

University Doctoral (PhD) Dissertation Abstract

**Corporate Sustainability and Responsible Business Conduct
(A study focused on the European Regulatory Framework)**

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Introduction

Corporate Social Responsibility (CSR) is one of the most significant subjects and advancements of the 21st century. This opinion is based on the grounds that the world in the 21st century deals with issues to which CSR is a part of the solution. To this end, it is not so unexpected to see CSR accomplishing predominance as a worldwide issue, amongst other shared administration and administrative difficulties, such as climate change, sustainable development, human rights, poverty and socioeconomic prosperity to mention a few. Worldwide developments such as climate change, worldwide economic emergencies, borderless exchange and humanitarian tragedies unmistakably illustrate that we live in a universe of similar economies, populations and ecosystems, where what organizations do matters to their investors, society and the world as a whole. The world's reaction to CSR at these beginning periods of the 21st century will have a critical impact on the destiny of the world for generations, if any. Is CSR a passing social trend, an idea whose opportunity has arrived, a danger to capitalism, a natural component of corporate responsibility, or even a key to humanity's endurance in appropriately overseeing mutual worldwide difficulties? The narrative of CSR in the 21st century has numerous parts. It is a story of the rise of a particular CSR development around the world. 'More extensively, the 21st century is seeing the rise and combination of various developments in a worldwide corporate duty and manageability development, drawing upon and reorienting the demographics and exercises of the anti-corporate and anti-globalization developments, the human rights movement, the women's rights movement, social responsibility (SR), and different other movements, including prior manifestations of the CSR development itself given the change in its indications and directions over time.

Like every well-known issue, CSR is one of those issues that occurs so dominantly as a result of the ambiguities it encompasses. This could perhaps be utilized in three unique methods. To begin, it might allude to a consideration of the role that business plays in the public arena. It is stated that business ought to be 'socially responsible', in the meaning that business does not solely owes responsibilities to investors (beneficiaries), but also to the laborers, customers as well as the network where it builds up its undertakings, in which case, the society. This given fact might legitimize not just the burden of specific principles of conduct on the company with the risk of being subject to legal sanctions, but also, having to undergo alterations in the structure of the corporation, for the purpose of guarantee meeting the obligations of the enterprise to all the partners (Roth and Fitz, 1978). CSR might allude to a method of managing corporate undertakings: it shows a shift from the burden of top down (hierarchical) approached commitments having the risk of legal penalties, to the dependence on soft law, incentives and willful activities, as an approach to situate the exercises of companies so as to expand their helpful effects and limit their effects that have a negative impact on the society (Engel, 1979). In addition, CSR might be introduced as a substitute to the idea of regulation: used as a code word for leaving to market systems certain inquiries which may in one way, or another be the objective of regulatory methods, whether by the utilization of rules or by different methods.

We opine that this ethical dimension is present in the majority of definitions of CSR, although frequently in an implicit way, by expressions, such as "to contribute to a better society and a cleaner environment" (European Commission, 2001), "commitment by businesses to manage their roles in society" (International Chamber of Commerce, 2002), "the management of a company's positive impact on society and the environment" (Business in the Community, n.d.) or simply "doing the right thing even when no-one is looking" (Anonymous, 2006, cited by Thomas and Nowak, 2006, p. 17).

Moving along the sequence of definitions, we are directed to adopt various considerations of the part public authority plays with promoting CSR. As per the original definition of the notion of CSR, it might be executed pursuant to guidelines characterizing lawful commitments by organizations so as to guarantee their responsibility of the consequences and impacts of their exercises, where these exercises produce undesirable outcomes (Chanin, 2005). If CSR is viewed as a technique through which to improve the duty of organizations socially and environmentally past the imposed legal commitments. Public authorities can play a substantial part in generating the fundamental motivations, for example, in empowering the inclusion of environmental and social conditions in public contracts, or in normalizing particular instruments such as codes of conduct, social reporting and environmental or social labeling. Toward the end of the sequence, the possibility of the 'business case' idea for CSR arises, for what reason should the public authority play any kind of role in such an issue? If

the market compensates the accepted procedures and punishes the most noticeably awful? Should not the market have the means to deal with itself? Are legal approaches practically not enforceable? Is it not the role of public authority to establish learning procedures amongst corporations in order to quicken the dispersal of best business practice?

