FROM THE BUSINESS STRATEGY RESULT TO A SOURCE OF ECONOMIC DEVELOPMENT: THE DUAL ROLE OF CSR[1]

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ABSTRACT

Over recent decades corporate social responsibility (CSR) has become a major topic in economic literature, especially from a business perspective. This is due to the positive connection between responsible behaviour and profitability. The increasing role of CSR in sustainable growth and employment generation in the world's economies means that it is now a priority in political agendas across the globe. This work proposes a study of CSR from an international comparative perspective, conducting an analysis of CSR as an intermediate variable. The results confirm the role of CSR as an interface between levels of internationalisation and business innovation, on one hand, and economic development and social change, on the other.

Keywords: corporate social responsibility, development, innovation, internationalisation, change in values

INTRODUCTION

Over the last two decades the relevance of Corporate Social Responsibility (CSR) has grown greatly due to the importance of sustainability and the key role of companies in solving social and environmental problems (Blowfield & Murray, 2011). Despite the publication of numerous studies which have contributed new theories, approaches and terminology (Garriga & Melé, 2004) the concept continues to be somewhat diffuse, owing to the conceptual duality of ethical attitude and entrepreneurial strategy (Wan-Jan, 2006). However, it may be stated that CSR results in a proactive attitude from companies which integrate stakeholders in their business strategy, going beyond their legal obligations in an ethical and responsible manner (Hopkins, 2003).

The economic and social consequences of the current recession have seriously damaged our trust in companies, leading to an ever-greater demand for information about their activities and social results. The positive impact of responsible behaviour on business competitiveness has placed CSR high on political agendas. Within the European Union the subject has become especially relevant since the publication of the Green Book on Corporate Social Responsibility. This launched a debate on the content of the book with the aim of establishing an environment of promotion and support which would include not only the setting up of principles, approaches and instruments, but also processes of evaluation and validation to guarantee the effectiveness and profitability of CSR (Commission of the European Communities, 2001). All the European studies and reports on CSR coincide, from a joint perspective, in the contribution of CSR in reaching the objectives proposed at the

European Councils of Nice, Lisbon and Gothenburg to make the EU the world's most competitive and dynamic knowledge-based economy, promoting social cohesion and sustainable development (Council of the European Union, 2003, 2002). The European Commission has recently launched a new strategy where CSR is central to sustainable growth and a basis for medium and long-term job creation (European Commission, 2011). Despite the growing development of government initiatives to promote CSR (Albareda, Lozano, & Ysa, 2007; Habisch, Jonker, Wegner, & Schmidpeter, 2005; Petkoski & Twose, 2003), the capacity of nation-states to regulate economic activity has been reduced by the emergence of new non-political and non-public players such as non-governmental organisations and inter/multinational organisations, thus generating a new system of world governance. In this new institutional context, CSR emerges as a mechanism of self-regulation or soft regulation (Scherer & Palazzo, 2011) for global governance.

From an academic point of view CSR has become a central topic in the literature, featuring a number of very different perspectives. Despite the different lines of research, the studies focus on the analysis of ethical implications (see Wan-Jan, 2006 for a summary) and the use of CSR as a tool for business performance (Schmitz & Schrader, 2013). There are fewer aggregate studies which permit a global vision of the role of CSR in markets. Carrasco & Buendía-Martínez (2013) present CSR as an interface between national macroeconomic levels and entrepreneurial behaviour, confirming and expanding Inglehart's theories (2003, 2006) by demonstrating that economic development leads societies towards post-materialistic

values. This change in society's value system impacts on the design of business strategies, which, in the space of a few years, have included CSR issues as a consequence of two driving forces. On one hand we have the strategic driver, according to which, firms have a commitment to society so as to achieve certain business objectives (Lantos, 2001). On the other hand, we have the development of the ethical values which are implicit in business strategies and which, in turn, reflect the transformation of the values of the people comprising the organisation and which reflect the moral evolution of the society in which they are involved.

