

The Newsletter

From the Social Responsibility Research Network

www.socialresponsibility.biz

Our latest annual conference was a successful and enjoyable affair – you will find a review in this issue of the Newsletter. Now we are making preparations for the 10th – which will be held next year in New Orleans. You will find the Call for papers later in this Newsletter as well as on the website. Please distribute as widely as possible. We hope to see as many of you as possible at this, which we expect will be our biggest and best so far.

This issue of the Newsletter follows the format of previous issues and contains some interesting news about the activities of the Network and our members. We hope that you find this information helpful. We also include some articles as usual. You will see that these show the range of issues which are of concern to our members. At the same time of course there are many other issues which are pressing and are of importance to our members. We must not forget these and the contents of this issue reflects some of these also – the ones which members consider significant to want to write or speak about and to promulgate views about. If there are others then tell us and we can include your activities or views in the next issue.

Do not forget our other activities also. Our Discussion Paper series continues to expand with several more being published recently. Please read these and consider also submitting your work for early publication in the series. It is a chance to get some helpful feedback before formal submission to a journal. And of course our official refereed journal is Social Responsibility Journal – which is continuing to grow in strength. Also we now have a book series – Developments in Corporate Governance and Responsibility – also published by Emerald. You will find details of all of these on our website as well as news and information about our other activities.

The main reason for the existence of the Network however is to enable us as scholars concerned with various aspects of social responsibility to communicate with each other, share information, join together in research projects, develop courses and course material and various other activities. The strength and vibrancy of the Network is of course only the same as that of its members. So we are inviting you to share opportunities for collaboration and to contribute to any of our various publishing outlets. The strength and vibrancy of the Network is of course only the same as that of its members. So we are inviting you to share news and opportunities both through the email communication system and through this Newsletter by sending contributions.

Chairs of the Network:

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The Social Responsibility Research Network Constitution

For each Newsletter it is considered to be appropriate to print the constitution of the Network. This was agreed at an open meeting during the 2005 conference in London. But note that no Board has ever been elected. So volunteers are welcome...

The Social Responsibility Research Network (SRRNet) is a body of scholars who are concerned with the Social Contract between all stakeholders in global society and consequently with the socially responsible behaviour of organisations.

1. Mission

The mission of the SRRNet is to promote collaborative, cross-cultural and international research on any aspect of its social responsibility agenda, to improve knowledge by such research and to disseminate such research globally.

2. Strategy:

The strategy to accomplish the mission will be based on:

- The exchange of research through of its website;
- The promotion and organisation of a series of international research conferences, ideally in various parts of the world and each under the leadership of a named individual;
- The production and dissemination of an academic journal;
- The production of such other publications as are deemed appropriate and for which sufficient funds exist:
- The promotion and organisation of a series of international visits and collaborations (depending upon funding) to work on special projects.

3. Organization

Membership of the network is open to anyone. It is a formally constituted organisation governed by this constitution and managed by an elected / nominated board. The management of the network will be delegated to this board, which will be supplemented by a general meeting, open to all members, which will take place at each conference organised. Membership of the board will consist of:

- One member elected at each general meeting, who will serve for 3 years;
- Each conference organiser, who will serve for 2 years prior to and 2 years subsequent to the conference organised;
- The journal editor.

The board may also appoint additional members as deemed necessary, and from its membership shall nominate a chair and a treasurer.

4. Financing

To achieve the mission, the SRRNet (via its board) will seek sources of funding and sponsorship. Additionally it will receive funding via the conferences and the sale of published material.

Overcoming Information Asymmetry

Güler Aras, Yildiz Technical University, Turkey & David Crowther, De Montfort University, UK

The risks associated with investing in a business are well known and the recent financial crisis has brought these to public attention. These are of course associated with agency theory, which is well known to all of us. The main problem for developing business in the modern environment is that information is not evenly distributed between managers and investors (and potential investors). This problem is known as 'information asymmetry' and has two separate, though related elements: moral hazard and adverse selection.

Moral hazard arises where it is difficult or costly for owners to observe or infer the amount of effort exerted by managers. In such a situation, there is an inevitable temptation for managers to avoid working to the terms of the agreed employment contract, since owners are unable to assess the 'true picture'. Managers may also have the incentive as well as the means to conceal the 'true picture' by misrepresenting the actual outcomes reported to the investors. Accounting provides one such means for misrepresentation through its ability to represent outcomes from any course of action in more than one way.

Whereas moral hazard relates to the 'post-decision' consequences of information asymmetry, adverse selection is concerned with the 'pre-decision' situation. Since all the information that is available to the manager at the time a decision is made is not also available to the owner, then the owner cannot be sure that the manager made the right decision in the circumstances. In addition, the manager has no incentive to reveal what he knows since this will then make it easier for the principal to properly assess his actions in the future. This is known as 'information impactedness'.

The existence of 'information asymmetry' means that for investors to obtain relevant information concerning the manager's effort, they must either rely on the communications received from the managers themselves, or must incur monitoring costs. An example of monitoring costs would include the annual audit of the firm's financial statements; indeed such auditing of financial statements was instituted as a means of safeguarding such investments in firms made by those who had no part in the operational activity of the firm. In the context of the agency relationship between top management and divisional management, such monitoring costs would include the cost of employing head office staff to monitor the performance of divisions. One approach to this problem is to get managers to commit to acting in the best interests of the owners, but in this situation the owners will incur a bonding cost to effect this relationship. Even in this situation however since managers may not share the same beliefs and preferences as the owner, there may still however, be a 'residual loss'.

This has long been recognised and a whole industry has developed to compensate for this information asymmetry. These have become known as rating agencies, which claim to be able to assess companies and rate their investment potential and reliability. This industry has become so established that they also claim to be able to rate the economies of countries and determine the likelihood of default. The industry has also become so established that the rate of interest at which a company or a country can borrow money is determined by the assessment of these rating agencies and this is accepted by everyone as reasonable.

The recent failures of such agencies have however been well documented. Too often they gave high ratings to bonds that subsequently defaulted. Their investment grade ratings of many subprime mortgage-backed securities were a primary cause of the recent crisis. Such faulty assessments have allowed companies to raise capital that they later wasted while denying more deserving companies capital they could have used to create jobs. The losses borne by bond investors have been huge and the government has absorbed many of these losses to prevent the total collapse of the financial system. More recently they have been overcompensating for their rash assessments by downgrading – to an extreme extent – their assessed creditworthiness of governments and causing yet more financial chaos. Even more recently they have exhibited the same behaviour – rash assessments followed by overcompensating downwards – for countries also

A credit rating is supposed to be a statement about the future. An investment grade rating should indicate that a bond is unlikely to default. Since the future is unpredictable, some investment grade bonds will default. However, defaults should be uncommon. Rating agencies have been criticised for having too close a relationship with company management, possibly opening themselves to undue influence or the vulnerability of being misled. Also information about ratings changes from the larger agencies spreads quickly so they charge debt issuers, rather than investors, for their ratings. This has led to accusations that these agencies are plagued by conflicts of interest that might inhibit them from providing accurate and honest ratings.

These problems are well recognised and have been briefly discussed during the recent crisis but it seems that we are now back to business as usual and no-one has really addressed the problems with rating agencies and the problems which they cause. And no-one seems to have considered that the problem of information asymmetry needs to be addressed and tackled differently. One of the principles of CSR is that of accountability so it seems to us that these agencies need to be made accountable for the consequences of their assessments when they are shown to be patently unrealistic and heavily influenced by the needs of the companies / countries wanting ratings of themselves.

Transparency is also a central principle of CSR. If companies were more transparent about their activities and future then the asymmetry of information would be lessened and the need for unreliable agencies would also be lessened. All the evidence suggests that this would be beneficial for the reliability of the economic system and so we can conclude that CSR is one thing which will lessen the likelihood of future economic crises.

Comments invited. Contact guleraras@aol.com and / or davideacrowther@aol.com

9th International CSR Conference: Personal perspectives from a 'Young Academic'!

Sally Curtis, Australian National University

The 9th International Corporate Social Responsibility (CSR) Conference was my first academic conference after entering the world of academia recently. It was great to be connected with an international CSR community which included about 100 delegates from 24 countries.