CSR, in the primary significance of the definition, could be actualized by rules and guidelines, whose infringement must be met by consequences. Furthermore, characterizing CSR in this definition concludes that the initiation of a regulatory framework is a must for a methodology based on incentives to be functional, which means extending the obligations of organizations past their essential beneficial motive of earning profit. The proposition of this paper, in any case, that this coexistence of so many possible meanings of the idea of CSR has encouraged its adaptation throughout the EU discussion on its importance, and, that the final product has been the redirection of CSR from its main purpose. The idea ought to be recreated, and once remade, drastically various determinations from its standardizing implications should be made.

One of the directions of the article is to portray how an idea about CSR rose in the discourse of the EU in 2000, and the phases through which it advanced. A view of this advancement concludes that, although CSR may have been at first an idea regarding the extent of business and corporations' responsibility toward a better environment and society, it wound up turning into a procedure that is centered on the agents of the business community, leaving us with the conclusion that politics no longer had a role in such an idea. Consequently, we now ask the question as to whether the supposed 'business case' for CSR is sufficient to an extent where we have faith that the powers of the business will do the trick to urge organizations to act dependably, far beyond their obligation to conform to their lawful commitments. The third segment of the article inspects this 'business case'. It comes to an end result that this case lays on specific assumptions about the market environment, which can't be essentially accepted, but ought to be made legal by an administrative structured regulation for CSR; and it remarks on the circumstance of the EU member states. Their determination may infer that dependence on voluntarism and on market instruments might give positive effects in some areas in the world, however, it would not be able to deliver comparable impacts in this new, progressively various setting. Surely, explicit exercises have been received by the European Community which show the requirement for such a structure: the article assesses progress made in the territories of public agreements, social reporting and codes of conduct. A short conclusion of what has been discussed is offered.

1. Research Problem

The research problem at the heart of this study revolves around the evolving and multifaceted concept of CSR in the 21st century. The introductory passage underscores the significance of CSR in the current era, citing it as one of the most prominent subjects and advancements of our time. The global landscape is rife with complex challenges, many of which intersect with CSR as a potential solution. These challenges include climate change, sustainable development, human rights, poverty alleviation, and socioeconomic well-being. The world is increasingly interconnected, with issues like climate change, economic crises, borderless trade, and humanitarian crises highlighting the interconnectedness of economies, populations, and ecosystems.

The research problem delves into several crucial questions about CSR's role in this global context. Is CSR a fleeting social trend or a lasting concept with a pivotal role in managing global challenges? Does it pose a threat to capitalism, represent a natural facet of corporate responsibility, or serve as a key element in humanity's ability to address worldwide issues effectively? The research explores the narrative of CSR in the 21st century, acknowledging its emergence as a global movement drawing upon various societal and corporate influences, including anti-corporate movements, human rights advocacy, women's rights, social responsibility, and other similar initiatives.

The complexity of CSR stems from its multifaceted nature, leading to three distinct interpretations. First, it is viewed as a call for businesses to be socially responsible, extending their obligations beyond shareholders to encompass workers, customers, and the broader community. This interpretation suggests the potential need for legal mandates and structural changes within corporations to fulfill these broader responsibilities. Second, CSR represents a shift from top-down regulatory approaches to voluntary actions, soft laws, and incentives aimed at

maximizing positive impacts while minimizing negative societal effects. Lastly, CSR can be seen as an alternative to government regulation, emphasizing market-driven solutions to societal challenges.

The research problem also delves into the ethical dimension of CSR, present in most definitions, which often center around contributing to a better society and environment. Public authorities play a significant role in promoting CSR through regulations, incentives, and the inclusion of environmental and social considerations in public contracts. The concept of the "business case" for CSR raises questions about whether market forces alone are sufficient to ensure responsible corporate behavior or if government intervention is necessary to accelerate the adoption of best practices.

The study proposes that the coexistence of multiple interpretations of CSR has led to its evolution in EU discussions, with a shift towards a business-centric focus, potentially sidelining the role of politics and regulation. The research critically examines whether the "business case" for CSR can effectively drive responsible corporate behavior, considering market assumptions and the need for regulatory structures. It highlights the diverse landscape of EU member states and argues that voluntarism and market-based approaches may not yield uniform results in this evolving context.

In conclusion, the research problem centers on the transformation of CSR in the 21st century, tracing its development within the EU discourse and questioning whether the "business case" alone can ensure responsible corporate conduct. It calls for a reevaluation of the concept and potentially the need for regulatory frameworks to address the complexities of CSR in an increasingly interconnected world.

