GeT MA Working Paper Series

Corporate Social Responsibility in the Realm of neo-liberal Art of Governing

ELA KURTCU

GeT MA Working Paper Series

Edited by Prof. Dr. Silvia von Steinsdorff (Department of Social Sciences, Humboldt-Universität zu Berlin, Germany) and Prof. Dr. Meliha Altunışık (Graduate School of Social Sciences, Middle East Technical University, Ankara, Turkey).

Papers in this series are the final MA Theses of graduates from the German Turkish Masters Program of Social Sciences (GeT MA). Publication in this series does not preclude a later publication elsewhere.

Please cite in the following format:

Corresponding authors:

Ela Kurtcu, Master of Social Science, German Turkish Master Program, Institut für Sozialwissenschaften, Humboldt-Universität zu Berlin, Unter den Linden 6, 10099 Berlin, Email: ekurtcu@steinbeis-icrm.eu

Ela Kurtcu has recently completed her second M.A. degree in Responsible Management at Steinbeis University Berlin. Ms. Kurtcu has been working as Research/Project Assistant at Institute Corporate Responsibility Management in the framework of the ESF funded project "Implementation of CSR-measures in SMEs through Project Competence Concept". She has been actively involved in United Nations Principles for Responsible Management Education (UN PRME) Working Group on the Incorporation of the Principles in Executive Degree Programs. She is also a founding member of the first professional Net Impact Chapter in Berlin. The current research interests of Ms. Kurtcu lie in the fields of Social Innovation, Social Entrepreneurship and the role of higher education institutions in boosting these subject areas.

Corporate Social Responsibility in the Realm of neo-liberal Art of Governing

ELA KURTCU

Diese Untersuchung soll zeigen, inwieweit die aktuellen Methoden, die sich rund um die Corporate Social Responsibility (CSR) entwickeln, in den Rahmen der neoliberalen Kunst des Regierens in der Türkei eingebettet werden können. Aufgrund der Tatsache, dass seine Bedeutung im Verlauf der letzten zehn Jahre weiter gewachsen ist, findet das Konzept immer mehr Beachtung seitens verschiedener Unternehmen und der akademischen Welt auf sich. Während sich der größte Teil der Literatur damit beschäftigt, wer die Akteure der CSR sind und was diese tun, versucht diese Untersuchung darüber hinaus zu gehen und unter Anwendung von ‚Governmentality Studies' die Rationalität hinter dem Aufkommen und der Entwicklung des Konzepts in der Türkei zu erforschen.

Stichworte: Corporate Social Responsibility (CSR), Türkei, Neoliberalismus, Governmentality

The purpose of this study is to show to what extend the current practices evolving around Corporate Social Responsibility (CSR) can be placed in the realm of neo-liberal art of governing in Turkey. Having become increasingly relevant in the last decade, the concept has been attracting more and more attention from various organizations and academia. While most of the literature deals with who the CSR actors are and what they do, this study attempts to go beyond that and explore the rationality behind the emergence and development of the concept in Turkey, through the application of governmentality studies.

Keywords: Corporate Social Responsibility (CSR), Turkey, neo-liberalism, governmentality

Table of Content

List of Abbreviations

AKP	Justice and Development Party
AYDER	Alternative Life Association
CSOs	Civil Society Organizations
CSR	Corporate Social Responsibility
CSR EMS Forum	European Multi-Stakeholder Forum on Corporate Social Responsibility
DYP	True Path Party
FDI	Foreign Direct Investment
GRI	Global Reporting Initiative
MNEs	Multinational Enterprises
NGOs	Non-Governmental Organizations
OECD	Organization for Economic Cooperation and Development
OSGD	Private Sector Volunteers Association
PPPs	Public Private Partnerships
PR	Public Relations
RP	Welfare Party
SMEs	Small and Medium Enterprises
TKYD	Corporate Governance Association of Turkey
TUSIAD	Turkish Industry and Business Association
UN	United Nations
UNDP	United Nations Development Program
WWF	World Wide Forum

1. Introduction

The social responsibility of the business is to increase its profits

Milton Friedman (1970)

Directly contrasting Friedman's claim, the concepts of Responsible Management, Business Ethics and Corporate Social Responsibility (CSR) have come to be discussed and applied by many individuals and institutions around the world today. As a concept that has become increasingly relevant in the last decade, Corporate Social Responsibility has especially been attracting more and more attention from various organizations. Companies have been establishing CSR units, allocating more and more resources to CSR consultancy firms in order to engage in related activities that can be incorporated to their business strategies. Civil society organizations (CSOs), on the other hand, have been pushing corporations to care for not only their shareholders but also their stakeholders ranging from their employees to wider society –in other words to lead them do responsible business. As CSR activities are aimed at doing both good for the society and environment as well as good for the economy, governments have been assuming an increasing pivotal role in the development of Corporate Social Responsibility, through the establishment of frameworks, guidelines and principles. In addition to this, for the future development of the concept, business schools have been incorporating courses such as Corporate Citizenship, Business Ethics, Corporate Responsibility Management, etc. into their curricula in order to educate responsible leaders for the future (for more information see: Habisch et. al. 2005; Hopkins 2003).

Although the development of the concept has made a boom in the last decade, it has actually a history longer than that. The history of Corporate Social Responsibility can indeed be traced back to 1930s, but it was only after the mid 20th century, when the debates and the literature on CSR began to flourish. The multifaceted nature of the term has actually brought about a variety in its definitions, each of which has been criticized or supported for various reasons by several scholars. Indeed, the term 'Corporate Social Responsibility' itself has recently started to be replaced by 'Corporate Responsibility', as the responsibility of a corporation does not only have a social, but

also economic and environmental aspects[1]. According to Archie B. Carroll, who is a well-known and frequently referred scholar in the field, "the concept of corporate social responsibility refers to the general belief held by growing numbers of citizens that modern businesses have responsibilities to society that extend beyond their obligations to the stockholders or investors in the firm". However, in order for a definition of CSR to grasp several aspects of the critical business-society relationship, it should reflect "the economic, legal, ethical and discretionary or philanthropic expectations that society has of organizations at a given point in time" (Carroll 2010: 106-107). His definition does emphasize that CSR suggests an expansion of a firm's responsibility towards its stakeholders; however, it seems to miss some crucial features of the concept, such as its voluntary nature. Therefore, in this paper another definition of Corporate Social Responsibility, which is provided by the European Union (EU) and often applied in the literature, is used. According to this definition, CSR is a concept "(…) whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. It is about enterprises deciding to go beyond minimum legal requirements and obligations stemming from collective agreements in order to address societal needs" (Emphasis added) (EC 2006: 2). It should still be noted here –for the understanding of the current activities evolving in the field- that CSR is usually used as "an umbrella term which covers principles and responsibilities related to business ethics, accountability, transparency, human and worker rights, occupational health and safety, gender equality, corruption, environmental awareness, social dialogue, etc." (CSR Turkey 2010: 10), as the activities evolving around it embodies such broader issues.

As mentioned above, in the last decade the concept has become very popular in several fields and has been regarded to be an important issue not only in business but also in politics, law and education. It is no doubt that the challenges of the globalization, increased levels of poverty and unemployment, environmental problems, recent financial crisis, etc. have brought about the interest for the concept in such a

---

1 Despite this transformation in terminology from 'Corporate Social Responsibility' to 'Corporate Responsibility', which indeed gives a more comprehensive understanding of the concept, this paper uses the former as a term, since almost all the literature referred in the paper applies Corporate Social Responsibility in their discussions. However, this ambiguity is tried to be cleared by a specific definition of CSR, which is preferred to be used in this paper.

broader sense around the world, as they have increased the demand for an ethical and responsible business and a stronger cooperation between state and non-state actors for dealing with such challenges. Indeed, Ararat and Göcenoğlu relate the popularity of Corporate Social Responsibility to the fact that "although economy has succeeded in creating wealth on a global scale over the past few decades, the distributive mechanisms have ignored equality and provoked social unrest and hostility towards business". The authors add that, while dealing with societal problems, governments can actually use CSR "as an instrument of sustainability with the potential to promote a stable economic, social, environmental and political environment for business to operate in" (Ararat and Göcenoğlu 2006: 1). Thus, it is not only the private companies engaging with CSR activities for a more sustainable business and a better corporate image that are accepted by the society, but civil society organizations and political bodies have also started to apply the concept, build partnerships with the business actors in the CSR filed, benefit from the power of business world in order to achieve their own objectives.

An example for a CSO dealing with such activities is the global non-profit network organization for students and professionals, Net Impact, which has the "mission to inspire, educate, and equip individuals to use the power of business [and the skills of business actors] to create a more socially and environmentally sustainable world" and tries to increase awareness for the concepts of Corporate Social Responsibility, Business Ethics and Sustainability[2]. There are also various international and local civil society organizations that are either involved exclusively in CSR issues –such as the CSR Association of Turkey, which organize training seminars for business actors, develop projects, publish reports, etc.- or engage with CSR-related activities in their attempts to, for instance, fight with poverty, as UNDP does.