My PhD supervisor suggested that I participate in Doctoral Colloquium and I really appreciated this opportunity. I commenced my PhD in April this year and presenting a paper for the conference gave my PhD a great kick start early on. My PhD research is about understanding the interface between CSR and poverty reduction in a developing country. A topic that is sure to hold my interest throughout my PhD and beyond. The feedback on my paper was very helpful and encouraging. It provided me with a boost in confidence and I hope to take my work further and write a conceptual paper, an idea that emerged at the conference.

It was interesting to understand some of the current themes in the CSR field from both practitioners and academics. Social entrepreneurship was a key theme of the conference and the opening keynote speaker, Željko Mavrović, provided a firsthand account of social entrepreneurship. Željko Mavrović is a well known social entrepreneur in Croatia who, after a world class boxing career, established an eco-farm that has become Croatia's biggest producer of certified ecological food. Željko has applied the same drive and determination he had for boxing to develop a successful social enterprise. We also had the opportunity to meet with other social entrepreneurs. Special thanks go to the conference organisers for the arranging the opportunity to browse in the social marketplace that showcased local social enterprises that have a mission to improve the lives of disadvantaged groups.

CSR education was also a common theme at the conference. The second keynote speaker, Professor Chong Li Choy from St Gallen University, provided an overview of the Social Enterprise for Economic Development (SEED) program. The SEED program is targeted at international business students and is a cross-cultural learning program designed to develop village communities in rural areas. Students of the SEED program spend time in a rural village where the culture is unfamiliar and work with the local people to identify ways to foster economic development and social change.

Several conference sessions, including the plenary roundtable, highlighted the issue of CSR regulation. The international nature of the conference provided an opportunity to learn about CSR practices across a range of countries. Whilst CSR is a voluntary activity in most countries, participants from Mauritius and Indonesia discussed legislation enacted in their home country to make CSR mandatory.

Of course one of the best aspects of the conference was the opportunity to meet other people from around the world...in a beautiful country. I enjoyed the opportunities for socialising and experiencing some of what Croatia has to offer. We were privileged to attend the gala dinner at a stunning palace in Zagreb and receive a warm welcome from the mayor of Zagreb at the palace. About 30 conference delegates also took up the opportunity to attend the field trip following the formal conference proceedings. The field trip involved a trip to the Adriatic coastline, staying in the coastal city of Zadar and spending the day on a boat touring around the Kornati Islands. The field trip was very enjoyable and provided the opportunity to spend time together in a relaxed atmosphere and enjoy the Adriatic coastline. I like the idea of leasing a house on one of the Islands for a few months to write my thesis!

Sincere thanks to the Zagreb School of Economics and Management for hosting the conference and making it a great success. Also special thanks to David Crowther and Güler Aras for organising the conference and providing an opportunity for PhD Candidates to present their work and receive valuable feedback. I look forward to catching up again at a CSR conference in the future.

Any comments please to Sally at sally.curtis@anu.edu.au

**A review article on
Koyama, Yoji (2008), *Transition, European Integration and
Foreign Direct Investment in Central and Eastern European
Countries*, Niigata University Press, Niigata.**

Branka Mraović, University of Zagreb

Introduction: Geopolitical positioning in Central and Eastern Europe on a Historical Continuum

This book is based on a collection of papers published by Professor Yoji Koyama, a Japanese political and economic analyst, between 2004 and 2008, and comprises case studies on foreign direct investments in Central European and Baltic countries (CEB), and South Eastern Europe countries (SEECs). These papers analyze the historical heritage, political, geopolitical, cultural, structural and developmental factors which, after 2000, affected the dynamics of transition to market economy in this region, from a comparative perspective. As an expert in the domain of Comparative Economic Systems and Russian economy, Koyama has closely and meticulously monitored and studied this region for more than 30 years. Out of all of the countries, the author focuses particularly on the examples of Poland, Slovenia, Bulgaria, Romania and Serbia, but also gives interesting observations about Croatia, and dedicates a special analysis to the investments by Japanese companies in Central and Eastern Europe.

From a methodological perspective, the particular value of this book is reflected in two aspects. Firstly, it clearly and very convincingly interprets the reasons why international economic relations cannot be treated as purely technical subject matters, as the matters at hand are cruel and unscrupulous geopolitical power games in which small states become victims of collateral damage of the big players. Secondly, the author turns attention to the significance of the case studies in terms of exploring contemporary economic and political phenomena, and as such, this book is indispensable reading for students, young researchers, journalists and everyone aiming to disseminate their research results in society. In this book, the reader will find valuable instructions for using case studies as analytical tools for understanding complexity and interdependences in the globalization process.

Starting with the thesis that inward foreign direct investment (FDI) is one of the decisive factors behind the differences in economic performance between Central European and Baltic countries on one hand, and South Eastern Europe countries on the other, and the dynamics of EU accession of these countries, in studying post-socialist countries, the author adopted the methodological approach of focusing on the investment climate in individual regions. According to the definition provided by the *World Investment Report (the WIR)* in 2003, the factors which constitute an investment climate are: political stability, strong macroeconomic framework, positive attitude toward foreign investment, adequate knowledge, low transaction costs and a good infrastructure (Koyama, 2008: 79).

The basic problem regarding investigating FDI trends in transition countries so far results from a stereotypical approach to the subject of investigation. Foreign researchers mostly study the correlations between the extent of progress in economic reforms and the amount of FDI inflows, while researchers in transition countries focus primarily on inward foreign direct investment, neglecting outward foreign direct investment. The innovativeness and

operational possibilities of Koyama's approach are reflected in the fact that he introduces a viewpoint of developmental stages into the exploration of FDI trends in transition countries, drawing upon the work of two economists, Jože Mencinger (2003) and Fabienne Bourdier-Bensebaa (2005).

The book is divided into three coherently interconnected topic areas, and the dynamics and vivacity of the text are enhanced by the many comments by local authors from the countries which were the focus of this research, with whom the world traveler Koyama had inspiring conversations. There were also numerous secondary sources of information, namely, economic and political statistics from leading world organizations, which he fairly cites at the end of each of the 10 chapters in the form of references, and which surely provide significant incentives for new research. In the first part of the book, entitled "Transition and European Integration", Koyama searches for reasons why socialism failed in Eastern Europe. He analyzes the normative and political framework which is the prerequisite of the transition to market economy, as well as the background of the European Union's directives. The change from a socialist to capitalist system is a shift from an economy limited by supply to an economy limited by demand, in which this turn is the principal cause of "transformational recession", which all these countries went through. Koyama studies the process of EU expansion, which took place at the same time as the NATO expansion process, and he also brings attention to the differences between the approaches adopted by individual states regarding the pace of transition to market economy, ranging from "shock therapy" implemented by Poland, to the gradualist approach implemented by Hungary and Slovenia.

In the former socialist countries, the 1980s are often remembered with nostalgia, but in reality, this was a time of crises, stagnation, poor organization and excessive debt for the countries in the region. Let us go back in time for a moment. The implementation of socialism in this part of the world was carried out by way of secret agreements between great powers, the "Yalta regime", the Soviet Union's military power and the Cold War struggles. We should keep in mind that the Soviet Union suffered the greatest human loss in World War II; historians say that because of burnt villages and inadequate records, it is still impossible to establish whether the number of casualties was 20 million or 23 million. No other European country suffered the same type of destruction of life that Russia did as the price for Europe's freedom in the defense of the region against the invasion by Nazi Germany.

The term "Eastern Europe" is not a geographical concept, but rather more of a political concept, which was defined after World War II and can be interpreted through several events: initially, in March 1947, first the Truman Doctrine and then the Marshall Plan aimed to prevent the expansion of communism to the Western European countries devastated by war; secondly, in September 1947, COMINFORM (the Information Bureau of the Communist Parties and Labor Parties) was established as the Soviet response to the Anglo-American project of westernization of modern post-war societies; thirdly, at the 2nd congress of COMINFORM in Bucharest, the decision to expel Yugoslavia from this organization was adopted.

From that time, "Soviet-type socialism" was uniformly implemented in all Eastern European countries except Yugoslavia, which chose the path of self-management regarding the aspect of internal policy, and joined the Non-Aligned Movement regarding foreign policy. Former American president Nixon would have probably, in his famous cynical manner, said that it ultimately did align. In contrast to the NEP (New Economic Policy) phase during the 1920s, when a mixed economy, which recognized market mechanisms within a socialist

framework, existed in Russia, this form of socialism was based on war communism from the 1930s. Its principal features – administrative governance system and planned economy guided by the state – were introduced to all the Soviet Bloc countries, regardless of their development level, starting with the most underdeveloped, Albania, to Czechoslovakia, which before the war was the 10th industrialized country. In time, attempts to carry out economic and political reforms in individual countries and to re-introduce the market model generally failed.