2. Research Goal

The primary goal of this research is to unravel the multifaceted and evolving nature of CSR in the 21st century, particularly within the European context. Building upon the introductory context provided, the research aims to achieve several key objectives:

- 1) **Understanding the Evolution of CSR:** The research seeks to comprehensively trace the transformation of CSR from its early conceptualization as a means to promote environmental and social responsibility among corporations to its current state as a process-driven, stakeholder-engaged phenomenon.
- 2) **Analyzing the Shift from Substance to Process:** One of the central research objectives is to analyze the paradigm shift from a focus on the substantive outcomes of CSR to a process-oriented approach, where the emphasis is on facilitating dialogues and interactions among relevant stakeholders.
- 3) **Investigating the Role of Regulation:** The study delves into the complex relationship between CSR and regulatory frameworks. It investigates why, despite initial intentions, CSR has veered away from regulatory mechanisms and explores the implications of this shift.
- 4) **Assessing the Impact of Political Factors:** The research aims to evaluate the influence of political considerations on the trajectory of CSR. It examines how changes in political leadership and priorities have shaped the European Commission's stance on CSR and its evolution over time.
- 5) **Exploring the Business Case for CSR:** One of the critical inquiries is whether the "business case" for CSR, which emphasizes market-driven solutions, is adequate in fostering responsible corporate behavior or if regulatory intervention is required.
- 6) **Highlighting the Importance of Social Responsibility (SR) Education:** Recognizing that educating future generations is pivotal, the research underscores the significance of SR education in instilling a sense of responsibility and sustainability. It examines how education can lead to informed decision-making and more responsible practices.
- 7) **Addressing Food Waste and Food Inequality:** The research acknowledges the role of CSR in combating food waste and striving for greater equality in food distribution. It seeks to promote awareness of these issues and their impact on global food deprivation.
- 8) **Promoting Empathy and Global Consciousness:** Lastly, the research underscores the need for empathy and global consciousness in addressing societal and environmental challenges. It advocates for a collective understanding that acknowledges the unequal circumstances faced by individuals around the world.

In summary, this research endeavors to provide a comprehensive analysis of the evolution of CSR, shedding light on its changing dimensions, the role of stakeholders, the impact of regulation, and the influence of political factors. Additionally, it emphasizes the importance of education, empathy, and global consciousness in fostering responsible practices and addressing pressing global issues.

Key Discussions

The Aesthetic Nature of CSR

The contemporary business landscape is a symphony of aesthetic wonder, where corporate identity transcends the confines of boardrooms and shareholder meetings. This outward persona extends beyond office spaces, logos, and websites, permeating the very essence of consumer experiences. In this age, consumers are not merely buying products; they are purchasing experiences meticulously crafted by corporations. These experiences are enriched by aesthetics, from the visual appeal of products to the ambiance of stores, the scent of spaces, and even the soundscape of corporate environments. Aesthetic qualities, especially for multinational corporations, blend seamlessly into their brand identities, forging deep connections with consumers, and establishing a distinct way of life and status.

Yet, this aestheticization of consumerism comes at a significant cost, both to the environment and to the climate. While organizations utilize aesthetic effects to bolster their environmental claims and appeal to conscientious consumers, this often blurs the line between genuine sustainability efforts and mere greenwashing. Deceptive corporate communications, unregulated by appropriate oversight, can mislead the public and hinder genuine progress in environmental responsibility.

Logos, as powerful symbols of corporate values, play a significant role in conveying eco-friendly aspirations. However, as exemplified by cases like British Petroleum's rebranding campaign, they can sometimes be empty symbols that mask the true nature of an organization's practices. Companies sometimes manipulate logos or names associated with environmental initiatives, capitalizing on the recognition consumers afford to visual symbols over written descriptions.

In the contemporary business world, corporations can conveniently craft their online presence to emphasize aesthetics over substantive CSR information. Corporate websites often prioritize style over substance when it comes to sharing sustainability reports or other relevant information, leaving stakeholders with less meaningful, tangible data to scrutinize. Aesthetic practices matter because they intuitively convey and attract people in an information-saturated world.