Similar applications of CSR as an instrument can also be seen in the political sphere, both at the national and within the international realm. Recently, for example, the German Federal Government issued 'National Strategy for Corporate Social Responsibility – Action Plan for CSR of the German Federal Government' where it is stated that "The National CSR Strategy now has the task of developing a framework

2 Net Impact, http://www.netimpact.org, 13.07.2011

that focuses on allowing market forces to develop, and at the same time, seeks to square freedom of action with the active assumption of responsibility. This is intended to support the economically-stable, socially-equitable and environmentally-compatible development of business" (German Federal Government 2010: 2). Here, it should be noted that this national-level action plan is actually based on European Union's strategy for Corporate Social Responsibility. As CSR is regarded as a contributing factor for the achievement of the strategic goal declared in Lisbon, "to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion"[3], European Commission provides certain frameworks, guidelines, principles for CSR actors, establishes networks, promotes awareness-raising activities and CSR-related education (EC 2001/EC 2006). The establishment of the policy initiative Global Compact under United Nations (UN), which is a global initiative that provides "universally accepted" principles to be followed by the businesses[4], and OECD Guidelines for Multinational Enterprises, also indicate the international attempts to increase CSR awareness[5].

As several institutions have been paying more and more attention to Corporate Social Responsibility, the multifaceted nature of the concept has also been reflected in a variety of approaches on the subject in scholarly works. While some of the scholars attempt to show the link between CSR activities and financial and/or competitive gains to corporations and a creation of a 'shared value' for the society and business (Porter/Kramer 2006), some of them apply a stakeholder approach and discuss to whom corporations' responsibility should be directed (Clarkson 1995; Mitchell et. Al. 1997). As the profile of CSR has been rising in the political agenda, there is an increasing amount of literature that approach CSR from a political perspective as well. Most of such scholarly works apply the studies of New Governance and explain the increasing governmental activity in the field of Corporate Social Responsibility with the challenges of globalization and economic transformations, the eroding role of the state as opposed to the increasing power of corporations. Applying governance studies does

---

3 During the meetings it held between 23-24 March 2000, European Commission has agreed on this strategic goal for the EU [European Council (2000) Lisbon European Council 23 and 24 March 2000 Presidency Conclusions, http://www.europarl.europa.eu, 02.06.2011].

4 UN Global Compact, http://www.unglobalcompact.org, 13.07.2011

5 OECD Guidelines for Multinational Enterprises, http://www.oecd.org, 13.07.2011

indeed ensure an understanding of the increasing state engagement with CSR-related activities and rising participation of non-state actors in solving of social and environmental issues through the field of Corporate Social Responsibility. The state cooperates with the business and civil society organizations and supports multi-stakeholder dialogue, provides certain frameworks and guidelines, encourages the best practices to foster market competition and innovativeness, establishes partnerships with private enterprises and CSOs to meet the social demands (for more information see: Albareda et. al. 2006/2008). In other words, the government, instead of enforcing laws, stimulates "corporate self-determination" through "indirect means of steering" and "seeks to instill a certain mentality in the minds of corporate managers" (Vallentin/Murillo 2009: 5), which in return brings about increased concern of non-state actors with social and environmental challenges, without leaving the solving of such issues merely to government.

With these contributions of the governance studies at hand, Vallentin and Murillo state, however that "in order to properly understand how CSR is developing, we need to look not only at what is happening within the field, but also what is being overlooked, taken for granted, ignored or excluded" (Vallentin/Murillo 2009: 12 quoted from Blowfield/Frynas 2005[6]). In this regard, the authors emphasize the need for application of governmentality studies to critically understand the current practices in the field of CSR and to problematize the forms of governing in the field, which has not really been touched in the CSR-related literature (Vallentin/Murillo 2009).

Here, it is critical to give a definition of the word governmentality as it is referred in the rest of this study. The term can be defined as "the ensemble formed by the institutions, procedures, analyses and reflections, the calculations and tactics" that shapes a specific form of exercising power (Foucault [1978] 1991: 102). The aim of governmentality studies is "investigating the specific practices and techniques of governing as an empirical phenomenon, thus seeking to replace a focus on institutions (characteristic of studies focused on sovereignty) with a focus on practices". In that sense, it attempts to detect a specific "mentality or rationality" that is behind a certain way of governing (Sending/Neumann 2006: 656-657). Hence, from the perspective of

---

6 Blowfield, M. and Frynas, J.G. (2005) Setting New Agendas: Critical Perspectives on Corporate Social Responsibility in the Developing World, International Affairs, vol. 81 (3), 499-513.

governmentality studies, business actors' engagement with social and environmental issues would not be understood as the decline of the state power but as the formation of a certain way of governing that promotes individual responsibilization and the prevalence of market forces and entrepreneurial thinking in social sphere. The approach would not take the concept of CSR for granted, but try to show how various actors actually actively involve themselves in its construction, what the rationality behind its construction is and how this rationality is articulated and deployed through various actors and practices (Lemke 2007; Rose/Miller 1991; Sending/Neumann 2006).

With the premise of this study established, it is important to note that Corporate Social Responsibility is relatively a new concept in countries with emerging markets, especially when compared to countries such as the US and UK, "where ideas about social responsibility have made their biggest impact to date" (Hopkins 2003: 1). In Turkey, for example, although the philanthropic activities of private enterprises date back to Ottoman era, it was only in early 2000s when the CSR, as a new concept, has started to be discussed (UNDP/CSR Turkey/EU Commission 2008). In their study, Ararat and Göcenoğlu argue that the drivers of CSR in Turkey are "exogenous and institutional rather than endogenous and cultural" (Ararat/Göcenoğlu 2006: 3), which indicates that the concept has entered to the country with the influence of multinational companies and principles of international agreements and/or international organizations to which several institutions from Turkey are participatory. The authors also argue that CSR in Turkey shows how corporate behavior is affected by "changes in political, economic and social environment with an external anchor", referring especially to the influence of EU accession process and the economic, political and social transformations of the last decade in Turkey (Ibid.: 19). It can be argued here that although doing good for the society has been part of corporate governance in certain private enterprises in Turkey; attempts to put these activities in a more strategic way and to incorporate them into the corporate culture in a more comprehensive manner, expansion of these initiatives to small and medium enterprises (SMEs) as well and the development of –relatively- multi-stakeholder discussions regarding social, economic and environmental issues under the concept of Corporate Social Responsibility are mostly affected by external actors.

On the basis of this, choosing Turkey as a case for this study is not only attractive in terms of studying the emergence and expansion of the concept in a country, for which CSR-related literature is relatively limited, letting alone one applying the governmentality theory; but also relevant to reflect the discussions of the governmentality studies on the recent political, economic and social transformations in the country, which are related to the emergence and development of Corporate Social Responsibility in Turkey.

Considering the emerging interest for Corporate Social Responsibility in political sphere, this study approaches the concept from a political perspective and tries to explore how development of CSR and practices of several actors in the field can be understood as a result of a certain way of governing, the neo-liberal way of governing, through the analytics of governmentality. There are two reasons why the focus in this study is particularly given to neo-liberalism. First, neo-liberalism has been widely referred in political and academic discussions during the last two decades around the world and its argued by certain scholars that many countries follow neo-liberal modes of governing in political and economic spheres (Thorsen/Lie 2007). Second, certain scholars argue that the current practices of CSR, especially the state's involvement in the field, reflect neo-liberal tendencies (Shamir 2008; Vallentin/Murillo 2009). While it is hardly possible to talk about a single version of neo-liberal way of governing that can be applied around the world, regardless of country-specific coalitions and/or contradictions, this study attempts to examine, to what extent CSR in Turkey reflects neo-liberal ideas that can be distinguished from the ideas of liberalism or welfare state. As indicated earlier in this paper, applying governmentality studies on the concept does not necessarily focus on the role of the state or the government in the field of CSR and exclude the activities of the non-state actors. On the contrary, the theories of governmentality assume that "international institutions, NGOs, auditors, consultants and multinational corporations are together expected to perform the job of government at a distance" (Barry 2004: 202). Hence, the purpose of this study is not only to analyze the activities/approaches of the government in CSR field in Turkey through the analytics of governmentality, but also to explore the different roles of state and non-state actors in the development and deployment of the concept in the country. With this analysis in place, the research question of this study is 'How can Corporate Social Responsibility be understood in the realm of neo-liberal art of governing: The case of Turkey'.

1.1 Sources

In order to address this research question, both secondary and primary data are used in the course of this study. The secondary data includes the literature on governmentality theory, various studies of Corporate Social Responsibility, and the development of CSR in Turkey together with the recent political, economic and social developments in the country.