This general approach coincides with Moore (2003), who sees companies as pressured by both society and the companies' own concerns. From a more global perspective, Gjolber (2009) states that companies' implementation of CSR is explained both by national inertias and global trends. In short, CSR, is seen as a consequence of economic development and the change in values, but at the same time, rather than being a restriction on business performance, it is a source of competitive advantage (Ashley, 2002; Husted & Allen, 2001; Porter & Kramer, 2006) in terms of innovation and internationalisation (Asongu, 2007; Laudal, 2011), which are key aspects in a strategy of business growth in the current globalized economic context.

However, these arguments could also be considered in reverse. In other words, both the internationalization and innovation of enterprises are sources of increase in the levels of CSR and in turn are factors which explain the development and evolution of values and social change. This latter aspect is particularly interesting if we consider that the formal processes of corporate responsibility differ

from those of personal responsibility (Bevan, Corvellec & Fay, 2011: 1). Consequently, in order to verify these relationships, the present study is organised as follows: after this introduction, the second section reviews the different theoretical contributions. The third section presents the methodology and the data from the model used to verify the research questions proposed. The fourth section describes the model and its results, followed by a discussion of their implications. The final section presents the conclusions.

REVIEW OF THE LITERATURE

The emergence of CSR is linked to the economic globalisation process (Gunther, 2005). However, there is comparatively little research which relates CSR with international management (Egri & Ralston, 2008). Laudal (2011) demonstrates the existence of a positive correlation between the level of internationalisation and the implementation of CSR. The literature on export strategies and profitability introduces CSR as an element for product differentiation as a source of competitive advantage impacting on export volume (Boehe & Barin, 2010; Funke & Ruhwedel, 2002). In this line, Bouquet & Deutsch (2008) demonstrate that CSR has a positive impact on the capacity of companies to increase profits in international markets and that the social responsibility of international businesses is key to recovering the cost of investment in CSR.

Although profitability could be seen as the ultimate objective in adopting CSR policies there are other reasons to consider. First, entry into the international market produces a multiplying effect in terms of pressure/relation with stakeholders, giving rise to a greater need for involvement in socially responsible activities (Chapple & Moon, 2005). Second,

the international dynamic confronts firms with the different regulations related to working conditions and environmental protection which have to be taken into account when designing their strategy. This acts as a starting point for the integration of socially responsible activities in business strategy (Laudal, 2011). Third, the adoption of CSR may be the consequence of pressure from different stakeholders to adjust to certain standards beyond merely obtaining a certain level of profit (Misani, 2010). This is a case of passive or imitative behaviour, classified as mimetic isomorphism by DiMaggio & Powell (1983).

All the above, together with the absence of international regulations in social and environmental issues justifies a consolidated development of standards and codes of behaviour promoted by organisations such as the United Nations, the International Labour Organisation or the Organisation for Economic Co-operation and Development (OECD). The aim is to solve three problematic issues facing transnational companies: environmental damage, commercial relations with dictatorial or undemocratic regimes, and the relocation of production to countries with precarious working conditions (Kolk, van Tulder & Welters, 1999; Kolk & van Tulder, 2010). These instruments provide organisations with great flexibility in self-regulation (Saurwein 2011, Schwartz 2001) and define acceptable business practices in questions such as human rights, environmental protection, health and safety and the fight against corruption. In short, it can be said that the need to operate in a globalized world impacts on the level of CSR development. Consequently, in line with Gjolberg (2009) countries with more globalised economies can be expected to have

a larger proportion of companies active in CSR.

The relationship between CSR and innovation has been the subject of a large body of research in recent years (among others: Lewis, 2003; McWilliams & Siegel, 2000, 2011; Nidumolu, Prahalad, & Rangaswami, 2009; Porter & Kramer, 2011; Rexhepi, Kurtishi, & Bexheti, 2013). The dependence between these two variables is based on the use of social, environmental and sustainable factors as the source of creation of innovations, understood as new ways of working, new products or services and new market niches (Grayson & Hodges 2004; Little 2006). The contribution of CSR to the capacity for innovation can mainly come from three sources: engagement with stakeholders, the search for business opportunities based on social change and the creation of proactive working environments which encourage innovation (European Commission, 2009: 111).