Regulating the illusion of corporate greenwashing presents a significant challenge. Laws and regulations struggle to keep pace with the evolving aesthetics of business and CSR strategies. Consumer protection laws, aimed at curbing deceptive advertising, provide some oversight but fall short in addressing the broader issue of corporate aesthetics. While trademark laws have the potential to prevent misleading visual representations, they primarily focus on protecting intellectual property rather than promoting environmental responsibility.

Self-regulation within industries, often promoted through voluntary CSR initiatives, has shown limited success in curbing greenwashing, with many corporations failing to live up to their claims. The need for legal oversight is evident in studies revealing that a significant percentage of corporations engaging in environmental marketing engage in greenwashing practices. However, even when regulations are in place, they may struggle to capture the subtleties of misleading visual or auditory elements in corporate communications.

Fair trading regulations, although useful in curbing deceptive claims, have limitations in addressing CSR aesthetics. The lack of uniform definitions for terms such as "natural" or "organic" on product packaging can leave consumers vulnerable to manipulation. Additionally, the application of sanctions varies, leaving some overly trusting consumers at a disadvantage.

Trademark law emerges as a potential tool for addressing aspects of corporate brand identity linked to greenwashing. Trademarks, which encompass logos and brand names, are critical for corporate recognition and can be leveraged to protect consumers from deceptive representations. However, the effectiveness of

trademark law in combating greenwashing lies in its ability to discern deceptive aesthetics, a challenge that requires ongoing vigilance.

The examination of CSR and its associated aesthetics, as well as the phenomenon of greenwashing, reveals a complex and multifaceted landscape. Existing regulatory frameworks often fall short in effectively addressing deceptive CSR practices and aesthetic manipulation, leaving room for corporate agendas to prevail. This dissertation has explored the potential of countering aesthetic techniques and innovative expressions, particularly within the realms of art and activism, to disrupt this status quo and bring about meaningful change.

In the pursuit of environmental advocacy, it is evident that traditional regulations alone are insufficient. Environmental community groups, critical artists, and activist organizations play pivotal roles in shaping public opinion and bolstering consumer knowledge. By working in tandem with governmental guidelines, they create a synergy that can elevate the development of more robust laws and regulations to address the root causes of environmental degradation, such as greenhouse gas emissions from fossil fuel consumption. This holistic approach not only governs CSR practices directly but also serves as a catalyst for legal reform.

The power of countering environmental aesthetics is underscored by the work of scholars like Timothy Morton, who emphasizes the role of art in enabling individuals to grasp environmental consequences that may elude personal experience. Art can communicate complex data in captivating and accessible ways, transcending the limitations of academic discourse. It has the potential to both inform the public about environmental issues and inspire a sense of empathy and engagement, fostering a deeper connection between individuals and the environment. Moreover, the integration of artistic expressions into political discourse challenges corporate behavior, including questionable CSR practices.

One noteworthy form of art-based activism is "culture jamming," a creative means of challenging consumerist culture and disrupting corporate advertising. Culture jammers employ various tactics, including altering billboards, logos, and advertisements to subvert their intended messages. This form of artistic disruption repurposes a corporation's own communication methods to convey starkly contrasting messages, compelling companies to address the resulting damage to their brand image and the financial consequences of their actions.

Additionally, the reclamation of public spaces from corporate advertising is another potent method of countering aesthetic influences. This form of creative activism seeks to expose the influence of market values and commercialism on public discourse and to provide a platform for addressing social and environmental concerns. Political consumerism, which involves channeling political values into consumer choices, becomes particularly relevant in environmental activism as it highlights the role of the market and unchecked capitalism in unsustainable practices.

This dissertation has made significant contributions to the understanding of CSR's aesthetic dimensions and the challenges it poses to regulators. By shedding light on these aesthetic elements and regulatory shortcomings, it invites further reflection and academic discourse on the impact of CSR aesthetics and how to educate the public and shape consumer behavior. In envisaging a future framework for CSR governance, countering aesthetics should be a central consideration.

Ensuring a healthy and open community discourse is crucial for the proposed framework, especially as public spaces continue to be infiltrated by corporate interests. The decline of spaces for public dialogue, as noted by scholars like Hannah Arendt and Jürgen Habermas, poses a threat to democratic engagement and social discourse. The encroachment of corporate aesthetics on public spaces further exacerbates this issue, restricting freedom of expression and undermining the democratic ideals of open dialogue and debate.