To support the discussions regarding the emergence and the development of the concept in Turkey, in-depth interviews with the representatives of various organizations, which are the most active ones in CSR field in Turkey, are conducted. As these interviews are used to support the discussions in this paper, the answers of interviewees are not presented in a separate chapter, but referred throughout Chapter IV.

In order to ensure confidentiality, some of the interviewees' names and/or the organization they work at are reported anonymously.

1.2 Format

The format of the study is designed as follows:

Chapter 2: Theoretical Framework

This chapter provides the theoretical framework based on studies of governmentality and neo-liberalism. The purpose of this chapter is to establish a base for further discussions, through analyzing the transformation of the understanding of the state and the different modes of governing, the conception of power and its reflection on the relations between state and non-state actors in governing activity. Here the focus is given to neo-liberal way of governing in order to understand the characteristics of this specific art of governing, which is necessary to address the research question of this study. The format of this chapter is as follows:

2.1 From Governance to Governmentality

2.2 Governmentality Theory

2.3 Rationalities, Programs, Technologies

2.4 Neo-liberal Art of Governing

Chapter 3 Corporate Social Responsibility - Actors and Practices

In this chapter, after a brief history of the concept is provided, the current practices of state bodies, business entities and civil society organizations in the field of CSR are analyzed with the help of the theoretical discussions of the previous chapter. The format of this chapter is as follows:

3.1 From Philanthropy to Strategy

3.2 Corporate Social Responsibility in Neo-liberal Art of Governing

Chapter 4 Emergence and Development of Corporate Social Responsibility in Turkey

This chapter attempts to provide an understanding of the emergence and development of Corporate Social Responsibility in Turkey. The first part of the chapter gives background information regarding the recent political, economic and social transformations in Turkey, which created the necessary environment for the emergence and deployment of CSR. The second part discusses the main actors and their activities in the field, within the theoretical framework provided in the second chapter. The discussions in this part are elaborated with the interviews conducted.

4.1 From National Developmentalism to Neo-liberalism

4.2 Corporate Social Responsibility in Turkey

Chapter 5 Conclusion

The final chapter presents the concluding remarks of the study.

2. Theoretical Framework

The purpose of applying governmentality theory on Corporate Social Responsibility in this study is to further understand the practices in the field by going beyond the exploration of what or why actors (should) do and looking at how they do it. For this purpose, the first part of this chapter discusses the contribution of governmentality studies in comparison with governance studies. The second part presents a general understanding of governmentality approach. This is followed, in the next part, by discussing how various governing activities can actually be analyzed in the light of governmentality studies.

The final part of the chapter focuses on analytics of neo-liberal way of governing, not only for providing a concrete example of application of governmentality theory, but also in order to be able to work on the research question of the study and to explore to

what extend Corporate Social Responsibility can be understood in the realm of neo-liberal art of governing

2.1 From Governance to Governmentality

Since the last two decades, analyses of 'political power' has no more been centered on the state and 'the government' has no more been regarded as the mere imposition of state's power on citizens. Today, the exercise of the political power is realized through the "shifting alliances between diverse authorities", be it state or non-state, in certain projects which are designed to govern economic and social lives of individuals. In that sense, government is not merely the activity of regulating and controlling citizens as "the subjects of power"; rather they themselves take part in this governing activity (Rose/Miller 1991). This extension of the political power beyond state actors has given rise to a new field of study, namely 'governance', which can be –as a term- understood as "a kind of catch-all to refer to any strategy, tactic, process, procedure or program for controlling, regulating, shaping, mastering or exercising authority over others in a nation, organization or locality" (Rose 2004: 15). In that sense, one can study governance of a corporation, of the education system or even CSR governance, in which it is the process of the governing activity –where both state and non-state actors play a role- to be considered. While the concept can be used for such various systems, which do not necessarily have a political form, according to Alcantara "it still implies the existence of a political process: 'governance' involves building consensus, or obtaining the consent or acquiescence necessary to carry out a programme, in an arena where many different interests are in play" (de Alcantara 1998: 105).

For this process of governing, certain 'governing structures' are developed, which would work in the most effective way under given conditions (Rhodes 1996: 653). In this regard, one can talk about 'good' and 'bad' governance and the former is usually associated with decreased role of the state authorities as opposed to improved involvement of the non-state actors in governing structures (Rose 2004: 16), which could –for instance- be realized through regulation by frameworks and principles, instead of laws, increased public private partnerships (PPPs) in both economic and social spheres, or the engagement of private enterprises with the provision of certain social services.

The governance studies are indeed helpful in taking the analyses of political power beyond state bodies and studying government as a process, in which the non-state

actors are also actively involved. However, according to Sending and Neumann, there are certain limitations of governance studies in providing an understanding of how these processes actually work. While they focus on exploring the changes in the role of the state, involvement of various actors in the governing processes and their influence on the practice of political authority; they fail in providing "the analytical tools to study these processes". Another limitation of governance studies is their "zero-sum conception of power", in which increased role and power of the non-state actors necessitate a decrease in state authority. In that sense, they overlook the logic behind the establishment of a specific power relationship between state and non-state actors. Finally, due to their focus on the flow of power and authority from state to non-state actors, governance studies are criticized to base their analyses on a framework committed to power and authority and in that sense to maintain a "state-centric framework", which they are supposed to transcend (Sending/Neumann 2006: 651-652).

In the field of Corporate Social Responsibility, for instance, governance studies explain that state's role in regulating and controlling the economic activities has transformed in such a way that today corporations themselves are involved in the regulation of economic activity as they voluntarily follow certain principles or codes of conduct. However, they do not provide an understanding of how this transformation has taken place or what the rationality behind this transformation may be. Analysis of CSR through governance studies emphasizes the increased power of corporations, especially the Multi National Enterprise (MNEs), as opposed to decreased power of state institutions in solving environmental and social problems, while failing to explain the logic behind the establishment of such a relationship. To go beyond the discussions of power and influence that the different actors have, to have a critical understanding of how CSR governance actually works, it is needed to apply another analytical framework to explore what the rationality and logic behind the establishment of different relations between the state and non-state actors in the construction and development of the concept is, what kind of techniques and strategies are used in these processes, and to which objective(s) they serve to. In that sense, theories of governmentality provide a useful analytical tool to go beyond the limitations of the governance studies.

2.2 Governmentality Theory

'Governmentality', as a concept, has been developed by French philosopher Michel Foucault between 1970 and 1984, especially during his lectures at Collège de France in Paris and the theories it presents have been used as a tool for the critical analysis of different modes of government and also various political projects.

Before dwelling on governmentality theory itself, it is important, first, to note that 'government' in Foucault's approach is not referred merely as an institution. What Foucault referred with the term 'government' can actually be conceptualized as "conduct of conduct", that is "a form of activity aiming to shape, guide or effect the conduct of some person or persons" (Gordon 1991: 1-2). Indeed, the 'practices of government' are multifaceted and extend to many people from various spheres of the society, such as the teacher in the school, head of the household, criminal in the prison, etc. So, the government does not mean mere exercise of political power so as to regulate and control citizens; rather government is related with the relations people have with each other, with institutions and authorities within the economic and social life, as they evolve within the state and society (Foucault [1978] 1991, Foucault [1979] 2010). In that sense, today in 'modern states' political power is exercised, as Rose and Miller (1991) suggest,

(…) through a profusion of shifting alliances between diverse authorities in projects to govern a multitude of facets of economic activity, social life and individual conduct. Power is not so much a matter of imposing constraints upon citizens as of 'making up' citizens capable of bearing a kind of regulated freedom. Personal autonomy is not the antithesis of political power, but a key term in its exercise, the more so because most individuals are not merely the subjects of power but play a part in its operations (Rose/Miller 1991: 1)

As indicated here, individuals –so as to say various actors- participate in governing activity and the shaping of specific ways of doing things/forming relationships in economic, political and social interactions. Given the multiplicity of different forms of government, the question is, as Foucault states, how to define a specific mode of governing that can be put into effect for 'the state as a whole'. In other words, what Foucault tries to explore during his lectures through studies of governmentality is:

To grasp the way in which this practice that consists in governing was conceptualized both within and outside government, and anyway as close as possible to governmental practice. I would like to try to determine the way in which the domain of the practice of government, with its different objects, general rules, and overall objectives, was established so as to govern in the best possible way. In short, we could call this the study of the rationalization of governmental practice in the exercise of political sovereignty (Emphasis added) (Foucault [1979] 2010: 2).

So, 'government', in governmentality studies, is a matter of 'practice', having certain rules and targets, which are shaped by a specific way, 'the best way', of thinking. Indeed, it is this specific way of governing that determines which actors are actually involved in the governing activity, which strategies are to be used to reach certain objectives, etc. In that sense governmentality can be understood as studying the rationalization of governing practice in the exercise of political power.