The consideration of CSR as a strategic tool for restoring society's trust in companies explains its relevance as a factor for producing innovation. In this way, the integration of CSR in business strategy leads to corporate social innovation as a process which identifies unsatisfied needs which create new markets (Kanter, 1999). Despite the fact that a large number of companies focus on CSR as a tool for reducing risks and operating costs, Hockerts (2008) demonstrates that not only companies with high social profitability use CSR as a means to achieve innovation. McWilliams & Siegel (2011: 1482) consider that while income from innovation may be high, income from the social environment through the creation of new or improved products and processes may be higher. As is

clear, the literature linking CSR and innovation concentrates on a one direction analysis of both concepts, while there are few studies which analyse the reverse relationship. MacGregor & Fontrodona (2008) demonstrate that the influence of innovation on CSR is linked to the creation of social processes. Gallego-Álvarez *et al.* (2011) obtain results to the contrary, suggesting that greater investment in innovation does not increase companies' sustainable practices.

Internationalisation and innovation are not independent processes. Different studies on export behaviour have demonstrated that innovation is an important factor for differentiation and competitiveness in developed countries (Dixit & Stiglitz, 1977; Helpman & Krugman, 1985; Krugman, 1979). From a microeconomic perspective, the literature has shown that a high level of product differentiation provides a competitive advantage (Porter, 1985) which facilitates an increase in exports (Funke & Ruhwedel, 2002; Westhead, et al., 2004) and, in the case of global companies, a culture of innovation, knowledge and capabilities plays a major role (Knight & Cavousgil, 2004).

Institutional theory suggests that organisations adopt the established values of society so as to legitimise their operations (Dickson et al., 2004). This implies that a culture's values and beliefs can impact on business decisions and in the case of CSR this is confirmed by a number of studies (Carrasco & Buendía-Martínez, 2013). The view of CSR as a world cultural value (Shamir, 2011) allows us to consider the proposal in reverse: companies' practices and activities have an impact at macro level with effects on development and change in values. This perspective implies that the relationship between company and society

is based on ethical values and that CSR is, above all, an ethical obligation (Garriga & Melé, 2004:53). Consequently, the main objective of CSR is to achieve sustainable development as a process whose goal is human development achieved in an inclusive, connective, equitable, prudent and secure manner (Gladwin & Kennelly, 1995: 876). Due to the difficulty of measuring CSR and sustainable development (Nicolosi, Grassi & Stranghellini, 2011; United Nations, 2008) from a macro perspective there is little empirical evidence which links both concepts (Skare & Golja, 2013).

This institutional perspective allows us to broaden the focus of the analysis to consider it not only as an ethical and/or economic issue but also as a political one. In a post-materialist and post-national world context companies have become politicised for two reasons (Scherer & Palazzo, 2011: 918): they have extended their idea of responsibility and are increasing their collaboration with public and/or civil agents in the solution of economic, social and environmental problems. This is due to the fact that they are increasingly involved in self-regulation processes as a consequence of the regulatory errors of nation-states in a globalised economy and the shortcomings of representative democracies and greater pressure from civil society. This has all led to a greater presence of enterprises in the political environment, which must be analysed from the perspective of a model of deliberative democracy (Habermas, 1998, 2001) which permits the recognition of the political role of public and private agents in global governance.

This process is reinforced by the opportunities created by the improvement of the moral quality of institutions (Liedtka, 2002)

stemming from the arrival of the New Economy, which is global, favours the intangible and is intensely interconnected. In this new context, the business practices needed for success require the support of alternative value systems. This leads to a new business ethic, which could surpass the previous ones from both a moral point of view and in terms of competitiveness. The New Economy requires organisations to be more innovative and flexible and to react more quickly. In order to work, new business practices must be based on new value systems, which are often incompatible with those which were the basis of the old forms of business organisation. Consequently, the change in the business activity organisation encourages changes in value systems, which aim to raise awareness of issues such as open-mindedness, respect and trust. The change of values in organisations will be reflected in the individuals which are part of them and will thus be expanded to the rest of society.