The big reform initiated by Gorbachev after coming to power in 1985 in the Soviet Union was named *Perestroika* (or radical restructuring) and gave impetus to political reforms in Eastern European countries, which were necessary for the transition to market economy.

National movements in the Baltic republics and Ukraine in 1989 marked the start of the disintegration of the Soviet Union, and after international recognition of these states, the Transcaucasian republics also opted for independence. The change in regime had a domino effect and spread from one state to another. The Eastern European revolution also had repercussions for the former Yugoslavia, which led to the breakdown of the federation in 1991. In December of the same year, the Soviet Union collapsed. Later, Russian analysts, but also American experts on the situation in Russia, often used the term *Katastroika* instead of *Perestroika*.

EU expansion: Economic or political choice?

In early 1989, all Eastern European countries had huge debts to western banks. The financial system came down like a house of cards. The fall of the Berlin Wall on 9 November 1989 was more of a ceremonious act of victory. In the second part of the book, entitled "Foreign Direct Investment", the author analyzes and interprets the significance of FDI on the increase in competitiveness of countries in Central Europe and Baltic countries and identifies the factors which have the potential to motivate foreign investors to invest in their economies.

Central European and Baltic countries (EU-8) joined the EU in May 2004, while South European countries had much more difficulties in the transition to market economy. Obstacles had fatal consequences for the South Eastern European region, which paid for the fact that it lagged behind the more developed transitional economies during the 1990s by harsh deindustrialization processes, which further weakened their industries. It is interesting that in the period 1993-2006, the EU-8 attracted ten times more foreign direct investment amounts *per capita* than South Eastern European countries, which Koyama, an expert on this region, attributes to differences in the investment climate.

Global inflows of inward FDI have grown since 2000 to 1,469.2 billion USD, which reflects the increase in the number of mergers and acquisitions of companies around the world. If we look at individual regions, we see that global FDIs were focused on the EU as the principal region. Although cost and benefit analyses since the EU accession favor the new member countries, payments from regional funds in the future will depend on the ability of the recipient countries to absorb and use them efficiently. Developing countries, including the new EU member countries, often lack this ability, Koyama warns. Data indicate that, in contrast to the initial fears of Eurosceptics, after accession to the EU-15 (old member countries) exports grew in all Central European and Baltic countries, with the exception of Slovenia. Behind the growing exports were the Foreign Investment Enterprises (FIES), in which the EU-15 countries appeared as the main investors in the region. In terms of the labor market, analyses show that the inflow of foreign workers in the EU added to a

deficiency in domestic labor, rather than replacing it, which allowed local wages to remain stable, despite trade unions' fears. However, huge costs of transformation, reflected in decreased life expectancies, high unemployment rates, general pauperization and vast social differences, support the thesis that social policy must be enhanced to reduce "public expenditure".

The paradigm on the development path of investments indicates the dynamics and trends of their movement in CEECs. According to categorization made by Bourdier-Bensebaa (2005), the CEECs region consists, in addition to the Central and South Eastern European countries, of all countries – successors of the former USSR, which can be further grouped according to the level of progress in terms of economic stabilization and structural reforms. The higher the level of inward FDI *per capita*, the more attractive a country is for FDI. Regarding the FDI trends in CEECs, Koyama brings attention to the fact that during the 1990s, FDI inflows were intense in Central European and Baltic countries, as a reflection of their transition to market economy and the active policies of their governments to attract foreign investment. After 2000, FDI inflows swiftly grew in SEECs, which was a consequence of the privatization processes in these countries and stabilization of the region. However, in 2003, FDI inflows in Central European and Baltic countries had a sharp decline, only to swiftly grow again, after their accession to the EU. In time, there was a saturation of FDI in Central Europe, and as economies develop and labor costs in Central European and Baltic countries grow, production chains shift from this region to South Eastern Europe, where labor costs are lower.

Considering that all EU-8 countries, except Poland, are small countries, their experience could be of benefit to Croatia, but also to other countries in the region. The GDP growth rate in three Central European countries in the period 2004-2006 was around 4% (4.3% in Hungary, 4.3% in Poland and 4% in Slovenia), which was more than twice as fast as the average growth rate in EU-15, which was only 2% in these countries in 2004 and 2005. During the same period, three Baltic countries, as well as the Czech Republic and Slovakia, had an even higher growth rate (8.1% in Estonia, 8.7% in Lithuania, 6% in Latvia, 5.4% in the Czech Republic and 5.8% in Slovakia) (Source: EBRD, 2006). In the 2006 World Bank report, factors contributing to the economic development of these countries are analyzed and it is stated that the accumulation of capital and technological progress after the transition to market economy played an important role in the prosperity of the new member countries. The World Bank's 2005 prognostic studies predicted that the EU-8 would need 12.6 years on average to reach 75% of the average economic level of the EU-15 countries, and 22.5 years on average to reach the average income level of the EU-15 countries. Among the EU-8 countries, Slovenia received the best prognosis, and was expected to need only 3 years to achieve 75% of the average EU-15 level and 17 years to achieve the EU-15 income level. Slovenia is the only one of the EU-8 countries which met the criteria of the Maastricht Treaty.

In this period, after the republics of the former Yugoslavia gained independence, they started the transition processes which significantly differed, depending on the structural features of their individual economies.

In Slovenia, when privatizing state-owned enterprises, priority was given to insiders – employees and managers, and generally speaking, Slovenia was not enthusiastic about attracting foreign direct investment. This can be attributed to the relatively strong competitiveness of its export products on international markets, which allowed it to have an export-oriented economy.

The example of Croatia illustrates how politics determines financial information. Croatia had better economic performance indicators than many countries which were already admitted to the EU, and yet negotiations with Croatia are still in progress. During 2002 and 2003, Croatia started extensive privatization projects. After the Hungarian oil company MOL bought 25% of INA's stocks, FDI inflows grew swiftly. In the period 1989-2003, FDI inflows to Croatia were similar to Slovakia's trends. In 2004, of the Western Balkan countries, more than half of direct foreign investments were made in Croatia. Croatia is the wealthiest among the Western Balkan countries, with a GDP *per capita* of 8,426 USD in 2005, which exceeds that of both Bulgaria and Romania, countries which joined the EU in 2007. Even Croatia's regional grouping is politically motivated. If economic stabilization and structural reforms are used as criteria, Croatia is much closer to the Central European and Baltic countries. However, for political reasons, Croatia was first placed in South Eastern Europe, and then among the Western Balkan states, and since 2002, the European Bank for Reconstruction and Development, in its publication *Transition Report*, places it in Central Europe.

Like the other transition countries, Serbia also underwent a transformational recession when changing the regime. However, the combination of many factors – political circumstances in the region, structural features of the Serbian economy and the economy's large debt pushed Serbia about a decade behind with respect to other post-socialist countries. Of course, the solution lies only in investment, not in incurring more debts. Unlike Slovenia, which could afford keeping a distance from foreign direct investment, Serbia must go in the opposite direction and turn to foreign investors. In order to make this possible, it must first gain their trust by creating a favorable investment climate.

Development paths of small and big countries meet, intersect and interweave in economic shifts. Big players set the rules of the game, but they cannot function without the small ones. This could be good news, assuming that small countries accept the fact that they must act proactively, take initiative, and cannot expect others, big or small, to solve their problems. Citizens must be aware that they will not be handed a better life, whatever that means, on a silver platter or in the mail, and that the copy/paste system obviously does not work either. Every person must assume a part of the responsibility for his or her life, and therefore civil initiatives are of extreme importance.

Should we be afraid of giants even when they are bearing gifts?

In the third part of the book, entitled "South Eastern Europe", the author deals with the phenomenon of the disintegration of regions in the age of globalization. He also deals with their reintegration, which are more often an indicator of the balance of powers on the global scene rather than being guided by economic criteria. Compared with Central European and Baltic countries, the countries of South Eastern Europe are poorer, and the vulnerability of the region was intensified during the 1990s due to numerous conflicts and UN sanctions, raging inflation, high unemployment rates, high public expenditure, a large deficit in the general government balance and a large deficit in the trade balance.