As mentioned earlier, today the 'modern state' is not conceptualized as a sovereign authority. According to Foucault, it is the different governmentalities –so as to say different governing practices- that construct the state. In other words, state is not a given, universal, monolithic unity, existing "only for itself and in relation to itself"; rather it is a historic unity formed by different governmental reasoning in different times, as a consequence of various governmental practices (Foucault [1979] 2010: 4-5). In his lecture notes, where he discusses different governmental reasoning in different times, he argues that "the governmentalization of the state" was first realized in the eighteenth century with the emergence of "political economy", which can simply refer to "production and circulation of wealth", but can be –in a broader sense- considered as studying "any method of government that can procure the nation's prosperity" (Foucault [1979] 2010: 13). Foucault relates the emergence of this "governmentalization of the state" –which is a result of the development of "political economy"- with the emergence of "the problem of population". The problem that the individuals have as a whole population was a consequence of the demographic, agricultural and monetary expansion of the eighteenth century and it recentered "the theme of economy on a different plane from that of the family". Now, the population has specific problems or effects such as epidemic disease, moral values, employment and wealth that go beyond those of the family. So, governing of the state is not a matter of exercise of sovereign's power on its subjects anymore, as it was in sixteenth

and seventeenth centuries. It is rather a matter of thinking about ways of governing that can increase population's welfare, which is to be achieved through certain techniques and tactics and with the help of "knowledge of all the processes related to population in its larger sense: that is to say, what we now call the economy" (Foucault [1978] 1991: 99-101).

What distinguishes the study of political economy, according to Foucault, from the 'juridical theory of sovereignty' of the sixteenth and the seventeenth centuries is that it was not developed extrinsic to the objectives of the governmental reason. Political economy does not work on the 'origins' of the governmental activities; but rather focuses on their 'effects', "not by asking for example, what authorizes a sovereign to raise taxes [so as to say where does his right to raise taxes originate], but by asking, quite simply: What will happen if, at a given moment, we raise a tax on a particular category of persons or a particular category of goods". Political economy, unlike the theories of sovereignty, does not study 'natural' rights or obligations that exist before any governmental action; instead, it studies "a certain naturalness specific to the practice of government itself". In that sense, the 'nature' that is "specific to the objects and operations of" a certain practice of government should be 'respected' in order to do the 'true' thing. Thus, what determines the governmental practice is the concern for being 'successful', but not being 'legitimate' (Foucault [1979] 2010: 13-16). In short, Foucault summarizes how political economy led to the emergence of "'governmentalization' of the state" as:

[T]hrough political economy there is the simultaneous entry into the art of government of, first, the possibility of self-limitation, that is, [self-limitation] of governmental action limiting itself by reference to the nature of what it does and [nature] of that on which it is brought to bear, and second, [the simultaneous entry into the art of government of] the question of truth. The possibility of limitation and the question of truth are both introduced into governmental reason through political economy (Emphasis added) (Foucault [1979] 2010: 17).

So, the governing activity is now rationalized, or limited, by the question of what is the right thing to do given the peculiarities of the population, instead of by a certain moral principle that is extrinsic to it. On the basis of this, it can be said that, it is the population -with its problems, demands, influences- that lead to the development of a certain way of governing in a certain time and, therefore, it takes part in governing

activity and the construction of the state. In that sense, transformation from a certain state model to another one –say, for example, from welfare state to neo-liberal state- is a result of searching for new mechanisms to meet the society's needs. It is therefore the society that leads to the replacement of old governing mechanisms and practices with the new ones –say, for instance, replacement of solely-state-provided public services with the PPPs in the social policy field.

Before ending this part, it is helpful to give a brief summary of the terms Foucault uses in his governmentality theory, as they will be applied in the course of this paper. According to Foucault, government is about shaping or guiding the conduct of people. Here it is important to note that, in his approach, it is not simply a technocratic group within the state body that shapes a certain idea in the minds of the people. Foucault argues that, shaping the conduct of people based on a certain logic is not achieved detached from the society; on the contrary, the idea/logic first starts to be hold by more and more actors within the society and with the demand/support of the society, government –so as to say governing activity- is based on a certain rationality. In this regard, state is an entity that does not exist prior or extrinsic to society; instead it is the result of various governing practices whose logic is deployed in the society. Finally, governmentality is the rationalization of these governing practices and the shaping of a specific form of exercising power, which has developed –according to Foucault- as a result of the emergence of political economy as the study of forms of government to increase population's prosperity.

While applying the theories of governmnetality on neo-liberal governing practices and, through that, Corporate Social Responsibility in the following parts, the aim of the discussions is to understand the logic that leads such practices and how they work; in other words, to analyze which actors and institutions are involved, what kind of strategies are pursued, etc. For this analysis, the next part of the paper provides certain analytical tools that can be applied in governmentality studies.

2.3 Rationalities, Programs, Technologies

As discussed in the previous part, the modern state is constructed through certain governmental practices and the governing activity is rationalized with the knowledge of the population and realized through certain techniques. The governmentality theory can be used to critically analyze specific ways of governing, investigating how they are rationalized, how such rationalities are articulated, how they work in practice; in other

words, asking "what authorities of various sorts wanted to happen, in relation to problems defined how, in pursuit of what objectives through what strategies and techniques" (Rose 2004: 20) Rose and Miller provide a useful framework with certain 'conceptual tools', for the analysis of ways of governing, namely "political rationalities", "programs of government" and "governmental technologies" (Rose/Miller 1991).

As mentioned earlier, governmental activity, starting from the eighteenth century, is rationalized "according to a value of truth", which forms a specific political rationalization "emerging in precise sites and at specific historical moments, and underpinned by coherent systems of thought" (Rose 2004: 24). Political rationalities, first of all, have a "moral form" in that they determine how different responsibilities and actions in governmental practice should be allocated to agencies from several fields such as politics, business or civil society. While doing that, political rationalities take certain principles and values into consideration, on which governmental activity is based, such as "freedom, justice, equality, mutual responsibility, citizenship, common sense, economic efficiency, prosperity, growth, fairness, rationality and the like". Second, political rationalities have "an epistemological character", which means that they are conceptualized according to the knowledge about the population. Finally, they are uttered through a "distinctive idiom" so that the knowledge about the population is rendered thinkable in a certain way. In that sense, political discourses reflect a certain political rationality (Rose/Miller 1991: 7-8).

The government, as discussed before, addresses the problems of the population and aims at increasing the overall wealth of the population, or in other words, achieving the 'ideal' for the society. On the basis of this, the government can be considered as a "problematizing activity" in that it draws attention to certain problems and suggest relevant 'programs' to solve them. In that sense, another analytical dimension of governmentality is the programs of government, in which the political rationality is articulated. Governmental programs indicate the objectives of the government and can be expressed in White Papers, reports, strategy papers, proposals, etc. that are prepared by experts, politicians, economists and business actors. In that sense, knowledge and expertise are essential in the formation of political programs (Rose/Miller 1991: 10-11).

Finally, the government applies certain "strategies, techniques, and procedures" so that different authorities or agencies can operationalize programs of government. Rose

and Miller term this set of mechanisms as technologies of government. They are not simply the act of putting programs of government into practice (Rose/Miller 1991: 13); rather they are "those technologies imbued with aspirations for the shaping of the conduct in the hope of producing certain desired effects and averting certain undesired events" (Rose 2004: 52). These technologies may include surveys, tables, procedures, training sessions, establishment of certain institutions and authorities, legal frameworks, etc.

For a better understanding of these analytical tools, it is helpful to examine some contemporary governing practices. In his analysis of freedom, Rose argues that "the problem of freedom is central to a genealogy of contemporary regimes of government because it is structuring theme of contemporary government itself" (Rose 2004: 64). It is the free market that appears to be the 'value of truth', the main political rationality of the liberal mode of governing, which determines how the power should be exercised, how the power relations between the state entities and society should be set, how the conduct of individuals should be organized, etc. If the "specific historical moment" when this rationality arose is examined, it is in the late 19th and early 20th centuries that freedom, as an ideal, has emerged from the economic thought of the time that the market depends on individual freedom (Rose 2004; Rose/Miller 1991). On the basis of this, the main problem of the liberal government is to make individual free in economic and social spheres. The programs of government, therefore, shape the conduct of citizens in such a way that they develop "self-understanding and self-mastery". And the governmental technologies to deploy these programs include public opinion polls for citizens to apply their free will, educational mechanisms to encourage employees to do their best in their organizations, television programs to motivate individuals for wealth creation, etc. (Rose 2004: 65-69).

The 'analytics of governmentality' can be applied to various other modes of governing in a more detailed sense and to specific governmental practices or projects on several issues. In the course of this paper, the analytical framework is applied, first, to neo-liberal way of government, in order to understand its characteristics, and then to the practices in the field of Corporate Social Responsibility.