Despite these challenges, some legal precedents and municipal regulations have started to push back against invasive marketing practices. Restrictions on billboards and public advertising in cities like Sao Paulo and Canberra illustrate the growing global movement to combat visual pollution. Intellectual property laws, too, are evolving to accommodate the need to protect freedom of expression in democratic societies. The consideration of more liberal fair use exceptions for activities such as culture jamming reflects a recognition of the importance of balancing artistic expression with legal protections.

In conclusion, the aesthetics of corporate identity and communications significantly influence consumer perceptions and behavior. The current legal framework struggles to regulate the visual and auditory elements of corporate communications effectively, especially in the context of greenwashing. While trademark law offers a potential avenue for addressing deceptive aesthetics, a more comprehensive approach is needed to hold corporations accountable for their environmental claims. Activist groups and consumer awareness may play a pivotal role in bridging this gap, promoting genuine corporate responsibility and sustainable consumer choices while challenging the allure of green illusions.

While culture jamming and related forms of countering aesthetics represent promising avenues for reshaping CSR practices and public discourse, they should be viewed as complementary tools rather than standalone solutions. Art and activism have the potential to engage individuals, foster awareness, and challenge corporate agendas. However, achieving meaningful change in environmental laws and policies requires collaborative efforts from various stakeholders, including consumers, activists, legal authorities, and policymakers. The transformative power of art lies in its ability to inspire people to seek the truth behind greenwashing and, ultimately, to hold corporations and legislators accountable for their actions. As we navigate the complex terrain of CSR aesthetics, this dissertation underscores the importance of harnessing the creative imagination and collective will to bring about a more sustainable and just future.

The PhD dissertation later explores the multifaceted impact of the Covid-19 pandemic on Corporate Social Responsibility (CSR) practices, ethical consumerism, and business responses. It emphasizes how the pandemic has altered the landscape of CSR, reshaped consumer behavior, and prompted businesses to adapt and contribute to societal well-being. The pandemic's unequal distributional impacts on businesses and communities are also discussed.

Covid-19 and CSR: The pandemic challenged corporations to redefine their CSR strategies. While some engaged in proactive CSR activities, others faced ethical scrutiny. Ethical business conduct became a litmus test for corporate legitimacy. Aligning CSR with pandemic-related initiatives strengthened brand-consumer relationships, highlighting the importance of CSR during crises.

Government Support and Ethical Leadership: Governments worldwide introduced financial packages to assist vulnerable businesses. Corporate leaders, like Jack Dorsey and Bill Gates, demonstrated ethical leadership by making significant donations. These actions shed light on the connection between crisis-driven authority and CSR practices.

Business Case for CSR: The pandemic posed questions about the business case for CSR. Some corporations focused on survival, potentially at the expense of CSR. However, historical trends suggest that environmental forces often drive CSR growth. Stakeholder balance becomes crucial, emphasizing CSR's importance in achieving shared social, environmental, and economic goals.

Ethical Consumerism: The pandemic influenced consumer decision-making. Lockdowns led to irrational consumer behavior, such as hoarding, driven by fear and anxiety. However, consumers also engaged in philanthropic acts, promoting prosocial behavior.

Responsible Consumption: Consumers' perceptions of basic needs and self-actualization shifted during the pandemic. Consumers, previously accustomed to product availability, became more conscious of responsible consumption. Health and wellness-focused products gained prominence, promoting a long-term shift towards healthier choices.

Domestic vs. International Products: Consumers reevaluated their preference for domestic and international products. Patriotic sentiments influenced purchasing decisions, raising ethical and moral considerations. This trend may continue post-pandemic, warranting further research.

Business Responses: Corporations responded to the pandemic through philanthropy, transformation, and meeting public expectations. Philanthropic efforts included donations, room provisions, and product contributions. Many businesses transformed their operations, producing essential supplies. Adherence to government-mandated ethical guidelines blurred the line between voluntary and obligatory CSR practices.

Meeting Public Expectations: Public expectations increased regarding corporations prioritizing community and employee well-being. Stakeholder capitalism gained traction as workers expected corporations to prioritize health over profit. Effective communication, empathy, and problem-solving in marketing became essential for maintaining brand loyalty.

Distributional Impacts: The pandemic's impact was not uniform, with minority-owned businesses suffering disproportionately. Unequal access to health benefits and job characteristics exacerbated Covid-19's impact on communities of color. These disparities emphasized the role of CSR in addressing social inequalities.