The last three decades have seen an increase in prosperity, improvements in education and breath-taking technological progress. The impact of these changes has progressively changed our codes of ethics. Many of these changes are directly related to economical improvements. In a comparative study Inglehart (2003; 2006) analyses the change of values in societies as a function of technological development and economic growth. The second stage of modernisation produces a shift in values from tradition and survival to those of self-expression and secular reasoning. Consequently as a country becomes richer, the dominant culture shifts towards postmodern values such as solidarity, quality of life and care for the environment. If society's adopting these qualities has a direct positive effect on companies so they behave in a socially responsible manner, it is acceptable to consider that greater levels of CSR in society reinforce changes in values.

This discussion leads us to propose the following research questions: Do internationalisation and innovation impact on CSR? Does CSR influence economic development and the change in values?

METHODOLOGY AND DATA

So as to answer the research questions proposed a partial least squares (PLS) analysis was conducted. This technique was chosen since it has certain advantages when the data are heterogeneous, the sample is small and the proposed model is causal and complex (Hair, Anderson, Tatham & Black, 1998). Furthermore, it requires no multivariate normality, produces consistent estimators without previous distribution assumptions and presents no multicollinearity problems (Barclay, Higgins & Thompson, 1995, Tenenhaus, 1998; Fornell, 1982). Consequently, it is the ideal methodology for our study.

The partial least squares analysis is organised around two sub-models, the measurement model and the structural model. The measurement model is the result of applying a factor analysis to reduce the number of variables observed, summarising all the information provided in another non-observable variable (latent or construct). This sub-model facilitates the loadings of indicators according to the construct to which they have been assigned, making it possible to establish whether this assignation is correct (eliminating them if they do not meet the standard criteria) and whether the theoretical concepts established in the constructs are adequately measured by the observable

variables assigned. The structural sub-model establishes the dependence relationships among constructs, reflecting the hypotheses proposed based on prior theoretical developments (Barclay, Higgins & Thompson, 1995). This sub-model evaluates the weight and magnitude of the relationships established between the non-observable variables using structural coefficients (*path coefficients*) which are calculated by regressing the values of the previously calculated latent variables.

This study was developed using 14 indicators from 32 OECD[2] countries from the year 2007. The variables were grouped in five constructs. The first two, internationalisation and innovation, were constructed using data from the Global Entrepreneurship Monitor (GEM) APS data base. Innovation is measured from two perspectives; market and industry. In the first, the questionnaire asks whether the new products or services provided by the respondents are considered to be new. The answers "all" or "some" are used as indicators for the first construct. The proportion of respondents who think that few or no other businesses provide the same products or services is also factored in. The internationalisation construct was constructed using the proportion of respondents who consider their presence in international markets to be more than 25% and 75%.

The CSR latent variable was constructed from three indicators drawn from MacGillivray, Begley & Zadek (2007:20): (a) "policy drivers" which measure the force with which public policies and other agents drive responsible practices in businesses; (b) "business actions" which is an indicator of the application of good environmental, social and governance practices by companies; and (c)

"social enablers" which analyses the social and political environment which facilitates collaboration between government, companies and civil society in order to restructure markets.

The development construct was established using three indicators: GDP per capita (measured in US dollars and provided by the United Nations Development Programme); the Human Development Index (UNDP, 2009: 210) and expenditure on education defined as the total public expenditure in the education sector as a percentage of GDP (The World Bank, 2009: 80). Finally the change in values construct is calculated using two indicators from World Values Survey (WVS). The two indicators closest to pure post-materialism were chosen.

MODEL, RESULTS AND DISCUSSION

Figure 1 shows the measurement sub-model and the structural sub-model simultaneously. The indicators supporting the constructs and their corresponding loadings can be observed in the rectangles. Any indicator not meeting the standard criteria was previously eliminated (this will be discussed later). The circles represent the latent variables.