2.4 Neo-liberal Art of Governing

As indicated by Thorsen and Lie, neo-liberalism -as a concept- has been widely referred in political and academic discussions during the last two decades around the

world. However, there is a lack of a precise definition of the concept among the scholarly works that deal with it. In that sense, after giving an overview of the main literature on neo-liberalism and referring to many scholars, the authors conclude that:

Neo-liberalism, as we see it, is a loosely demarcated set of political beliefs which most prominently and prototypically include the conviction that the only legitimate purpose of the state is to safeguard individual, especially commercial, liberty, as well as strong private property rights (cf. especially Mises 1962[7]; Nozick 1974[8]; Hayek 1979[9]). This conviction usually issues, in turn, in a belief that the state ought to be minimal or at least drastically reduced in strength and size, and that any transgression by the state beyond its sole legitimate purpose is unacceptable (Ibid.) (…) Neo-liberalism generally also includes the belief that freely adopted market mechanisms is the optimal way of organizing all exchanges of goods and services (Friedman 1962[10]; 1980[11]; Norberg 2001[12]). Free markets and free trade will, it is believed, set free the creative potential and the entrepreneurial spirit which is built into the spontaneous order of any human society and thereby lead to more individual liberty and well-being, and a more efficient allocation of resources (Hayek 1973[13]; Rothbard [1962/1970] 2004[14]) (…) Thus understood and defined, neo-liberalism become a loose set of ideas of how the relationship between the state and its external environment ought to be organized, and not a complete political philosophy or ideology (Blomgren 1997[15]; Malnes 1998[16]) (Emphasis added) (Thorsen/Lie 2007: 14-15)

In that sense, being a set of ideas that shapes ways of governing in order to increase individual well-being through the market mechanisms in a given society, it is hardly

---

7 Mises, L. von (1962) The Free and Prosperous Commonwealth: An Exposition of the Ideas of Classial Liberalism, Princeton, New Jersey: Van Nostrand.

8 Nozick, R. (1974) Anarchy, State and Utopia, Oxford: Blackwell.

9 Hayek, F.A. (1979) Law, Legislation and Liberty: A new Statement of the Liberal Principles and Political Economy. Volume II: The Mirage of Social Justice, London: Routledge.

10 Friedman, M. (1962) Capitalism and Freedom, Chicago: University of Chicago Press.

11 Friedman, M. (1980) Free to Choose, New York: Harcourt Brace Jovanovich.

12 Norberg, J. (2001) Till världskapitalismens försvar, Stockholm: Timbro. http://www.timbro.se/bokhandel/pdf/9175664917.pdf

13 Hayek, F.A. (1973) Law, Legislation and Liberty: A new Statement of the Liberal Principles and Political Economy. Volume I: Rules and Order, London: Routledge.

14 Rothbard, M. ([1962/1970] 2004) Man, Economy, and State: A Treatise on Economic Principles – Power and Market: Government and the Economy [Two boks republished in one file] Auburn, Alabama: The Ludwig von Mises Institute. http://www.mises.org/rothbard/mespm.PDF

15 Blomgren, A.M. (1997) Nyliberal politisk filosofi. En kritisk analys av Milton Friedman, Robert Nozick och F.A. Hayek, Nora: Bokförlaget Nya Doxa.

16 Malnes, R. (1998) Liberalismens mangfold, Statsvetenskaplig Tidskrift 101: 304-313.

possible to talk about a single version of neo-liberal art of governing that can be seen around the world, regardless of country-specific coalitions and/or contradictions. However, it is possible –and helpful for understanding the political and economic transformations in different countries- to shed light on how neo-liberal art of governing differs from welfare state practices and especially from liberal values and principles, as it is argued by certain scholars that neo-liberalism is simply the revival or continuation of liberalism. It can actually be argued that, although there are varieties in the application of neo-liberal practices in different countries, many countries have gone through political and economic restructuring in light of the neo-liberal ideas discussed above. In that sense, as Foucault argues, neo-liberalism is "really something else" than liberalism:

(…) the problem of neo-liberalism [is] not how to cut out or contrive a free space of the market within an already given political society, as in the liberalism of Adam Smith and the eighteenth century. The problem of neo-liberalism is rather how the overall exercise of political power can be modeled on the principles of a market economy (Foucault [1979] 2010: 131)

So, with neo-liberalism, state and the economy or the market are not two distinct spheres; rather the principles of market economy are integrated into the governmental practice and formed a new 'art of government'. On the basis of this, governing activities in classical liberalism and welfare state have been exposed to certain transformations to form the neo-liberal way of governing. For the development of the market competition, neo-liberalism suggests "permanent vigilance, activity, and intervention" instead of a policy of no state intervention. For neo-liberalism, the question now is how to intervene without damaging the market mechanisms and it should indeed be through providing the necessary institutional and legal frameworks, principles and guidance to be followed. Foucault presents three examples to illustrate on the governmental activity in -or the governmental intervention into- the market economy. First of all, in neo-liberal understanding, monopoly in the market economy is not "a semi-natural, semi-necessary consequence of the competition" as it was thought to be in liberalism; rather it occurs when, for example, certain individuals or groups are granted with privileges by political authorities, or when the legal framework allows for the emergence of monopolies, or when certain policies such as customs barriers lead to the rise of monopolies. Therefore, the governmental activity regarding the

question of monopoly should aim at "prevent[ing] external forces [be it individuals or public authorities] from intervening and creating monopolistic phenomena" Second, government should engage with certain regulatory and organizing actions, not directly through intervening to the market mechanisms, but through shaping the environment for the economic activity, by, for instance, providing the necessary legal framework, developing the necessary technical requirements, etc. Finally, with neo-liberalism, there is a transformation in the governmental activity in the field of social policy, which does not have the objective of 'equality' among individuals, but aims at the 'equal inequality for all'. In that sense, the government in neo-liberal understanding should not intervene the market mechanisms to compensate for social inequalities or risks, such as unemployment, poverty, illness, etc; rather it should aim at providing individuals with an economic setting where they can embrace and take care of such risks by themselves, which distinguishes it from the government in welfare state (Foucault [1979] 2010: 132-144).

For instance, the distinction between classical liberalism and neo-liberalism can be exemplified in the governing of the common market in the European Union. The logic of common market is indeed based on freedom, but an "instrumentalist conception of freedom". Indeed, Walters and Haahr argue that freedom -in the form of free movement of workers and capital within the common market- is used as a governmental technology to achieve the objectives, such as economic and political stability, development, increased quality of life, etc. within Europe. Unlike the naturalness of the market in liberal conceptualization –which rejects any sort of state intervention-, common market requires "the construction of an elaborate institutional framework and a timetable to bring it into existence through carefully described stages". In that sense, the governing of the common market -which is not natural but artificial, as it is constructed through various treaties and procedures- is based on neo-liberal mode of governing that necessitates "constant governmental attention" to organize this free movement in Europe (Walters/Haahr 2005: 42-49).

In the light of these discussions, to critically analyze neo-liberalism, the 'conceptual tools' developed by Rose and Miller (1991) can be applied at this point. The political rationality in neo-liberal art of governing seems to be the forming a specific way of governing according to the principles of competition market. The 'ideas' and 'principles' that lead the logic of government of the economy and society, distribution of

responsibilities and power are those of a free competition market. Now, "[e]conomic entrepreneurship is to replace [political] regulation, as active agents seeking to maximize their own advantage are both the legitimate locus of decisions about their own affairs and the most effective in calculating actions and outcomes" (Rose/Miller 1991: 31). Indeed, "to make the market possible" the whole society is rationalized as an "enterprise society"[17], in which each individual is a "man of enterprise and production", responsible for his/her own social risks (Foucault [1979] 2010: 146-147). Citing from Alexander von Rüstow (1963)[18], Gordon explains this process of creating an 'enterprise society' as:

The whole ensemble of individual life be structured as the pursuit of a range of different enterprises: a person's relation to his or herself, his or her professional activity, family, personal property, environment, etc., are all to be given the ethos and the structure of the enterprise-form. This 'vital policy' will foster a process of creation of ethical and cultural values within society (Gordon 1991: 42)

In that sense, there is the 'economic rationalization' of the whole society and the governing activity –in other words conduct on the conduct of each individual- is to enable them to have an 'enterprise form' to make the competition market possible. Therefore, "to achieve between a responsible and moral individual and an economic-rational actor" is a central aspect of neo-liberal rationality (Lemke 2001: 201)

On the basis of this, the 'problem' of neo-liberalism is how to achieve the enterprise form and the market competition without hurting the mechanisms of the market. For this purpose, programs of government suggest 'autonomization' or 'responsibilization' of actors and privatization of services such as insurance, health care, housing, education, etc. where the 'efficiency' is achieved through the market competition, instead of by the care of the state (Rose/Miller 1991: 32-34). In that sense, the Green Paper and the Communication Paper issued by the European Commission, where the strategies to be followed in order to use Corporate Social Responsibility as an instrument to boost the competition and growth in Europe (EC 2001; 2006); project-based funding programs for CSOs which put them in sort of a competition with each

---

17 Here, Foucault's conception of 'enterprise' is not as an institution; but as a certain way of acting in the society.

18 Von Rüstow, A. (1963) Rede und Antwort, Ludwigsburg, pp.36, 82.

other; programs of PPPs that enable state institutions share the responsibility for the provision of certain public services with private enterprises illustrate the programs of neo-liberal government.

