authors underpinned that the present crisis is explained by the irresponsible behavior of companies. Porter and Kramer (2002) emphasize the necessity to revise the entrepreneurial model, by focusing more on integrating social aspects in companies' goals,

Stiglitz (Souto, 2009) highlights that financial aspects lag behind social needs, Scherer & Palazzo (2007) consider CSR not concerned with public issues, but more of a marketing exercise (Maignan and Ferrell, 2001 in Gond and Matten, 2007) and Jonker and De Witte (2006) argues that the crisis is an expression of lack of maturity of the present entrepreneurial model. Problems created by Enron, Union Carbide, the collapse of Arthur Andersen (Crowther and Martinez, 2004, p. 102), greedy and irresponsible banks, irresponsible financial sophistications developed only for speculations and for profit reasons, irresponsible corporations and irresponsible managers, and, finally, irresponsible capitalism (Visser, 2008; Reich, 2008), are causes of the present financial crisis. "In 2009, we are discovering business responsibility through the effects of irresponsibility, [embodied by] the likes of Madoff and Lehman Brothers" (GlobeScan, 2009).

And, as an irony, the rescue plans developed by governments starting with 2008 were designated to save those large companies that demonstrated an irresponsible behavior in conducted business and ignored any social and moral values.

For the CSR supporters, this crisis is a new, more powerful reason for reinforcing CSR. Those in favor of CSR have stronger arguments in pledging for approaching CSR more vigorously than ever.

In the opinion of those that sustain CSR as a viable dimension of businesses (Crowther and Caliyurt, 2004, Gond and Matten, 2007, Visser, 2008, Thome, 2009, Vermeer and Clemen, 2009, Souto, 2009), there are no evident oppositions between business activity and responsible behavior. What the economic crisis is asking from companies is similar to what CSR needs: innovation, that in term of responsibility means a CSR that is stronger, embedded in the corporate goals and strategy, a long term vision on CSR that is more related with social goals, a communicative, motivated atmosphere. These are all meant to increase the employees' productivity, the partnerships with stakeholders, to reconnect them to the business purposes, create a long term sustainable business strategy, based on CSR, that would rebuild investors' confidence, public trust, good image and reputation.

Although in crisis time, CSR has a negative potential (Souto, 2000) through costs of implementation, crisis should be understood as a time of redefinitions. Those companies that are preoccupied in crisis time about employees, community problems, and environment are more likely to restore the confidence of consumers in their products or services, and the trust of investors and stakeholders in companies' practices. Whether it is about a real preoccupation for society's problems or about economic gains for the company, the result is that CSR can protect companies from more restrictive rules and regulations. The present crisis, as a consequence of the irresponsibility of some banks and financial institutions, will induce more regulations on the financial markets. It is considered that market freedom went too far and liberalization of capital and financial markets induced too much vulnerability. However, if the companies aim to get short-term gains they may discover that the effects can be negative on the long term.

Supporters of CSR claim for a new approach to CSR that should be more integrative, a core business part, internally and externally (Mack, 2009), should develop new instruments to value the contribution to the sustainability of the business. This crisis has to be seen as an opportunity to re-examine and re-define what the essence of „responsibility” is: To whom, and for what? This should not be any more in the dominant and simplistic view, as being good to the environment or giving money or donating employee time to social benefit

causes. Responsibility means that business organizations use their resources wisely to respond to social needs, including the need of its members for sustained employment, respect, and meaningful work. Crisis is a time when the collective intelligence of all shareholders, managers and stakeholders has to be mobilized (Por, 2009).