To validate the model the two sub-models need to be analysed separately. First, the validity and the confidence of the measure model indicate whether the theoretical concepts represented by the constructs were measured correctly by the observed variables or indicators. To this end, the results obtained are compared with the standard criteria established in the literature (Nunnally & Bernstein, 1994; Barclay, Higgins & Thompson, 1995; Fornell & Larcker, 1981; Fornell, 1982).

Confidence is first measured by the individual reliability of each item; loadings greater than 0.707 are accepted. The internal consistency of each item and its respective construct is measured using Cronbach's Alpha, which should be greater than 0.7. The compound reliability is usually measured using the Compound Reliability Index, which must be greater than 0.85. Validity is measured using two indicators: convergent validity and discriminant validity. Convergent validity is analysed using the average variance extracted from the constructs (AVE), which must be greater than 0.5. Communalities greater than 0.5 are also accepted. The loadings matrix and the cross loadings are used to analyse the discriminant validity. Tables 1 and 2 and figure 1 summarise the results of the measurement model and show that all the specified criteria are met.
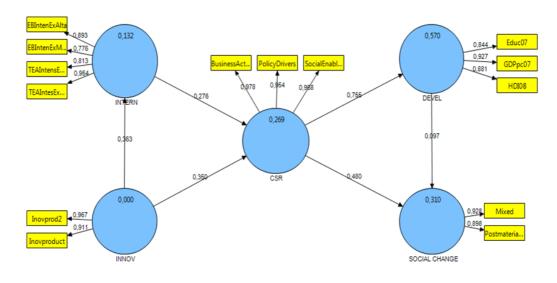
Figure 1. Measurement and structural models

Table 1
Measurement model: reliability and validity measurements

	AVE	Composite Reliability	R Square	Cronbachs Alpha	Communality
CSR	0,93450	0,977169	0,269353	0,965151	0,934550
Development	0,783285	0,915449	0,569557	0,864025	0,783285
Innovation	0,883191	0,937921		0,874649	0,883190
Internationalisation	0,742459	0,919726	0,131962	0,886588	0,742458
Social change	0,833526	0,909184	0,310039	0,801553	0,8333526

Table 2
Measurement model: cross loading matrix

	Social change	Development	Innovation	Internationalisation	CSR
BusinessActions	0,530113	0,757042	0,423098	0,346716	0,978094
EBIntenExAlta	0,225754	0,465439	0,276665	0,892906	0,310126
EBIntenExMedia	0,198932	0,352526	0,216496	0,776333	0,217230
Educ07	0,379339	0,844406	0,252250	0,471661	0,840241
GDPpc07	0,443490	0,927281	0,253160	0,538610	0,589158
HDI08	0,396229	0,881466	0,275035	0,597736	0,500177
Inovprod2	0,440769	0,375014	0,967242	0,393063	0,506811
Inovproduct	0,333152	0,120412	0,911495	0,263557	0,295887
Mixed	0,927681	0,481410	0,292242	0,313498	0,537256
PolicyDrivers	0,512510	0,595239	0,398280	0,332955	0,953776
Postmaterialist	0,898031	0,346949	0,496950	0,356598	0,468397
SocialEnablers	0,557444	0,811959	0,477334	0,475316	0,968140
TEAIntensExAlta	0,404189	0,575782	0,369115	0,812625	0,414827
TEAIntesExMedia	0,361871	0,598834	0,344223	0,953678	0,388716

Following confirmation of the validity and reliability of the measurement model, the structural model was analysed. This allowed us to confirm the dependence relationships established between variables, coinciding with previous theoretical approaches. Falk & Miller (1992) suggest evaluating the extent to which the dependent variable (or construct) is explained by the exogenous latent variables. In this regard, the greater the total explained variance, the better the model. This is determined by the coefficient R^2 of each endogenous variable. This must be interpreted similarly to the corresponding coefficient in a linear regression model (Barclay, Higgins & Thompson, 1995).