Finally, the techniques that the neo-liberalism art of government applies to spread its logic and operationalize its programs include the use of expert knowledge on business, life styles of individuals, etc., the development of guidelines, principles and institutional frameworks to boost competition (Rose/Miller 1991: 34-35) and also to support the development of certain concepts, such as Corporate Social Responsibility, that would contribute to the deployment of the logic and practices of neo-liberalism in the society. As the objective of neo-liberal art of government is to create and 'the man of enterprise', another technology of neo-liberalism is technique of 'responsibilization'. Responsibilization is not only related to individuals but also to "those associations, institutions and other stakeholders that compromise the terrain of governance". Moreover, with the same logic, the 'the responsible and moral individual' aspect of the neo-liberal responsibilization applies to market institutions as well as the individuals and civil organizations. In this sense, Shamir suggests, the "economization of social action" proceeds together with the "moralization of economic action" and that

(…) discourse and practice of business and morality is a product of the neo-liberal project of dissolving the epistemological distinction between market and society. The greater drive to embed society in the market, the more socio-moral questions (…) become reframed from within the market (Shamir 2008: 3).

From this role of the state –to make the market function- and the principle of making individuals –and the organizations- 'self-responsible' and 'moral', one can understand how the concept of Corporate Social Responsibility can be placed in neo-liberal art of governing, which is discussed in detail in the following chapter.

Before ending this chapter, it is helpful to give a summary of the discussions on neo-liberal way of governing, as it stands in the core of this study. While it is hardly possible to talk about a single version of neo-liberal way of governing that can be applied around the world, regardless of country-specific coalitions and/or contradictions, one can distinguish neo-liberal practices from welfare state policies and/or liberal principles. In that sense, Foucault's examples on the government's role in regulation of monopolies, shaping the economic environment without intervening to the market mechanisms and its approach to the social policy area point to the

differences between neo-liberal and liberal ways of governing. Applying the analytical tools provided by Rose and Miller, it appears that the main political rationality within neo-liberal art of government is market competition, which is to be articulated by the programs that encourage entrepreneurial forms and boost the market competition. These programs of neo-liberal art of governing are to be deployed through techniques such as privatization, applying the private sector's expertise, responsibilization and self-regulation.

In this regard, Corporate Social Responsibility can be regarded as, on the one hand, an instrument to reach certain neo-liberal objectives; on the other hand, the practices evolving around CSR can be seen as an example of how both state and non-state actors get involved in governing activity in neo-liberal art of governing, which will be discussed in detail in the following chapter.

3. Corporate Social Responsibility – Actors and Practices

The greater impact corporations' activities have on the society, the more responsibility they are expected to take for a better world for all: they should consider the environmental problems, create employment, maintain a balance between male and female employees, support regional development by investments, pursue ethical values in marketing activities, etc. Especially thanks to the recent developments in information technologies, people can now easily get information about the activities of a specific corporation, which has also led a greater demand for accountability and transparency of private enterprises. Corporations respond such demands by engaging with activities under the concept of Corporate Social Responsibility. In this regard, it is no longer surprising that many corporations publish their CSR reports[19] as well as the financial reports.

Before discussing the concept in more detail, it is helpful here to provide a definition of Corporate Social Responsibility. The multifaceted nature of the term has actually brought about a variety in its definitions, each of which has criticized or supported for various reasons by several scholars. Indeed, the term 'Corporate Social Responsibility'

---

19 The terminology of such reports may change from 'CSR Report' to 'Corporate Responsibility Report'. Moreover, certain corporations prefer to merge their CSR and financial reports in a single one.

itself has recently started to be replaced by 'Corporate Responsibility', as the responsibility of a corporation does not only have a social, but also economic and environmental aspects. According to Archie B. Carroll, who is a well-known and frequently referred scholar in the field, "the concept of corporate social responsibility refers to the general belief held by growing numbers of citizens that modern businesses have responsibilities to society that extend beyond their obligations to the stockholders or investors in the firm". However, in order for a definition of CSR to grasp several aspects of the critical business-society relationship, it should reflect "the economic, legal, ethical and discretionary or philanthropic expectations that society has of organizations at a given point in time" (Carroll 2010: 106-107). His definition does emphasize that CSR suggests an expansion of a firm's responsibility towards its stakeholders; however, it seems to miss some crucial features of the concept, such as its voluntary nature. Therefore, in this paper another definition of Corporate Social Responsibility, which is given by the European Union and often applied in the literature, is used. According to this definition, CSR is a concept "(…) whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. It is about enterprises deciding to go beyond minimum legal requirements and obligations stemming from collective agreements in order to address societal needs" (Emphasis added) (EC 2006: 2).

This chapter provides, first of all, background information regarding how Corporate Social Responsibility has developed and become such a popular concept today. Then the logic of and the motivation for its current applications by various actors are analyzed through analytics of governmentality in order to address the research question.

3.1 From Philanthropy to Strategy

The businesses' care and philanthropic works for the society have indeed a very long history; but CSR as a concept has emerged around 1930s and become an important concern for not only business but also politics, economics and law after the mid 20th century, as it started to embrace wider issues beyond generic philanthropic activities. Scholars provided a multitude of understandings of the concept -that range from "profit making only" to "concern for broader social system"- which caused ambiguity in its early definitions (Carroll 1979; Hopkins 2003). When the definitions of the concept

made throughout the last fifty years are examined, it can be seen that CSR has come to be the basis for broader themes and attract attention from various fields. During 1950s and 60s CSR was mostly referred as the corporations' responsibility for the impact of their actions on the society by taking the values and the norms of the society into consideration. It indicates that the concept did not yet attract a global attention. During 1970s, the profit aspect of CSR –the ways in which it brings about long-term profits- started to be emphasized. Starting from 1980s, with the increasing research in the field, CSR has started to be referred together with other concepts such as business ethics, corporate citizenship, public policy, sustainability, stakeholder management, etc. (Carroll 1999). Today the concept is actually used as "an umbrella term which covers principles and responsibilities related to business ethics, accountability, transparency, human and worker rights, occupational health and safety, gender equality, corruption, environmental awareness, social dialogue, etc." (CSR Turkey 2010: 10), as the activities evolving around it embodies such broader issues.

Today a simple google search for Corporate Social Responsibility indicates that, not only the corporations but also several civil society organizations, governments, international organizations, educational institutions, etc. also assume a role for the development of the concept. The challenges of the globalization, increased levels of poverty and unemployment, environmental concerns, recent financial crises, etc. have brought about the interest for the concept in such a broader sense around the world, as they have increased the demand for an ethical and responsible business and a stronger cooperation between state and non-state actors for dealing with such challenges. The pressure from the customers and the civil society organizations such as Green Peace has lead corporations be engaged with CSR activities more and more, as they have also experienced that having a good CSR reputation attracts not only customers but also investors and talented employees, which at the end brings about long-term profitability (Hopkins 2003).

Indeed, Corporate Social Responsibility has become a strategic field for competition and the companies have begun to differentiate themselves by emphasizing how socially and environmentally 'responsible' their activities and products/services are. Today, corporations try to develop strategies for their CSR programs and incorporate it to their core business activities. In the course of CSR programs/projects, corporations go beyond the legal requirements and abide by an ethical framework –be it prepared

by them or by an external organization to which they are participatory- in their relationship with their stakeholders, including their employees, customers, investors and shareholders. They also conduct 'discretionary' social or environmental projects and/or fund an organization or their own charity foundations to –for instance- increase the education level of girls, ease the lives of the disabled, provide scholarships to university students, forest a certain area, etc. They prepare not only financial reports but also CSR reports according to certain standards, showing that these activities are not only about simple application, but also about evaluation and monitoring.

Since corporations' such voluntary efforts to conduct good business and to lead social projects to contribute to the development of the society can "substitute for (…) complement (…) and legitimize government [efforts] and policies", the state entities have also become involved with the development of CSR (Moon 2004: 2). They plan strategies for how to act in this field and to benefit from the promotion of the concept. They work in cooperation with the business and non-profit organizations, provide principles and frameworks, encourage non-state actors' efforts in the field of CSR, establish networks and platforms for a joint discussion on the concept, etc.

In addition to corporations and state entities, civil society organizations have also been engaged with Corporate Social Responsibility in a more strategic manner in recent years. Today, it is not only the charity foundations of corporations, but several other CSOs, such as World Wild Forum (WWF), and international organizations, such as UNDP, that use CSR as a common denominator, where they can build partnerships with private corporations. With the help of businesses' power, they conduct various projects and campaigns to reach their goals in environmental and social challenges.