Behind theoretical approaches, the attitude that managers have against CSR sustains the idea that responsible behavior of companies is strongly influenced by the economic cycle and efficiency, as a concept related to profit, leads to diminish the budgets for CSR. Managers do not conceal the difficulties that companies faced and that they have to reconsider their CSR practices. Janet Blake, Head of Global CSR, BT and Stefan Crets, General Manager of CSR, Toyota affirmed that a lot of pressure is on companies and managers allocate less time to CSR, focusing on the short term, with committees on cost reduction. Another pressure on CSR activities was seen to be a more cautious approach to CSR in companies. With major job cuts hitting junior through to senior staff, heightening the “emotions of the company,” and “having a significant impact on senior (CSR) decisions,” Blake observed new “risk-aversion among senior staff”, and a determination to look after their own parts of the business. Such narrow thinking could complicate CSR decisions, which require a company-wide perspective (GlobeScan, 2009). A study carried on by The Economist Intelligent Unit in 2008 showed that companies reduced a lot their budget designated to CSR, despite declarations of their management to remain committed to CSR. The survey of more than 560 business people found that despite a majority of respondents saying their business depends on effective corporate citizenship, only about one-quarter believe it is “very important” to overall business strategy, and only 28 percent of respondents characterized their CSR strategy as proactive (EIU, 2008).

A survey of U.K. businesses by KPMG and “Business in the Community” found that a third of companies cut their corporate social responsibility budgets in 2009. Companies that developed CSR based mostly on philanthropic actions will cut out the funds (Visser, 2008). According to a study by the Giving USA Foundation, charitable donations by U.S. companies fell by 8% in inflation-adjusted terms in 2008 (Evans, 2010). A major obstacle in invigorating is the trust that consumers, investors and other categories of stakeholders have in companies. This trust is a consequence of the corporate responsible behavior and the society expectations that were very high. Poor corporate responsibility performance would be exposed during crisis. “We will see who is not behaving responsibly for core reasons,” argued Rob Cameron, Chief Executive, Fairtrade Labeling Organizations International. “In 2009, we are discovering business responsibility through the effects of irresponsibility, [embodied by] the likes of Madoff and Lehman Brothers” (GlobeScan, 2009). A survey of 130,000 Facebook users conducted by Georgetown University and the World Economic Forum found that only a quarter of respondents believed corporations have a “values-driven” approach to business (Evans, 2010). Rebuilding the trust in the companies’ behavior can be very difficult to achieve. Data collected by GlobeScan on 10 industries, across 32 countries shows that expectations on CSR are increasing, while CSR performance is perceived as being lower. Consumers are increasingly punishing irresponsible companies and rewarding responsible ones, most markedly in the USA and Canada, but also in large developing economies (GlobeScan, 2009).

2. CSR in Romania and Lithuania in times of economic crisis: a comparative approach

Discourses of managers on CSR gravitate to areas of optimistic assessments, conceptual redefinition or importance of this activity for business. In the companies' statements, CSR seems to be the most important concern and everybody considers crises as "moments of truth", when CSR should be stronger and companies have the opportunity to reinforce their values. Managers' declarations mentioned on the site of all large companies, including those from Romania and Lithuania (OMV/Petrom, Rompetrol, Vodafone, Orange, Procter & Gamble, Swedbank, AVIVA Lithuania, etc.) reveal that CSR remained an important concern for companies regardless of the crisis.

Romania and Lithuania are among new members of the EU, with no tradition in the area of CSR. Most of the CSR actions are philanthropical, but in the past years other aspects became important as well: commitments to stakeholders and to the society. There are many similarities regarding CSR in these two countries, these similarities coming from their common past and ideology and their common future, as countries that are members of the EU. However there are also differences determined mostly by the market size and influenced by geo-strategic position of the country. Lithuania is a much smaller country than Romania (around 4 million inhabitants, compared to Romania, which has around 21 million). Thus, Lithuania is much more under the influence of Northern Europe. Swedish, Finish and Norwegian companies are more active in this country than they are in Romania. Relations with Russia are also different for each of the two countries.

CSR is a new topic both in Lithuania and Romania. As members of the EU, Romania and Lithuania started to apply European legislation and companies started to develop a behavior that fits the European *acquis communautaire* and European regulations. Enterprises are little acquainted with CSR development in Lithuania. It is common that social activity of the enterprises is appreciated in the region where the enterprise activates. Therefore, it fully matches the understanding of society that business has to take care of people in the region where the enterprise is located, (Vasiljeviene and Vasiljevas, 2006, Grundey, 2008, Grundey et al. 2008)). It seems that in Lithuania social enterprises' activities are mostly realized as charity or philanthropy. Quite a few companies devote their finances to social projects (for example, Hronas, Kraft, Coca – cola, VP – Market), however it is one of the marketing strategies, and it is not the beginning of equivalent partnership or systematic collaboration with social partners and profit receivers. Most Lithuanian companies relate CSR with the firm's reputation, and this demonstrates that CSR is considered a marketing instrument meant to increase the good image of the company (Grundey, 2008).