No general value or acceptance limit was established. Instead, it was concluded that the greater the value the greater the adjustment quality (Ringle, Sarstedt & Mooi, 2010). In this case the three endogenous constructs (CSR, development and change in values) present moderate R^2 coefficients, coherent with the simplicity of the model. The sense of the relationship between each of the explanatory latent variables and the endogenous variables is expressed by the sign of each of the regression coefficients. *Bootstrapping* technique was used to calculate the statistical significance of these coefficients. Table 3 shows that all the structural relationships except one are significant to 99%.

It must be noted that although some relationships could be considered predictive, we used this methodology for confirmation, so as to demonstrate the existence of these relationships. Consequently, although the R^2 coefficients for the endogenous constructs are not excessively high, we were able to demonstrate not only the existence of the relationships but also their causality.

Table 3

Structural model: regression coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
Development -> Social change	0,096775	0,090404	0,121762	0,121762	0,794788*
Innovation -> Social change	0,249298	0,246442	0,056396	0,056396	4,420492
Innovation -> Development	0,340112	0,338198	0,061151	0,061151	5,561863
Innovation -> Internationalisation	0,363266	0,365806	0,070479	0,070479	5,154243
Innovation -> CSR	0,450665	0,443104	0,075972	0,075972	5,932010
Internationalisation -> Social change	0,152828	0,155597	0,030647	0,030647	4,986725
Internationalisation -> Development	0,208500	0,215973	0,042383	0,042383	4,919368
Internationalisation -> CSR	0,276272	0,283292	0,054801	0,054801	5,041358
CSR -> Social change	0,553180	0,552214	0,056250	0,056250	9,834308
CSR -> Development	0,754690	0,762611	0,020110	0,020110	37,527527

*p= 0,75; p=0,995

Table 4
Measurement model: latent variable correlations

	Social change	Development	Innovation	Internationalisation	CSR
Social change	1,000000				
Development	0,459135	1,000000			
Innovation	0,422528	0,293718	1,000000		
Internationalisation	0,364616	0,599285	0,363266	1,000000	
CSR	0,553180	0,754690	0,450665	0,403526	1,000000

The model allows us to answer the research questions proposed. First, it confirms that both internationalisation and innovation have a direct, positive impact on CSR. The directionality of the relationships is also verified, coinciding with the results of Gjolberg (2009) and MacGregor and Fontrodona (2008).

Concerning the relationship between the level of internationalisation of companies and CSR, the result coincides with the findings of Laudal (2011) regarding the positive relationship between both variables. Coinciding with Chapple and Moon (2005), Misani (2010) and DiMaggio and Powell (1983) the model demonstrates a reasonable level of causality, due to the pressure created on companies from the relationship with other stakeholders as they operate in markets which are more demanding from a social responsibility perspective. Laudal (2011) also mentioned the fact that companies had to deal with more exacting regulations regarding labour or environmental issues.

In line with Grayson and Hodges (2004) and Little (2006), the positive relationship between companies' efforts in innovation and CSR can be linked to their growing exploitation of lines of research, development and innovation based on the discovery of new ways of working, new products and services and new market niches which are more sensitive to social and environmental issues. Indeed, as observed by the European Commission (2009), the commitment to new stakeholders can push the innovation activity of companies towards more responsible social and environmental practices. Consequently, these results contradict the theory proposed by Gallego-Álvarez et al. (2011), who suggested that greater investment efforts are not reflected in more sustainable practices from companies. Furthermore, the results demonstrate the influence of CSR on development. This confirmation is highly important since it reinforces the economic foundations of CSR and contradicts those such as Henderson (2004) who do not consider it to be a factor of economic growth and prosperity. Furthermore, coinciding with Shamir (2011) we were able to demonstrate that the socially responsible practices of companies have quite a considerable macro-economic impact and

act as a source of social development and change.