3.2 Corporate Social Responsibility in Neo-Liberal Art of Governing

As it is discussed in the previous part, the field of CSR has extended from one-sided applications of corporations to a multifaceted participation of state and civil society actors as well. Vallentin and Murillo suggest that he increased state involvement in CSR field can be related with the objectives of neo-liberal art of governing. The authors argue that earlier the concept used to be associated more with social issues and the focus of the government was to engage corporations in solving or improving the problems in the society. Recently, on the other hand, CSR is started to be regarded as a 'strategic advantage' that contributes to economic growth and competitiveness. In other words, it is now associated more with the field of economic policy, for which the

focus of the government is to encourage corporations to engage with CSR activities. Indeed, the authors suggest that 'competitiveness' has become to be a "dominant governmentality in CSR" and, they also note that:

Now, increasingly, government works not to put social or environmental restrains on private companies but to help them identify/create and act upon strategic opportunities in their environment. Curiously, government promotes CSR by pushing the profit motive, not by restraining it, and this is, we argue, indicative of emerging neo-liberal tendencies in governmental approaches to CSR (Vallentin/Murillo 2009: 4).

From this economic policy perspective, for the development of Corporate Social Responsibility, the state actually assumes the role of "an enabling and empowering facilitator of CSR, not a regulatory enforcer". Based on Foucault's definition of government as "conduct of conduct" and power as "actions on other's actions" the authors suggest that state's activities in the field of CSR can be understood as "the actions on the actions of private companies to behave responsibly". The state, in this context, provides companies with frameworks or directions regarding how they could engage with Corporate Social Responsibility. In this sense, CSR can actually be used as a means to end in neo-liberal art of governing, as a tool to make the market function, as it is associated with the "improvements in terms of competitiveness, economic growth and value creation" (Vallentin/Murillo 2009).

To understand the guiding rationality of state actors' involvement in the field of CSR, it is helpful to examine some strategy papers –or the programs of government- prepared by state entities. For example, there are two important papers concerning Corporate Social Responsibility issued by the European Commission. One of them is the Green Paper 'Promoting a European framework for Corporate Social Responsibility' (2001) and the other one is a Communication Paper to the European Parliament, the Council, and he European Economic and Social Committee, namely 'Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility' (2006). In both papers, contributing to the market competition and creating a society with an 'enterprise form' in Europe are the main motives behind EU's practices in this field. CSR is argued to have an important role in creating an economic environment with "self limitation and self control as much as a proactive climate of innovation and entrepreneurship" (EC 2006: 10). It contributes to promotion of values such as human rights, democracy, freedom; achievement of public policy

objectives such as such as "poverty reduction", "improvement in public health", "environmental protection", "investments in skill developments" (p.4) and most importantly functioning of the market economy, as it is essential for addressing the problems of the population:

As corporate social responsibility contributes significantly to a favorable climate towards entrepreneurship, it is also linked to the Commission's objective of creating an entrepreneurial, innovative and open Europe – "Enterprise Europe" (…) The experience with investment in environmentally responsible technologies and business practice suggests that going beyond legal compliance can contribute to a company's competitiveness. Going beyond basic legal obligations in the social area, e.g. training, working conditions, management-employee relations, can also have a direct impact on productivity. It opens a way of managing change and of reconciling social development with improved competitiveness (EC 2001: 5-6).

The role that the European Union assumes for the promotion of Corporate Social Responsibility is to "complement and add value to existing activities" through creating a framework composed of principles, approaches and tools and also by supporting and encouraging the best practices and innovative ideas (EC 2001: 6).

To fulfill this role, the governmental technologies that the EU apply include the establishment of certain networks and forums, organization of meetings and issuing of reports/papers on CSR, exchanging the experiences and best practices, etc. Indeed, the Commission launched the European Multi-Stakeholder Forum on Corporate Social Responsibility (CSR EMS Forum)[20] in 2002. As indicated in its name, the Forum is chaired by the European Commission and brings together various actors from European organizations, ranging from business networks to civil society organizations. The Forum organizes meetings for exchange of ideas and experiences, presents guiding principles for CSR activities and also issues reports In addition to the CSR EMS Forum, the Commission launched a partnership network for enterprises in order to promote and encourage Corporate Social Responsibility in 2006, namely the European Alliance for Corporate Social Responsibility.[21] Beyond these concrete examples, the

---

20 CSR EMS Forum, http://circa.europa.eu/irc/empl/csr_eu_multi_stakeholder_forum, 15.07.2011

21 The European Alliance for CSR, http://www.csreurope.org/pages/en/alliance.html, 15.07.2011

Commission works on certain aspects in further developing the concept of CSR. These aspects include: "awareness-raising and best practice exchange", for which the Commission works on strengthening the partnerships with related stakeholders not only in member but also in candidate countries through trade and development programs; "cooperation with member states" through the Group of High-Level National Representatives on CSR; "education", which calls business schools and institutions to incorporate CSR into their education and curricula; etc (EC 2006: 6-7).

A similar example that indicates the rationality behind the governments' engagement with Corporate Social Responsibility is the 'National Strategy for Corporate Social Responsibility –Action Plan for CSR- of the German Federal Government. The main objective of the strategy is "developing a framework that focuses on allowing market forces to develop and (…) to square freedom of action with the active assumption of responsibility" (German Federal Government 2010: 2), as CSR is believed to be "a means to boost the competitiveness of companies on a long-term basis and to find solutions to social challenges which could not have been achieved through policy measures only" (Ibid.: 4). For this purpose the government has the tasks of developing guidance for SMEs, establishing partnerships with enterprises and civil society organizations, supporting international initiatives provide educational institutions that engage with CSR with incentives, etc.

While such practices taking place in the state actors' side regarding the CSR governance indicate the rationality of neo-liberal ideas of governing, it is also important to look what has been done in the non-state actors' side and their role and motivation in the field of CSR, and to what extent it can be understood in the realm of neo-liberal rationality.

As discussed in the previous part, competition has become a crucial motive –so as to say rationality- for the business to voluntarily engage with CSR-related activities. Although there are few private companies that do not seek profit or growth through CSR activities, many corporations try to differentiate and promote their products/services by showing how socially and environmentally 'responsible' they are, not only through the CSR reports they publish on their websites, but also through the marketing campaigns. They conduct projects –in certain cases in cooperation with civil society organizations and/or state institutions- that tackle with the major social and/or environmental issues in the society they are active in. The subjects may be from

various fields, including education, health, development, etc. For example, the German brewery Krombacher has launched a Rainforest Project, in cooperation with WWF, in which for each crate sold, one square meter of rainforest is to be saved[22]. Another tool –so as to say technology- that the corporations apply in the course of CSR governance is certain guidelines they voluntarily choose to follow, instead of expecting state institutions to regulate business activities. Today, more and more corporations build alliances, where they themselves set certain principles to follow in order to do 'ethical' and 'sustainable' business. Such principles may be formed by a single corporation for its activities, by certain companies collectively, or by civil society organizations to be pursued by their members. For instance, Johnson&Johnson's Credo is one of the most famous 'Code of Ethics' in business world. With this guideline, the company assumes responsibility to their consumers, employees, communities they are active in and "finally" to their stockholders[23]. The guideline is incorporated into the corporate culture of the company and the employees are expected to take it into consideration in their operations. In another similar guideline, the 'Code of Responsible Conduct for Business'[24] formed by certain German companies, the principles emphasize environmental protection, management remuneration, respect for rule, and all in all serving "good of the people", which necessitates competition:

Competition continually forces companies to search for the best possible solutions to fulfill the wishes and needs of the people and to improve their quality of life. The profit motive is an incentive to enterprises and entrepreneurs to invest in these efforts (…) Nevertheless, competition must be fair: profit may not be made by damaging third parties (p.3)

Here it can be argued that the businesses' engagement with social and environmental issues –in most of the cases- to increase their competitiveness, their attempt to frame their activities by certain principles and guidelines instead of state-imposed-laws –in other words their self-regulation- and the issues they deal with in their CSR projects - which would be regarded as one of the main tasks of the state in social policy area in a

---

22 Krombacher 'Regenwald Projekt', https://www.krombacher.de/regenwald, 23.09.2011

23 Johnson&Johnson Credo, available at http://www.jnj.com/connect, 25.08.2011

24 Code of Responsible Conduct for Business (2010) is available in the websites of participatory companies, such as Deutsche Bank, http://www.deutsche-bank.de, 25.08.2011

welfare state- reflect the neo-liberal art of governing and exemplify how business actors engage with governmental practices in this realm.