The general "falling behind" pattern of the economies of South Eastern Europe during the 1990s with respect to more developed transition economies was further marked by low labor productivity and a low qualification structure of labor. Koyama believes that weak states in the region are a contributing factor to its inferiority, in which he defines a weak state as "a state which fails to protect the rights of its citizens – human rights and property rights" (Koyama, 2008: 149-150).

In addition to the structural weaknesses of the South Eastern European economies, the unfavorable investment climate is also attributed to the weak connections between the countries in the region. As some analysts emphasize, the Balkan region is economically more integrated with the EU than within itself. For this reason, it is of vital importance to create a free trade zone in South Eastern Europe, as this will form a market of more than 57 million consumers, which will increase the region's attractiveness in the eyes of foreign investors. Integrations in South Eastern Europe would have positive effects on reducing political risks in the region and would consequently contribute to improving the investment climate. In order to encourage the regional integration of South Eastern Europe from outside of the region, the EU invented a process which combines regional integrations with EU integrations.

Based on the entire analysis and deep knowledge of the problems, Koyama draws the conclusion that the key to the development of the countries in South Eastern Europe lies in the increase in exports. In order to make this possible, it is of utmost importance to increase investments in industry and to enhance its international competitiveness. For the countries of the region, FDIs are of extreme importance, not only as supplements to domestic savings, but also as an important instrument to cover the large payment balance deficit in these countries. However, to make this possible, political stabilization in the region is necessary, which leads us back to the asymmetry of power and political conditioning of economic decisions. The example of Serbia is illustrative of this claim.

There is no doubt that a good part of the reason why Serbia lags behind the other countries in the region results from the problems with Kosovo's independence. Considering the fact that NATO, the USA and particularly the UK actively supported Albanians in Kosovo, Koyama (2009), in a paper written after this book, asks the logical question: why? Indeed, why was this poor and economically uninteresting area so important to the great powers? "Humanitarian intervention" through which, by bombing Serbia, the Kosovo war was ended in 1999, ensured American influence in the Western Balkans, which in the future will be a part of the expanded EU. A month after the bombing of FR Yugoslavia started, the "New Concept of NATO's Military Strategy" was published. Owing to conflicts in Yugoslavia, NATO was able to implement its institutional reorganization, which allowed the dispatch of troops outside the territory of member countries. Also, the guiding principle of the operation was changed. There was a shift from emphasizing defense to emphasizing a pre-emptive attack, or in the case of the violation of rights of ethnic minorities in a country, NATO could intervene even if the UN Security Council did not approve of the action. In other words, the case of Kosovo will appear in textbooks as the example of how, at the end of the 20th century, under the pretext of "humanism", sovereign powers of national states were limited. However, regardless of political and organizational structure, on the path from Serbia's autonomous province to a territory under UN protectorate from June 1999, to the unilateral declaration of independence, Kosovo is still spoken of as a transit area between Russia and Western Europe, where smuggling, human trafficking and other criminogenic activities thrive.

Norbert Mappes-Niediek (2004), who was a correspondent for South Eastern Europe in 1992, and in 1994/1995 was the advisor to the Special UN Envoy for the former Yugoslavia, Yasushi Akashi, approaches this phenomenon in a similar way. Based on years of monitoring the situation in the region, he claims that, under the guise of ethnic conflict, mafia struggles for domains of influence actually took place, and that Western countries "exported" their criminals to Yugoslavia, infiltrating them in the structures of government, which made its breakdown easier. Mafia networks are described by this author as a modern phenomenon with historical roots, rather than a structural feature of the Balkans which, as

Goldsworthy (1998) points out, is a trap into which Western authors have been falling for centuries. I believe that this "inventing of Ruritania" represent mental blocks in the heads of the diplomats who often hinder positive initiatives in political negotiations.

Koyama warns that Kosovo's economy, which always needed external assistance, could become too large of an economic burden for developed countries in the future. On the other hand, Kosovo needs the Serbian market, and Serbian entrepreneurs are interested in investing in Kosovo. Consequently, the EU's policy in this part of the world will be more constructive if it moves in the direction of encouraging the normalization of relations and establishing a partnership between Serbia and Kosovo.

Conclusions

Globalization processes, aided by information and communication technologies, not only changed the way in which power is manifested and exercised, but also significantly affected the manner in which scientific research is conducted, as well as the form of scientific discourse. In the globalization era, the most intriguing part of scientific work is surely the investigation of *similarities* on which, via large international organizations, subjugation institutionalization is implemented in certain regions. The increased mobility of researchers allows new and interesting advances, and the fact that researchers from one region conduct longitudinal studies on remote parts of the world not only enhances the objectivity of the research approach and applicability of the results obtained, but also contributes to the universal mission of science as the conscience of mankind. Professor Koyama's work confirms this with great passion, diligence and, above all, dignity and credibility.

Further reading

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Civil Society, Civic Involvement and Civic Involvement Project

Özden Zeynep Oktav, Yildiz Technical University

Civil society is generally defined as the sector of voluntary action within institutional forms that are distinct from those of the state, family and market.¹ Another definition is that civil society is independent from the state, but it is oriented toward and interacts closely with the state and the political sphere. According to some analysts, political and economic societies are totally different from civil society. The necessary preconditions for an organization to be defined as a civil society organization: independence from the state, reliance on voluntary action and focus on social benefit and public interest. In the light of those definitions, this short essay will try to discuss to what extent civil society is independent from state, and what kind of an impact civil societies have on the formation of state policies.

In the aftermath of the collapse of the Soviet system, civil society was perceived "as situated in zero-sum opposition against a demonic state" in Turkey.² In this structure, the connection of civil society to political society is essential. While civil society must be eager to inform and influence political society, the latter must be open to the influence of the former. In other words, as much as civil society should respect the decision making power of political society, the latter should do so by being open to the information and feedback that it gets from the former. It is under this mutual relationship that civil society fulfills its role in the process of democratization.³

On the other hand, civic involvement means being actively interested in the life of your community, city, and country. It means getting informed about the issues that affect you, and making a choice about who represents you. As Norton explains: "Societies do not take two tablets of civil society and wake up the next morning undergoing democratization"⁴ In this context, civil society can survive only if people are actively interested in problems surrounding themselves. The process of democratization is a long one and urge active engagement of the citizens. There must be a mediating sphere between the state and society and a collective identity for the consolidation of democracy in Turkey.⁵

Civic Involvement Project, which was initiated in 2002 as an elective course with three credits at the Political Science and International Relations department of the Yildiz University mainly aimed at the active engagement of the students in problems

¹ Thania Paffenholz, Cristoph Spurk, Civil Society, Civic Engagement and Peace Building, Social Development Papers, Conflict Prevention and Reconstruction, Paper No. 36, October 2006, Bank http://siteresources.worldbank.org/INTICPR/Resources/WP36_web.pdf

² Ayşe Kadıoğlu, "Civil Society, Islam and Democracy in Turkey", *The Muslim World* 95. 2005: 24.

³ Sinem Gürbey, "Civil Society and Islam in Turkey", Columbia University Graduate Student Conference, Spring 2006.

⁴ Augustus R. Norton, "Introduction", *Civil Society in the Middle East (Vol.2)*, ed. Augustus Richard Norton (E. J. Brill: Leiden, 1996) 6.

⁵ Sinem Gürbey, "Civil Society and Islam in Turkey", Columbia University Graduate Student Conference, Spring 2006.

of the community where they live. Thus, our students have been able to make contribution to mutual relationship between civil society and political society. The crux of the issue is to teach our students that civil society is not in opposition to state power and political society, on the contrary; they are taught that the state has a key role in putting into effect what has been achieved in civil society. In Gürbey's words: Without the power of the state, civil society has the potential to degenerate into a sphere of civil warfare over ethnic, religious, and class-based issues.⁶

Therefore, the motto of the Civic Involvement Project is "paying forward the debt we all owe society". The Civic Involvement Projects range widely from Ümraniye prison, to Bakırköy Mental Hospital. These projects are currently conducted with the idea that we should do something to help instead of complaining. Another aim of the course is to make our students understand that it is a necessity to share our assets such as knowledge with people who are less fortunate than us. In this context, the main concern of these projects is to give our students life long success apart from career success which enables the Yıldız students to take initiative, to work collectively and to be more self confident so as to act militantly in shaping and coping with the chronic issues of Turkey.