The Legal Lens

Amid the ongoing backdrop of persistent social, environmental, and economic challenges, governments worldwide have increasingly taken an active role in the governance of businesses. The advocacy for mandatory CSR emerges from a recognition of the limitations of voluntary compliance and the urgency to address social and environmental hurdles. The COVID-19 pandemic further exposed the shortcomings of conventional public or transnational governance mechanisms in safeguarding vulnerable groups from corporate externalities.

In this context, political theories of CSR that assert a new role for corporations based on their "social power" gain relevance in the current economic landscape (Davis, 1967). The pandemic has also placed global value chains under scrutiny, highlighting their vulnerabilities and inefficiencies (Delbard, 2020). Mandatory CSR can facilitate the transformation of CSR principles from a narrow philanthropic obligation to a broader, sustainability-driven and strategy-oriented approach.

In light of stringent social distancing measures and disruptions to global supply chains, the pandemic has intensified debates for a more localized approach in response to social and humanitarian crises. This localized approach often diverges from international regulations or globally recognized standards. To address these gaps, beyond compliance with domestic regulations that directly affect stakeholders' rights (such as labor, environmental, or consumer protection regulations), obligations to adhere to industry standards and stakeholder pressures are integral to corporate governance and corporate law.

Many harms inflicted on vulnerable groups are irreversible. Therefore, it is imperative to incorporate regulatory approaches at the decision-making stage to prevent unethical choices that may lead to irreparable social or environmental harm. Furthermore, establishing direct causal links between corporate misconduct and social, environmental, or human rights abuses is often challenging, and pinpointing a single culprit is nearly impossible. Hence, it becomes crucial to prioritize the protection of vulnerable groups through a preventive rather than compensatory approach.

As a result, corporate decision-makers will encounter more significant constraints and reduced discretion due to mandatory legal rules aimed at safeguarding stakeholders' interests (Winkler, 2004). Corporate law challenges the doctrine of shareholder primacy and supports regulatory measures, such as directors' duties at the decision-making stage, to prevent choices that could result in irreversible social or environmental damage. To mitigate, remedy, and compensate for vulnerabilities, corporate law will necessitate that companies and their directors allocate resources as assets or survival strategies.

While detailed regulations of decision-making authority within companies may seem impractical and counterproductive, the COVID-19 pandemic has rekindled the debate on corporate objectives. The pandemic's impact has accelerated the momentum towards revisiting these "redefined norms", making it unrealistic for companies to revert to old business practices. This emphasizes the significance of CEOs' commitment to serving all stakeholders, as exemplified by the Business Roundtable's declaration in August 2019. While not entirely groundbreaking, this revised declaration signifies a shift towards stakeholder-oriented approaches in corporate governance.

Considering the emergence of increasingly pressing issues such as rising income inequality, social welfare, and job stability during the pandemic, it also signals a call for companies to embrace this attitude shift. This shift may encourage more companies to operate within an evolving corporate regulatory environment and endorse a

renewed focus on sustainable recovery, incorporating the interests and needs of a wide array of stakeholders into corporate governance strategies, including legally recognized extensive duties.

The Revival of Sustainability through Law

In the quest for post-crisis recovery, sustainable restoration takes center stage, recognizing that existing regulations often focus on temporary and short-term effects, as exemplified by the UK's Corporate Insolvency and Governance Act 2020. Sustainability, inherently emphasizing continuity and future endurance, provides a lens through which to view corporate policies, offering deeper insights into long-term planning.

By seamlessly integrating sustainability transparency into corporate policies, organizations gain a better grasp of the future. Such companies are better equipped to formulate solutions in response to the challenges posed by COVID-19 and more agile in addressing unforeseen events. To achieve sustainable recovery and enhance CSR compliance (Goncalves, 2020), the scope of CSR must extend beyond mere "do-good" philanthropic activities. Corporate law is poised to contribute to mandatory CSR approaches, outlining a framework of corporate strategies and diligence planning as measures for achieving sustainable recovery.

Given the challenges presented by COVID-19 and the imperative to build resilient and agile organizations, corporate leaders must navigate the competing interests of diverse stakeholders. Legal requirements will not only shape corporate behavior in the long term but also empower leaders to effectively manage risks associated with the potential impact of COVID-19 on stakeholders. In essence, while promoting more responsible corporate conduct and imposing penalties for misconduct ex post, regulatory approaches through corporate re-regulation with an internal impact on corporate practices and board decisions will encourage a balance between active engagement in ethical initiatives and board autonomy.