The results allow us to empirically verify the hypotheses of Liedtka (2002) since they demonstrate that the business practices required to operate in a highly interconnected globalised world where intangible values (creativity, training and the capacity to learn are prior conditions to innovation) play a major role previously unaccounted for requiring a new value systems as support. These value systems place individuals in a central position as there are seen as assets and not an expense. They place more value on respect, autonomy, trust and open-mindedness and thus the improved moral quality of organizations can foster a new ethic for the New Economy.

From this new perspective, the organisation of business activity loses hierarchy and becomes more network-based. Companies can be seen as a community where trust, shared values and the sense of belonging bring them the speed, flexibility and capacity for innovation required by world markets. Furthermore, in an improved economic context the values shared by members of an organisation push the general change of values in society towards those of self-expression, in other words, towards post-materialism, which confirms social change.

The results also allow us to revisit the hypothesis of modernisation. In principle, socioeconomic improvements and cultural change promote the effective democratisation of society since they require an institutional framework which ensures individuals' freedom of choice. However, as mentioned by

Acemouglu et al. (2009), countries may take different paths of development determined by their historical evolution. Furthermore, while it can be shown that democracy and prosperity co-evolve in a virtuous circle of development, there is no evidence that the path taken has a causal effect on democracy. However, if we consider that (i) the New Economy surpasses the institutional frameworks defined by nation-states, leading us to a new post-national institutional context where the political power of the authorities defined by representative democracy is undermined and limited (Scherer & Palazzo, 2011) and that (ii) regulatory lacunae are being filled by international organisations, groups from civil society, public agencies or private companies which regulate themselves as a result of pressure from society or their own problems (Moore, 2003), we can submit that the socially responsible behaviour of companies pushes societies towards post-modernisation, characterised in this case by self-regulation and the connection between organisations and society. This, in turn, is all underpinned by deliberative democracy, which is somewhat different to liberal representative democracy. In this context, it is possible to say that there might be a causal effect of economic development on deliberative democracy through the change of values in society. From this point of view, post-modernism and post-materialism co-evolve in a post-national context where, as a result of their social commitments, companies take on a political role.

CONCLUSION

Over recent decades corporate social responsibility (CSR) has become a major topic in economic literature, especially from a

microeconomic perspective. This is a consequence of the connection between socially responsible behaviours and business profitability. The increasing role of CSR in lasting growth and employment generation in the world's economies means that it is now a priority in political agendas across the globe, leading to a growing need for studies from a comparative macro-economic perspective.

Our findings allow us to validate the role of CSR as an intermediate variable between business behaviours and the development of economies, demonstrating the existence of virtuous circles between, on one hand, innovation and internationalisation of companies, and on the other hand between economic development and social change. Indeed, although much of the literature shows the finalistic character of CSR, this study concludes that efforts in innovation and presence in world markets are a source of responsible business strategies. In turn, these strategies represent an explanatory factor for growth and change in values. Consequently, this study allows us to shed more light on the key role of companies in society by showing their influence in the adoption of post-materialistic values.

The study also demonstrates the role of the responsible behaviour of companies in the evolution towards a post-modern society. Our findings allow us to affirm that there might exist a causal effect of economic development on deliberative democracy through the change of values in society. From this point of view, post-modernism and post-materialism co-evolve in a post-national context where, as a result of their social commitments, companies adopt a political role.

Finally, these conclusions allow us to extract a more practical corollary. From the perspective of economic policy, public policies should focus on finding new ways of integrating CSR, not so much in a regulatory and coercive sense but by empowering the concept so it is the public powers themselves which facilitate and promote the adoption of CSR in the business sector.

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2 Argentina, Belgium, Brazil, Chile, Colombia, Croatia, Dominican Republic, Finland, France, Germany, Guatemala, Hungary, Iceland, Israel, Italy, Jamaica, Lithuania, Netherlands, Norway, Panama, Perú, Romania, Russia, Serbia, Slovenia, South Africa, Spain, Switzerland, United Kingdom, USA, Uruguay and Venezuela.