Some of the Civic Involvement Projects

The Ümraniye Prison

For three years, six students in three groups have been teaching the prisoners on primary school, lycée and university level so as to help them to get prepare for their examinations. For example, the number of the prisoners who became successful in entering open university increased this year (2010). In addition, for the first time, the Yıldız students and the volunteer prisoners started to publish a literary journal in which one can find prisoners' short essays and poems. According to the officials of the Ümraniye prison, such activities increased peace in the prison to a large extent.

Bakırköy Mental Hospitality

Since 2005, our students have been visiting regularly the Adolescence Psychiatry Department of the Hospital where they organize various activities with the young people between 17-22 ages. The activities such as discussing some short essays, sports activities, playing chess etc. mainly aim to make them feel better during their stay at the hospital.

The Hasan Tan and Fatih Orphanages

The officials of the both orphanage demanded that the children between 7-12 ages be cared and given help to be more successful at their schools. Most of them are primary level students and most of them are really in need of having a role model at the beginning of their lives. Therefore the Yıldız students have been trying both to play with them and help them to prepare their homework. Most important of all, they become role model for the children. After the Civic Involvement Course finishes, most of the Yıldız students prefer to continue to visit the children.

⁶ Gürbey, "Civil Society and Islam in Turkey", Columbia University Graduate Student Conference, Sipping 2006.

The Foundation for the Volunteers of Education in Turkey

Our students have been organizing joint activities with this institution which was founded by the distinguished industrialists of Turkey as an insurance against backwardness (*irtica*) during the second half of the 1990s and to make a contribution to the contemporary secular Turkey. The activities aiming to promote children's mental development and academic success are held in areas where people from low income level live and most of them are immigrants from the undeveloped parts of Anatolia.

Comments please to Özden at ozoktav@yahoo.com

News from the Network

10th International Conference on Corporate Social Responsibility 18 – 20 May 2011 Loyola University New Orleans, USA

The 10th conference is always a bit special so for our 10th conference in this series we will be visiting Mississippi, USA where the conference will be held in New Orleans and hosted by Loyola University New Orleans. It will be organised by the university in conjunction with the Social Responsibility Research Network (SRRNet).

Call for Papers

As usual the conference is intended to be interdisciplinary and welcomes contributions from anyone who has a perspective on this important issue. This time we will be focusing on one of the most urgent issues of the present. So at this conference there will be a focus on the theme of

CSR and Sustainability

Sustainability is a central concern of businesses, governments and individuals at the present time. It is often related to environmental sustainability and the imminent arrival of Hubbert's Peak coupled with evidence of climate change and resource depletion has fostered this view. Brundtland of course recognised the three pillars of economic, social and environmental as all integral to any concept of sustainable development. This is all intimately connected to CSR. We therefore consider that it is timely to look in greater detail at this issue, although papers addressing all other areas of CSR are welcome. Thus papers are welcome on any topic related to this broad theme and suggested topics for papers include:

- Sustainable business activity
- Business responses to climate change
- Multi-national Corporate Accountability
- Developing sustainable strategies
- Accounting for climate change
- Social entrepreneurship
- Dealing with Hubbert's Peak
- Measuring and managing virtual water content
- Carbon footprint accounting

- Socially responsible business activities
- Globalisation and Corporate Activity
- Regulation of Corporate Social and Environmental Behaviour
- Governmental Influences on Corporate Accountability
- CSR and Corporate Risk
- Corporate Responsibility and the Triple Bottom Line

Offers to run workshops, symposia, poster sessions, themed tracks or alternative events are especially welcome. Please contact Nick Capaldi (nick.capaldi@gmail.com) with suggestions.

Although preference will be given to full papers, abstracts of 200-500 words will also be considered. All papers and abstracts should be sent by 10th January 2011 by email to davideacrowther@aol.com. No more than 2 papers will be accepted from any author.

We will publish proceedings and full details concerning other publishing opportunities for the papers presented at the conference will be provided during the conference.

Doctoral Colloquium

This year we will again be running a doctoral colloquium on one day of the conference. The aim will be to give detailed feedback to doctoral researchers concerning their papers. Feedback will be specific to each person and their research, and will be given by an experienced academic in the field. The colloquium will be an integral part of the conference and all delegates will be expected to participate fully in the conference but the sessions will give extra time to presenters – to allow for discussion and formal feedback. This colloquium will be organised by Professor Dr Güler Aras and abstracts of 200-500 words should be sent by 31st December 2010 by email to guleraras@aol.com. In order to allow detailed feedback full papers will be required in advance of the conference – full details will be given to participants upon acceptance.

Following the tradition established at the 6th conference in Kuala Lumpur, a Young Academician award will be made during this colloquium.

Venue of the Conference

The conference will be held in the Loyola University. The conference fee will be announced later and will include accommodation, meals and conference materials. An optional sightseeing tour will be organised at the end of the conference; full details will be available later. We look forward to welcoming you to New Orleans in 2011 for the 10th conference in the series.

Full and updated details can be found at the conference website:

www.davideacrowther.com/10csrhome.html

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An Emerald Journal

Call for Papers

Social Responsibility Journal, the official journal of the [Social Responsibility Research Network](#), is interdisciplinary in its scope and encourages submissions from any discipline or any part of the world which addresses any element of the journal's aims. The journal encompasses the full range of theoretical, methodological and substantive debates in the area of social responsibility. Contributions which address the link between different disciplines and / or implications for societal, organisational or individual behavior are especially encouraged.

The journal publishes theoretical and empirical papers, speculative essays and review

Social Responsibility Journal is a multi-disciplinary journal which publishes paper from many diverse disciplines with their implication for society, organisations and individuals discussed. It publishes articles from an international authorship which allows the reader to compare the impact of social responsibility across countries and cultures.

Coverage

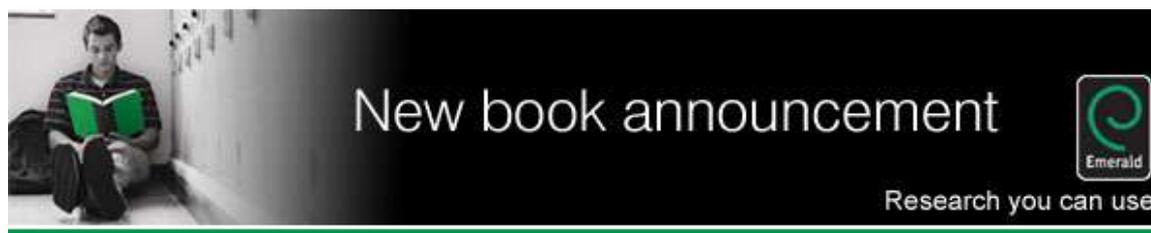
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Another initiative from the Network



NGOs and Social Responsibility

Developments in Corporate Governance and Responsibility, Volume 1

Editors: Güler Aras and David Crowther

ISBN: 9780857242952

Price: £62.95/€89.95/\$114.95

Each annual volume in this series presents a different theme related to the broad field of Corporate Social Responsibility, and publishes in association with the International Conferences on Corporate Social Responsibility run by The Social Responsibility Research Network

Synopsis

It is increasingly being accepted that there is a benefit to both parties when a relationship is established between an NGO and a company. Consequently a considerable number of strategic alliances have been established. It must be accepted that such alliances are not necessarily mutually beneficial but little research has been undertaken to determine the factors which facilitate or mitigate against such mutual benefit. Indeed it is only recently that such relationships have started to be examined at all. The contributions in this volume seek to redress this by researching various aspects of such relationships in order to arrive at some conclusions regarding the potential benefits and pitfalls of such relationships. The various contributors speak from different perspectives and different locations around the world and have different experiences and interpretations to offer. The results therefore present a diverse but balanced picture of the potential of any relationship between NGOs, companies and corporate social responsibility.

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News from our members

A new book:

THE GLOBAL MONEY A political determination of financial information: a social critique

BRANKA MRAOVIĆ, University of Zagreb

Abstract

The power of money in the postmodern era is ensured by two main driving forces: the process of globalization and progress in the development of information and communication technologies (ICTs). In this way, an infrastructure has been created to improve the global financial system, which defines the rules of the game by controlling global money, and dictates the terms to states and corporations. This is the moment when finances become an eminent social and political issue. The breakdown of the global derivatives markets, which came into the spotlight during the 2008/2009 global debt crisis, brought up the issue of trust. The matter at hand is the loss of trust in the investors' ability to make informed decisions, but also trust in the self-regulating capacity of open markets has been seriously shaken. It is obvious that the unipolar form of the global project has transformed into its own negation.