These strategies will foster proactive legal risk management, ultimately reshaping corporate culture by prioritizing resilience and sustainable recovery as fundamental objectives for long-term prosperity and value creation.

In the era of the pandemic, companies must lay the foundations for sustained success by redefining their strategies for post-pandemic recovery, operation, and alignment. Companies are now part of a dynamic world marked by continuous change, demanding adaptability and agility to remain closely connected to evolving ecosystems, challenges, and requirements. Companies must confront new and complex economic and social uncertainties and risks that generate or accelerate vulnerabilities within the business environment.

The risks stemming from COVID-19 encompass reputational risks, health risks, and legal risks. In the pandemic era, the paramount issue posed by this broad spectrum of risks is that societies face risks for which no single mechanism is sufficient to address them. These risks transcend individual decisions and necessitate collaboration among companies, stakeholders, states, and international bodies. The pandemic has placed companies in a "diffuse and multifaceted maze of management challenges". While it is impossible to predict future crises, it is both possible and essential to be prepared to mitigate their impacts on society by learning from the lessons of the current outbreak and the contributions of companies. Urgency, volatility, and rapidly evolving multiple vulnerabilities and risks all provide compelling reasons for organizations to prepare for unforeseeable crises transparently, consistently, and proactively, with governance and public enforcement authority from states and public bodies.

We have explored the implications of the ongoing COVID-19 pandemic on CSR and consumer ethics and behaviors, emphasizing the opportunity for corporations to engage in meaningful CSR initiatives during the crisis and potentially usher in a new era of CSR practices and enhancement. We have also underscored that conscientious consumerism is achievable, with ethical considerations increasingly guiding consumer choices. Furthermore, we conclude that safeguarding individual freedoms, particularly for vulnerable groups, is paramount. To best serve society, CSR initiatives should be directed toward ethnic minorities and women, as they have been disproportionately affected by the pandemic.

The study addresses a critical gap by examining the efficacy and focus of mandatory CSR through "The Legal Lens" in the pandemic era. Departing from conventional charity-oriented CSR, the pandemic serves as a

reminder of the strategic significance of CSR as a driver of competitive advantage. It underscores the importance of CSR approaches that support sustainability-driven multi-stakeholder strategies as a means to ensure medium- and long-term resilience. These often-overlooked ex ante CSR regulatory strategies will enable companies to prepare for the social and environmental challenges brought about by the COVID-19 pandemic and future crises.

Conclusion and Author's Note

In conclusion, this research serves as an exploration of the complex landscape of CSR and Social Responsibility (SR) in the 21st century, particularly within the European context. It highlights the dynamic evolution of CSR, from its initial focus on substance to its current process-oriented approach. Moreover, it addresses the influence of political factors on CSR's trajectory and examines the role of regulation in promoting responsible corporate behavior. The study underscores the importance of SR education and its potential to shape future generations and promote sustainability.

This research is a result of extensive inquiry and analysis into the ever-evolving concept of CSR. It reflects a commitment to understanding the complex interplay of economic, social, and environmental factors that underlie CSR practices and their impact on society. The research acknowledges the urgency of addressing global challenges, such as climate change, food inequality, and social responsibility, and calls for a collective effort to foster empathy and global consciousness. It is hoped that this research will contribute to the ongoing discourse on CSR and inspire meaningful actions towards a more responsible and sustainable future.



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List of publications related to the dissertation

Articles, studies (3)

1. **Bakerjian, L. A. A.:** Ethical Implications of Covid-19 on Business and Corporate Social Responsibility.
Cross-Cultural Management Journal. 24 (1), 75-84, 2022. ISSN: 2286-0452.
2. **Bakerjian, L. A. A.:** The aesthetic nature of corporate social responsibility and greenwashing.
Oradea Journal of Business and Economics. 7 (1), 98-108, 2022. ISSN: 2501-1596.
DOI: <http://dx.doi.org/10.47535/1991ojbe141>
3. **Bakerjian, L. A. A.:** Cross-Border Mergers and Acquisitions in Light of the European Regulatory Framework.
Debreceni jogi műhely. 18 (1-2), 1-12, 2021. EISSN: 1786-5158.
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List of other publications

Articles, studies (1)

4. **Bakerjian, L. A. A.**: International Law and Drone Warfare.

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