In Romania, large scale CSR projects, developed by multinational companies, addresses to well-known problems, with a high emotional impact: education (P&G, OMV/Petrom), environment (OMV/Petrom), health. For the most active CSR players (as Vodafone, OMV/Petrom, Coca-Cola, or P&G), CSR projects have been transformed into a permanent preoccupation and a platform for a new direction. Unfortunately, the crisis ruined the development of new projects, all companies declaring that they will try to keep the launched projects and will be more selective in launching new ones (that, in real words means that new projects will be delayed until better times announce themselves!)

The most important barriers to CSR in both countries are determined by economic, environmental, and social aspects. Among economic obstacles, low economic performance,

comparative with western countries, low innovation in enterprises; slow modernization of production facilities and updating of technological processes are the most important (Zaharia et al. 2010, Kmieliauskaite, 2008). Environment is another delicate issue. Romania is one of the poorest performers in Europe with respect to protecting the environment. Water pollution, air quality and waste are the most important concerns (Zaharia et al.2010). In Lithuania, the large amount of radioactive waste is considered one of the major problems (Kmieliauskaite, 2008). The social aspects, mostly in periods like crises, are among the most sensitive issues. Unemployment, job losses compensations demand companies to reconsider their budgets and their strategies toward CSR. Employees are not considered a key stakeholder in Romania (Deaconu, 2009), social protection cannot be properly ensured because of the scarcity of public resources, and appropriate information about consumer rights and companies' responsibility is not offered properly (Zaharia et al, 2010).

Social barriers seem to be similar for Lithuania. Weak co-operation with stakeholders, insufficient care for competence and motivation of personnel, low awareness of society about many companies' activities are major concerns for social issues (Bernatonytė and Simanavičienė, 2008). An important aspect developed by studies (Vasiljeviene and Vasiljevas, 2006; Gheorghe, 2010) shows differences between public and private organizations regarding CSR.

Private companies more actively integrate ethics into practice and for them CSR is seen like a set of real processes. Their interests in CSR promotion is in further development of functional management, communication and motivation systems, HRD, and determination to tackle social problems stipulated by business expansion and its impact upon a community (Vasiljeviene and Vasiljevas, 2006, p. 39).

In this context of a low profile for CSR in both countries, the financial crisis affected companies' behavior. The first manifestation of the crisis in the area of CSR was the reduction of budgets for CSR actions (Achim, 2009; Gheorghe, 2010). Companies that remained committed to CSR were the large, multinational companies. Small and medium enterprises in Lithuania and Romania almost disappeared from the landscape of CSR. SMES had a similar reaction: most of them are not even aware of what CSR should be (Bernatonytė and Simanavičienė, 2008; Grundey si Zaharia, 2008; Zaharia et al, 2010), and the most important CSR activities, for those that consider CSR an investment, not a spending (Gheorghe, 2010) were oriented to customers, and employees.

The infancy of CSR market in both countries determined companies to transfer the CSR to the discourse level. In order to keep customers' and investors' trust on their agendas, companies' leaders declared their commitment to CSR actions, recognized the importance of responsible behavior and, sometimes, admitted a collective guilt in ignoring some aspects of responsibility that contributed to this crisis. Many times, overlapping of PR with CSR, managers transformed PR campaigns into CSR commitments, trying, in this way, to bring more efficiency, in financial terms, to the money spent on CSR. Discourses addressed by oil companies or international banks are in this spirit. Lack of transparencies regarding budgets spent on CSR and evasive responses about what actions will be supported during the crisis period are in agreement with the idea that immediate actions are related to cost reductions and minimizing losses. Even advertisements about CSR projects developed by large companies are fewer in this period (2009 and 2010) compared to 2008. There is almost impossible to determine the bulk of CSR actions in both countries. Transparency on

CSR action is an aspect that many critics address companies about, both in Romania and Lithuania.