This is a story about the most enjoyable business in the world: How is „our“ economy saved through playing with other people's money? The book is focused on the change of the form in which power is exercised in the era of „deindustrialization“, and on the social and political consequences of the conversion of productive capital into money capital, which provides money with a new predominance. Understanding globalization as political struggle for money, the author is interested in the way in which economic condition of postmodernity is intertwined with the linguistic and symbolic superstructure. This is a critique of the ideology which legitimizes liberal political economy.

Technological possibilities of the digital age are indeed a revolution in designing the global financial system. By eliminating the obstacles of time and distance, new technologies have not only brought the integration of the global financial system to an unprecedented level, but also allowed it to now dictate swift changes in the financial and economic environment around the world, in which it manifests its conditioned power, both to states and corporations. Back in the good old days, economic cycles set the tone of financial markets. Over the last two decades, this trend has been reversed; the value of global financial assets have grown much faster than the real economy in its background, which means that in the era of New Monetarism, financial markets set the tone of the real economy. Consequently, in the eyes of investors, the crucial term becomes "liquidity", rather than "real economy". Electronic transactions facilitated by global computer and telecommunication systems overcome the obstacles created by political borders. Money has lead to a virtual revolution in world politics.

The author focuses on the challenge posed by financial globalization before the traditional Westphalian model of monetary sovereignty, claiming that financial globalization of the world's markets leads to new forms of geopolitical rivalry among contemporary governments. A clear hierarchy between currencies at the global level has dual consequences: *first*, it amplifies the unequal relationship between the leaders and followers in global monetary circulation; *second*, global market forces ignore political borders and present a serious challenge for the monetary sovereignty of contemporary governments. However, money promotes both freedom and inequality. It is both the means of subjugation and emancipation. In any case, in the era when money goes global, the question of re-formulation of the concept of a sovereign state is raised. The ways in which finance aided by the blocks of governmental and business agencies in the present stage affects investment and business cycles result in a progressive increase of inequality between rich and poor countries, as well as inequality within the most developed countries. These processes are not only inconsistent with the proclaimed values of „equal opportunities“ of Western democracies, but also jeopardize the stability of the world economy. Therefore, demands to bring capital under social control assume some real foundations nowadays. Networks for promoting social responsibility of the corporate sector, which more and more tightly cover our small planet, wish to make transparent the connections between corporate leaders, politicians and organizations to which they are connected. Their members conduct research with the aim to make the invisible power of money visible. In other words, their mission is to put citizens in a position to be able to request responsibility from the leaders.

The aim of this book is to contribute to the discussions making us aware that the global financial order requires global institutions, regulatory mechanisms and control, whereby the transparency of financial reporting and implementation of international standards in accounting practice are seen as crucial factors in modern business. Hence, the disclosures of financial scandals as well as fraud investigation involving forensic accounting are of the utmost importance in mobilizing public to form its opinion. The author advocates a socially responsible finance management, emphasizing that accountancy may be seen as a fundamentally social service which is too important to pass it on the researchers in the field of management and financial engineering. In this context, social audit becomes a crucial issue, as it can be seen then to whom financial organizations are accountable, and who has authority to evaluation of their performance. The author's standpoint is that monetary relations are primarily political relations, which must be viewed in their historical setting. The underlying question is: Who makes the rules and who exercises power regarding monetary issues? In the book, social and political imperatives of the normative framework are analysed, which allow the use of the monetary and fiscal policies as coercive forces, through which the asymmetry of power between social groups, classes and communities within a money manager capitalism is reproduced.

As for the audience, the author addresses herself to the practitioners, experts and managers in the field of finance and corporate governance who consider social evaluation as useful tool in solving business dilemmas in the age of globality. The book is also intended for students and less informed readers who want to increase the level of their financial literacy and deepen their knowledge in the field of social implications of financial reporting.

The author understands financial literacy as *conditio sine qua non* of postmodern democracy, and as such it ought to be considered as an eminent political and social issue which is treated as a primary strategic goal of every government. New financial democracy of the postmodern era presupposes financially literate citizens, which without a doubt

presents a challenge for education systems, which will evidently have to incorporate a new, crucial form of literacy, in addition to linguistic, mathematical and computer literacy – financial literacy.

Understanding the nature of subjugation as a whole and its inner economic logics is possible only through reflecting on capitalist dynamics in both aspects economic and philosophical. Hence, the synthesis of philosophy and political economy sheds light on the power of money as the supreme social power through which social reproduction is subordinated to the reproduction of capital. The author examines the role of money within the mature money economy, by using the contribution of the critique of political economy and poststructuralism, in which the theoretical complementarity of these two scientific disciplines is pointed out. The ideas in this book come on the one hand from the Foucaultian and Derridian poststructuralist and the Baudrillardian postmodernist perspective, and on the other hand they are based on a critical accounting that belongs to Anglo-Saxon critical thinking. In addition to the analysis, the author believes that Bakhtin's philosophy of language can find an equally constructive use in the interdisciplinary theoretical discourse within the context of the development of post-Cartesian human sciences as well as in the new practical determination of human agency in an era of globality.

Financial crises and collapses that emerge from the contradictions and crises of late capitalism intensify demands for transparency and a true account of financial transactions in current accounting practices. However, the basic characteristic of knowledge-based societies is that society organised according to simulations, codes and models replaces production as society's organising principle. Electronically operated global capitalism is structured with the help of information networks in a timeless space of financial flows. In the changed reality, the question is raised about the limits of accounting theories that stem from neo-classical economic models. In other words, the question is to what extent they are able to provide an interpretation of new processes related to money circulation on global finance markets. In „the simulation era of today's world“, accounting, just like all other areas of knowledge, is faced with a crisis of representation. There exists nothing solid to support the financial economy in the order of simulacrum. It floats detached from reality into hyperreality. Consequently, vital accounting information no longer refers to real referents, which means that we live in the world of free floating signs. By introducing the poststructuralist perspective in the accounting area, critical accounting has opened up a debate on the presentation of accounting data, use of language and control of accounting discourse.

On a global level, subjugation is institutionalised through the principal international economic and financial organizations. Hence, the object of analysis must be oriented towards producing genealogical and dialectical accounts of the politics of money, which helps us clarify the basic conflict of the age of globality – the one between global capital and its opponents in the form of global citizenship. This presents a great challenge to the critical thought whose task is to make both social relations and areas of conflict transparent. The basic feature of the present time is the spatial dimension of the global crisis of capital, in the sense that the crisis is shifted towards certain countries and regions, thus achieving unbalanced development. The rapid development of information and communication technologies (ICTs) intensifies the sudden development of global economic integration on the one hand, but on the other, it creates new forms of locational and functional differentiation, leading to new inequities. The centripetal production model is replaced by the distributed form, which means that the trans-national corporations must make complex locational decisions for every part of their production chain. Disaggregation of the production chain has led to a degree of supervision and control which was never

possible before. The distributed production chain network facilitates the layering of the labour markets by the developed economies which conduct these processes. The analysts are particularly concerned about the fact that, in distributed globalisation, the production of intellectual capital can be separated from the production process which is more and more often marginalised. The pressures on local communities are exerted on the level of regions and national states. This means that the tensions between the national states and the global economy represent a part of the crises of the society as a whole. National states based on the rule of money and law as fetishised forms of the power of capital are at the same time restricted by the limits imposed by the over-accumulation crisis of capital on a world scale. Also, they must deal with the consequences of the struggles between the labour and capital on the global level. The fact is that, in the final quarter of the 20th century, money has gained a new dominance, which also implies a change of the forms through which power is exercised. The processes of "deindustrialization" throughout this period have fundamentally changed the relation between the productive, commodity and money forms of capital, by leading to the conversion of productive capital into money capital. Considering that money capital can be moved around the world faster and more easily to the places where it yields the greatest profits, as of the 80's, transactions on international financial markets have gained an enormous importance with respect to the movement of commodities and the value of world trade. This frightening political power of huge amounts of money dramatically changes the relations between international finances and the national state, since the fate of individual states is directly dependent on the movement of money on the world markets. The power of money at the present day indicates the inherently global nature of power relations, and hence, as emphasized by analysts, money cannot be treated as an aspect of "the economy", but rather as social power which has meaning only when it commands the work of others. Hence, its role is changed and is constituted by the antagonistic social relations of capitalism. The author gives consideration to the genealogical analysis of the formation, consolidation and disintegration of the successive regimes of accumulation on a world scale through which the capital economy expands. She furthermore examines the crisis of capitalist accumulation through the relation of money and the state, which leads a reader to the field of debates on the changed relationship between the global economy and the national state. However, the crisis is also marked by a milestone which, despite dangers and pitfalls, opens up endless possibilities. The rational principles lying in the background of the modern, Weberian organization which aimed a single organizational form to dominate worldwide, have lost their *raison d'être*.

What after globalization?

Today we are witnessing an emergence of the new world multi-polar economic order, as well as the global processes lead to the constitution of the new world multi-polar political order. New global agents are learning the role of leaders and publicly state that they do not wish to copy from the former superpowers and administrations which made so many grave mistakes. Just as it happened when globalization became visible, the public reaction was sharply divided. Some put their hopes into the multi-polar world as a possibility to build a new, alternative world order, while others are not capable of accepting the fact that the unipolar world no longer lives on our planet. The unipolar vs. multi-polar world debate is extremely counterproductive, since this is a phenomenon which has already happened. It would be even more damaging to ignore it. The multi-polar world is here to stay, and we better learn how to live in it. It is indeed exciting to be living in the 21st century!

Contents: Preface; Introduction; *Part One* – The political struggles for money: Ch. 1: Designing money – institutional and geopolitical aspects; Ch. 2: Political power and the

accumulation of capital; Ch. 3: The issue of dual sovereignty in economy: the government and the central bank; *Part Two* - The virtual power of money in digital era; Ch. 4: The power of networks: Organising versus organisation; Ch. 5: Money and the technologies of subjugation; Ch. 6: Social audit and accountability in the age of globality; *Part Three* – The power of linguistic and symbolic superstructure; Ch. 7: Bakhtin's theory of speech as human agency; Ch. 8: The crises of representation in knowledge-based societies: Why is accounting a social service?; Ch. 9: The war between the signifier and the signified in the money manager capitalism; Ch. 10: Relevance of data mining for accounting: social implications; *Sources; Index of subjects; Index of names..*

For further information please contact Branka at branka.mraovic@public.carnet.hr

CALL FOR PAPERS
The 10th International Conference on Corporate Social Responsibility
18 – 20 May 2011, Loyola University New Orleans, USA

Stream
**Sensemaking and Corporate Social Responsibility: individual
and social contextual developments**

Deadline for Submission: All papers and abstracts should be sent by 10th January 2011 by email to davideacrowther@aol.com, creis@newhaven.edu & anthony.yue@msvu.ca

Stream Convenors: Christina Reis and Anthony R. Yue

Making sense of corporate social responsibility reflects subjective judgments made by groups of observers. Karl Weick (1995) sees sensemaking as a process in which everyone engages in normal life and from which people develop a set of ideas with explanatory possibilities. This sensemaking arises from contextualized actions and is grounded in identity work. The sensemaking of corporate social responsibility (CSR) aims to understand how employees come to believe, indeed to act upon, what is important for business and consequently improves our understanding about their interpretations and actions of CSR. However, in previous research these relationships are often largely acontextual, focusing exclusively on decision making and neglecting the role of various contextual aspects such as culture, gender, ethnicity, class or social background. We would argue there is a lack of contextual research on the relationship of sensemaking and CSR. Our aim in this stream is to extend traditional notions of the importance of the sensemaking and CSR by giving attention to issues of individual and social identities. At the same time the individual and the social is contextualized within attachments to cultural, communities and organizations. Thus we seek to foster an individual and social contextualised consideration of the concept of sensemaking and CSR.

Issues may include but are not confined to the following themes. In particular we seek papers which address the following themes and issues:

Individual orientations of professionals in different contexts. We are interested in papers that consider how professionals identify social responsibility content in their daily work. Reis (2010) examined how some managers were more proactive than others in identifying ethical content in unexpected situations. This theme seeks to extend our understanding of corporate professional orientations in various contexts or how they make sense of social responsibility in their daily work/lives.

Identity, choice and existential being. To consider individual choice within the context of ethical behavior and CSR broaches fundamental questions of how we act in good or bad, faith (Sartre, 1957) and notions of personal authenticity (Yue, 2009a; 2009b). Emerging work concerning sensemaking and identity in existential

terms (Yue & Mills, 2008) might usefully be extended into the CSR field, offering more in-depth contextualization of the “enactive of sensible environments” aspect of sensemaking (Weick,1995) in CSR terms.

Reflecting on sensemaking and CRS. We propose a general theme focusing on the role of various contextual aspects such as culture, gender, ethnicity, embodied aesthetics, class or social background. We embrace papers with examples, case-studies and papers arguing of how theories related to these topics contribute to the study of sensemaking and CSR.

We therefore welcome both conceptual and empirical papers that develop these approaches toward understanding Sensemaking and CSR and insights on how Sensemaking and CSR relationship might apply in various contexts.

Submission Instructions: Although preference will be given to full papers, abstracts of 200-500 words will also be considered. All papers and abstracts should be sent by 10th January 2011 by email to davideacrowther@aol.com; creis@newhaven.edu; anthony.yue@msvu.ca

Stream Convenors:

Christina Reis

Christina Reis, Ph.D. is Assistant Professor in management at the University of New Haven in Connecticut. She worked as management trainer for a European multinational company where she gained knowledge and experience on international management and managers’ work. She has taught in Canada, Germany, Austria, Finland, Portugal and the USA. Her research covers global careers, ethics, gender and female entrepreneurship.

Anthony R. Yue

Anthony is an Assistant Professor in the Department of Communication Studies at Mount Saint Vincent University in Halifax, Nova Scotia and came to academic life after an extensive career working in a variety of entrepreneurial organizations. He is broadly interested in how individuals navigate their organized world. His research spans diverse areas such as gossip and storytelling in organizations, occupational health and safety issues, disability and workers, and existentialist thought. Anthony teaches in the areas of public relations, management, ethics and research methods

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- Yue, A. R. & Mills, A. J. (2008). Making sense out of bad faith: Sartre, Weick and existential sensemaking in organizational analysis. *Tamara* 7(1).

Álvaro J. de Regil, Executive Director, The Jus Semper Global Alliance & The Living Wages North and South Initiative has published these papers:

Living wages:

- A COMPARATIVE APPROXIMATION INTO CHINA'S LIVING – WAGE GAP – China's manufacturing wages incorporate millions into the modern slave work model of today's Darwinian capitalism in one of its direst possible forms <http://www.jussemper.org/Resources/Economic%20Data/Resources/China_LW_gap.pdf>
- INDIA'S LIVING-WAGE GAP – Another modern slave work ethos <http://www.jussemper.org/Resources/Economic%20Data/Resources/India_LW_gap.pdf>

Business and Human Rights:

- A DIALOGUE WITH RUGGIE? – To change so that everything remains the same... An assessment of John Ruggie's 2009 and 2010 Reports <http://www.jussemper.org/Resources/Corporate%20Activity/Resources/A_dialogue_with_Ruggie.pdf>

Any comments to Alvaro at alvaro.de.regil@jussemper.org



Global
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Asian Institute of Corporate Governance

CALL FOR PAPERS
3rd International Conference on
Corporate Governance in Emerging Markets
May 28-29, 2011
Korea University Business School, Seoul

Supported by



ICGN

International Corporate Governance Network



CORPORATE GOVERNANCE FORUM of TURKEY

The Global Corporate Governance Forum (GCGF) and the Asian Institute of Corporate Governance (AICG) at Korea University Business School call for papers to be presented at the 3rd International Conference on *Corporate Governance in Emerging Markets* to be held May 28-29, 2011 in Seoul, Korea. The conference will bring together researchers from around the world investigating the impact of corporate governance on firm performance and economic development, and the role of legal, economic and political institutions in shaping corporate governance systems in emerging markets. The conference will disseminate state of the art research on corporate governance in emerging markets, with the objective of supporting policy advice and practice development. As in past conferences — hosted by Sabanci University, November 2007, Istanbul, Turkey, and by Coppead Graduate Business School and the FGV Law School in July 2009, Sao Paulo, Brazil — papers on all aspects of corporate governance are welcomed. The conference series is an undertaking of EMCGN (<http://www.gcgf.org/ifcext/cgf.nsf/Content/Research>) chaired by Prof. Stijn Claessens of University of Amsterdam.