An example of this situation is Petrom/OMV. The discourse of the CEO of the company underlines the strong commitment to CSR: "...CSR is a long journey...with stops for re-evaluating the situation, but the journey must go on [...]. 2009 was a challenging year, not easy at all! Mostly in the crisis time, the sustainability and responsibility have to become a way of doing business. We invested in people, in protecting the environment, we have diversified in the area of alternative energy. Because we are preoccupied to be here, as responsible business, over many years." (Responsabilitate Sociala, 2010). But, in the CSR reports, published by Petrom, the contributions that the company has on CO2 reductions are not analysed, neither is the impact that CSR actions promoted by Petrom has on different stakeholders or on the most polluted areas where Petrom activates (as Ploiesti).

As a final statement, both countries, even with a significant difference in their economic potential, have similarities regarding companies' responsible behavior. Also, there are similarities regarding what companies understand by CSR, demonstrated by their reaction to the financial crisis. Despite the encouraging declarations, and devotion to CSR, many companies try to diminish the costs, affecting the CSR budgets and the investments in CSR projects. The companies try to enlarge communication, in order to make consumers, authorities more confident in their responsible behavior, without offering real results of their CSR impact on environment, social or economic level.

Conclusions

This paper intended to identify the link between CSR and the present financial crisis, in order to determine the most important characteristics of the companies' behavior in this specific context. Also, using the example of the two countries, Romania and Lithuania, the present inquiry exemplifies how CSR is subordinate to objectives of economic efficiency, in contrast to statements of companies who need to show adherence to responsible involvement in society. During the crisis, especially, CSR is viewed through the lens of its ability to promote company image and too little in terms of the link between business objectives and needs of society

The CSR behavior during crisis varies across industries, companies and countries, but the pattern seems to be quite similar. In general, larger companies are expected not to give up on responsible commitments; industries considered major polluters or being on the scrutiny of different organizations are asked to be more responsible. The pattern that appears to be the most used is a strong discourse in favor of CSR and a strategy that combines short term measures focused on cost cutting, preserving most visible actions of CSR and a better communication of any responsible action (or which looks as a responsible one) that companies perform during this period.

The literature review on major ideologies that govern the role of CSR in the development of business shows that the crisis is a crucial moment. Now, maybe more than ever it is the time of redefinitions, theoretical and practical reconsiderations regarding CSR. A new wave of theoretical insights is strongly developed no matter which vision is coming from. This paper is in the same direction with the opinions that crisis is the final collective result of the

irresponsible individual behavior, no matter if this irresponsibility is a disregard of shareholders or society's interests.

The reasons that explain that interdependence vary across the vision on CSR: the liberal view finds in this crisis another reason for re-launching the discussion about the unnatural relation between business and social responsibility outside legal and moral rules, the radical view sees in this crisis another reason for discrediting CSR, supporters interpret the crisis as an opportunity for reinventing, reinforcing, and re-launching CSR. Acknowledging this relationship is a reason itself for sustaining that CSR is an integrative aspect of businesses' and people's life, and that business is part of the society that requires more than profits. In fact, a responsible behavior is neither against shareholders' interests nor society's benefits.

In Romania and Lithuania, CSR is at the beginning and the public is not too much aware about CSR. Major players are the large, multinational companies, which replicate the behavior existed on home or other developed countries. Without relevant data about amounts oriented to CSR makes even harder an evaluation of CSR effort on the Romanian and Lithuanian market. Romanian large companies seem to develop national scale CSR projects, unlike Lithuanian large companies that focus more on local community. More transparency, good practice guides, public awareness increasing, and strengthening cooperation with stakeholders are recommendations that fit both countries.

There are differences between these two countries. Romanian companies tend to develop national scale projects, Lithuanian firm are more oriented towards local CSR actions.

The present paper's conclusions allow some recommendations related to CSR practices for the companies from these two countries. More transparent actions in relation to CSR objectives definition, not mixing CSR with PR, a stronger relationship with stakeholders are ways of action that are in the spirit of the inquiry presented in this paper.

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