The keynote speakers for the conference will be Professor **Bernard Black** of Northwestern University, and Professor **Randall Morck** of University of Alberta. Lists of topics for which papers are solicited include:

(1) Dynamic aspects and effects of ownership and control structures in emerging market corporations

- What are the dynamics of ownership structures in emerging markets over long time spans?

- What are innovative tests regarding the causal relationships between ownership structures and corporate behavior and performance?
- What is the nature and means of misuse of private benefits of control in emerging markets?
- How does family ownership shape the short- and long-run aspects of management and business strategy of emerging market corporations?
- How do emerging market companies manage the succession of founding owners?
- What are the advantages and disadvantages of using firm-level corporate governance indicators? Which firm level governance indicators are most meaningful in emerging markets?

(2) Political economy and institutional aspects of corporate governance in emerging economies

- What corporate governance mechanisms are used in what institutional environment?
- What legal and economic strategies can minimize minority rights expropriation and reduce private benefits? What works best in various institutional environments?
- What are the roles of product and factor market competition, managerial labor market, the market for corporate control?
- How do cultural, legal and institutional factors such as family values, inheritance structures or marriage norms influence the evolution of legal and institutional systems?
- How can private enforcement mechanisms be encouraged and made more effective? Can reputation and trust effectively substitute for strong shareholder rights?
- What are the interactions between family preferences, concentrated ownership structures and formal institutions within and across countries?

(3) Corporate social responsibility, the role of stakeholders and sustainable development⁷

- What specific environmental and social factors are related to long term financial performance?
- How and when do environmental and social externalities negatively or positively affect corporate financial performance?
- Should the objective of an emerging market firm be the maximization of shareholder value? Or is a broader perspective, including social objectives, more useful in emerging markets?
- Why do stakeholders have a greater role in the corporate governance of emerging market firms and is this role efficient?

While papers are expected to be in economics and finance fields, the conference welcomes papers from a variety of disciplines, including sociology, organizational science, law and management. Both theoretical and empirical papers, as well as clinical studies, are welcome. Researchers from emerging market institutions are especially encouraged to submit papers.

Paper Submissions

The submission deadline is January 31, 2011. Accepted papers will be announced by March 15, 2011. Submissions can be done online at www.gcgf.org/conf2011 or by e-mail to aicg@korea.ac.kr. All submissions must be in English. Reviews will be double-blind. The cover page should have the title and information for each author, while the second page should just have the title and abstract with no identification of authors (nor should authors

⁷ A special session on corporate social responsibility is envisioned

be identifiable in the remainder of the paper). The preferred file format is pdf, but doc files are also acceptable.

Travel and expenses

Reasonable economy class travel and lodging expenses at selected hotels for one presenter for each accepted paper will be reimbursed by the organizing institutions after the conference. There will be no registration fees for presenters.

Organizing Committee

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The 2010 INTERNATIONAL CONFERENCE ON GOVERNANCE AND ACCOUNTABILITY

December 5-8, 2010 • Sebelas Maret University - Solo Paragon • Solo, Indonesia

The 2010 International Conference on Governance and Accountability will be organised by Sebelas Maret University's Indonesian Centre for Social and Environmental Accounting Research and Development (ICSEARD), Social Responsibility Research Network (SRRNet), DeMontfort University's Centre for Research into Organisation Governance (CROG), UiTM-ACCA Asia Pacific Centre for Sustainability (APCeS), Governance and Corporate Social Responsibility Research Unit, Curtin University of Technology, Faculty of Economic and Administrative Sciences Yildiz Technical University, Turkey

This is announcement for the conference to be held on December 5-8, 2010 at Sebelas Maret University-Solo Paragon in Solo city, The Spirit of Java. The conference will be a deliberately informal gathering of researchers, teachers, students and practitioners concerned with governance and accountability, social and environmental accounting, teaching and research in the very widest sense. The emphasis of this gathering is on a high level of interaction, discussion and debate in a friendly, supportive and relaxed atmosphere.

INVITED SPEAKERS

The Keynote Speakers will be:

- **Professor Dr. Zaki Baridwan**, Professor of Corporate Governance at University of Gadjah Mada and Commissioner in some state owned companies.
- **Professor Dr. David Crowther**, Professor of Corporate Social Responsibility & Head of Centre for Research into Organisational Governance, De Montfort University, UK
- **Professor Dr. Guler Aras**, Professor in Finance & Accounting, Dean, Faculty of Economic and Administrative Sciences, Director of Graduate School Yildiz Technical University, Turkey and chair of the Social Responsibility Research Network
- **Dato' Professor Dr. Mustaffa Mohamed Zain**, Professor of Corporate Social Responsibility and Deputy Vice Cancellor (Academic & International) at Universiti Teknologi Mara (UiTM), Malaysia



CALL FOR PAPERS

Both full and research-in-progress papers are welcome. The deadline to submit full/research-in-progress papers is 31 August 2010.

Please email all submissions to: Dr. Hasan Fauzi at hfauzi@icseard.uns.ac.id or icga2010@icseard.uns.ac.id

Doctoral Colloquium

In this conference also will be running a doctoral colloquium on one day of the conference. The aim will be to give detailed feedback to doctoral researchers concerning their papers. Feedback will be specific to each person and their research, and will be given by an experienced academic in the field.

Deadline for submission 31 August 2010 by email to Dr. Haslinda Yusoff (hasli229@salam.ulm.edu.my) and to be coded Doctoral Colloquium on top of paper cover.

Registration

The registration form (please download from the Conference website at <http://icga.icseard.uns.ac.id/>) with the copy of the bank transfer, once filled with personal data and payment information, is to be sent to reg.icga2010@icseard.uns.ac.id

The registration fee - includes four days conference, material distributed, coffee breaks, lunches and social dinner

DELEGATE REGISTRATION FEE

Identification Code and Category for International Participants	Registration Fee	
	International Participant (USD)	Local Participant (IDR)
A. Early Registration for non-students (by 10 October)	250	2,000,000
B. Early Registration for Students (by 10 October)*	200	1,500,000
C. Regular Registration for non-students (11 October-11 November)	300	2,500,000
D. Regular Registration for students (11 October-11 November)*	250	2,000,000
E. On-site Registration for non-students (5 December)	350	3,000,000
F. On-site Registration for Students (5 December)*	300	2,500,000

*) Student Card is required

The payment of the registration fee should be made by bank transfer to:
 BANK: BNI SURAKARTA
 ACCOUNT HOLDER: ICSEARD UNS
 ACCOUNT NUMBER: 0191773298
 SWIFT: BNINIDJA SLO



Faculty of Economic and Administrative Sciences
 Yildiz Technical University
 Turkey



The 2010 INTERNATIONAL CONFERENCE ON GOVERNANCE AND ACCOUNTABILITY

December 5-8, 2010 • Sebelas Maret University - Solo Paragon • Solo, Indonesia

Please remember to indicate The 2010 International Conference on Governance and ACCOUNTABILITY and the NAME OF THE PARTICIPANT as the reason for your bank transfer. If you are experiencing any difficulties in registering for the Conference, please contact the Conference Secretariat on +62 856 4053 9097 Or email: reg.icga2010@icseard.uns.ac.id

Accommodation

The reservation including accompanying partner/spouse must be arranged with the hotel personally. Solo Paragon Hotel and Resident is located in the centre of the city. This is the official hotel where the conference will take place with the special discounted rate for the delegates of the 2010 International Conference on Governance and Accountability and their accompanying guests (hotel reservation form to be downloaded will be available soon)

Hotel Reservation Rate

Room Type	Special Discounted Rate (For the Conference Only)	
	Earlier booking (US \$)	Last booking (US \$)
SUPERIOR	54	65
DELUXE	59	70
EXECUTIVE	75	86
SUITE 2 BED	129	151
SUITE 3 BED	194	215

The 2010 ICGA venue and official hotel is Solo Paragon and Residence. Special conference rates apply for accommodation at the official hotel for a limited period. For more information on the conference venue, please call +62 812 268 0896 or visit <http://www.soloparagonhotel.com/>

For the latest updates on the conference, accommodation rates and travel information, please visit the 2010 ICGA website at <http://icga.icseard.uns.ac.id/>



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Head of Centre - David Crowther

UTM-ACCA Asia-Pacific Centre for Sustainability (APCeS)
Head of Centre - Faizah Danus, Deputy Head of Centre - Haslinda Yusoff

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