There are also many civil society organizations and non-profit network organizations working in CSR field and contributing to the development of the concept. Corporations, as they become participatory to such organizations, bind themselves to the principles of these organizations, which include respect for human rights, environmental protection, transparency, care for the society's prosperity, etc. in order to do sustainable and socially and environmentally responsible business. These organizations also provide a platform where CSR actors from different fields -ranging from government to companies, academicians to civil society organizations- meet to share their own expertise and opinions and work in cooperation to foster CSR. A Europe-wide network organization, CSR Europe, for instance, promises its members to support them in developing a 'sustainable competitiveness', to help them building a close cooperation with their stakeholders and also has the task of making Europe become a global leader in the field of CSR[25]. Global Compact under United Nations, which is a global initiative that provides "universally accepted" principles to be followed by the businesses for the consideration of human and labor rights, environmental issues and anti-corruption[26], and OECD Guidelines for Multinational Enterprises, which are recommended to corporations regarding –similarly- human rights, environment and also competition, indicate the international attempts to increase CSR awareness[27]. Another example for global initiatives in the field is the global network organization for students and professionals, Net Impact, which has the "mission to inspire, educate, and equip individuals to use the power of business [and the skills of business actors] to create a more socially and environmentally sustainable world". By initiating local agencies around the world, the Network helps the development and deployment of the concepts such as Corporate Social Responsibility, Sustainability and Business Ethics.[28]. There are also country-based CSR organizations such as Econsense in Germany and CSR Turkey which organize certificate programs for CSR expertise, organize events to

---

25 CSR Europe, http://www.csreurope.org, 25.08.2011

26 UN Global Compact, http://www.unglobalcompact.org, 25.08.2011

27 OECD Guidelines for Multinational Enterprises, http://www.oecd.org, 25.08.2011

28 Net Impact, http://www.netimpact.org, 25.08.2011

get the members together, and also develop evaluation systems to decide on the best practices in the field, which itself creates a competition among corporations to have a good CSR image[29].

It appears that it is not only an economic –so as to say 'competition'- rationality that motivates civil society and international organizations to engage with CSR activities. As discussed above, many of them apply CSR in order not to reach certain economic goals –such as profitability, competitiveness or growth- but to actually create a socially and environmentally better and sustainable world for all. However, when the way how they involve themselves in the field of CSR is examined, it can be argued that it exemplifies the how such organizations participate into governing activity in the neo-liberal art of governing: they create the necessary platforms for both state and non-state actors to come together and discuss about certain strategies to be followed, apply the power and expertise of private enterprises to find more innovative and effective solutions for social and environmental problems, contribute to market competition through supporting business actors in the field, create the self-regulation mechanisms with the guidelines and principles they formulate, etc.

To sum up, the Corporate Social Responsibility can be regarded as a field of how various actors engage with governmental practices in neo-liberal art of governing. The formation of code of conducts, principles and guidelines by business institutions and the contribution of civil society organizations in the development of business organizations' activities in the field actually prove that the governmental activity is not carried out by state only, but together with non-state institutions. With such procedures, non-state institutions produce more efficient ways for regulating the economic activity compared to state regulation. It is indeed the market principles –or "law of economy"- here that guide such organizations while they address the social questions, as the society itself is embedded in the market. In that sense, there is a 'partial' replacement of the legal apparatuses of the state with 'self limitation'

---

29 For more information see:

Econsense, http://www.econsense.de, 25.08.2011

CSR Turkey, http://www.kssd.org, 25.08.2011

techniques of non-state actors (Shamir 2008). In this regard, by providing frameworks, principles, guidelines, not by imposing laws on enterprises, the state contributes to the development of Corporate Social Responsibility, not only because it stimulates the competition in the market, but also because –by doing so- it makes corporations, organizations and individuals take responsibility for social and environmental issues. The competition motive appears to be main driving force for businesses' engagement with CSR activities. Indeed, some of the civil society organizations in the field offer the 'service' for promoting corporations competitiveness, while others use it as a tool to create a better and more sustainable world.

4. Emergence and Development of Corporate Social Responsibility in Turkey

Turkey has actually a long history of philanthropic activities of private corporations, dating back to Ottoman era. Although the major Turkish corporations, such as Koç and Sabancı Holding, have always been involved with societal issues through their charity foundations, it was only in early 2000s when the Corporate Social Responsibility, as a new concept, has started to be discussed (UNDP/CSR Turkey/EU Commission 2008). The political, economic and social transformations that the country has gone through, especially the neo-liberal restructuring after the 2001 financial crisis and the EU accession process have a great influence in creating the necessary environment for CSR to develop. Indeed, It can be argued that although doing good for the society has been part of corporate governance in certain private enterprises in Turkey; attempts to put these activities in a more strategic way and to incorporate them into the corporate culture in a more comprehensive manner, expansion of these initiatives to small and medium enterprises as well and development of a –relatively- multi-stakeholder discussions regarding these issues under the concept of Corporate Social Responsibility are mostly affected by external actors.

In this regard, it is helpful here to briefly discuss, in what kind of an economic, political and social environment the concept of Corporate Social Responsibility can actually flourish. Indeed, being the main actor in the field, the corporations are more likely to engage with CSR activities if there is a stable economic and political environment, a healthy market competition, civil society activism that would pressure corporations to do responsible business, dialogue between companies and their stakeholders, self-

regulation mechanisms, etc. While such institutional factors within a country are crucial, it is also important to emphasize the influence of globalization and international organizations in development of CSR (Campbell 2007).

In line with this brief discussion, the first part of this chapter dwells on the recent political, economic and social transformations that Turkey has gone through. The second part analyses the current CSR actors and practices in the country, in light of the previous theoretical discussions and with the support of the interviews conducted with certain CSR actors in the country.

4.1 From National Developmentalism to Neo-liberalism

After the establishment of the Turkish Republic (1923), taking the "backward society" of the Ottoman Empire to the level of "Western modernity" was the primary objective of the state elites in Turkey. In this process, state had a "privileged" and central role, as the foundation of a strong nation-state was seen to be crucial for the formation of a modern Republic, detached from "the personal rule of the sultan", as it was the case during the Ottoman era, and also for the creation of a "secular national identity" to place Islam -which was regarded as the main reason for the backwardness of the society- within the private sphere. The state operated as the "sovereign subject" that was separated from the society in its actions and led a top-down social transformation. In this modernization process, "national developmentalism" was the core ideology to be followed, in which illiberal and state-centric economic policies were pursued (Keyman/Öniş 2007). In this state-led economic development, state was the essential institution in business life, which was attempted to be fostered through planned industrialization with import-substitution. Especially during the first years of the Republic, business was regarded to be "an additional way of serving the country". Private sector was not believed to be capable of leading an economic development without state's interventionist mechanisms (Buğra 1994: 43).

In the 1980s, however, it became apparent that these policies cannot be maintained and certain reforms should be implemented in line with the requirements of the globalization. For this purpose, Turkey has adopted neo-liberal model and free-market rationality, which brought about transformation not only in economic but also in political and social spheres. The 'inward-oriented' state-led industrialization was replaced by the export-led economic development. Foreign trade was liberalized and foreign direct investment (FDI) was encouraged, while the labor market was made

more flexible and the state's role in economy was limited. However, contrary to the expectations, due to the weak financial and legal infrastructure, the implementation of neo-liberal policies did not generate the economic stability and growth for the all. During these years, neo-liberal structuring was marked by corruption, economic instability and crisis, and huge income gaps between the rich and the poor in Turkey. Indeed, various scholars argue that it is these problems that led to the 2001 financial crises in the country, which paved the way for a new structuring of Turkish neo-liberalism through several reforms and programs that were formed not only by domestic but also by external influences (for more information see: Cizre/Yeldan 2005; Keyman/Öniş 2007; Öniş 2004, 2009).

As discussed earlier in this paper, in neo-liberal context, for a well-functioning market economy, the state should provide the necessary infrastructure and regulatory framework, without intervening the mechanisms of the market. From 1980s till the financial crisis of 2001, Turkish state did not really assume this role in the neo-liberal structuring of the economy. After the crisis, however, the restructuring program "financed by the IMF and supported by the World Bank, was an important attempt to restructure the state on the basis of macroeconomic stability and a new governing rationality for creating a sound political development management" (Keyman/Koyuncu 2005, quoted from Derviş 2001[30]: 5). In the course of restructuring program, the transparency and accountability of the budget-planning and privatization processes were improved, the autonomous regulatory bodies were strengthened, FDI was further encouraged through lessening the administrative barriers (Öniş 2009). In this process, the two major actors –one domestic and one external- were Justice and Development Party (AKP), as the party in power since 2002, and the EU respectively.

AKP has been the single party in power since the November 2002 elections in Turkey. Having a religious background and relations with the banned Welfare Party (RP)[31], AKP has met skepticism especially by the secularists, being accused of having a hidden agenda to bring Islam into politics. However, the policies AKP has implemented differ not only from those of RP but also from those of any political party that has come to

---

30 Derviş, K. (2001) Turkey's Crisis: Causes, Consequences and Solutions, Insight Turkey, 3, 3-11.

31 Welfare Party came to power in 1995 general elections and formed a coalition government with True Path Party (DYP). In 1998, the Party was closed, as it was accused of being a threat to the secular status of Turkish Republic. The old members of the Party later formed AKP (Öniş, 2006).

power in Turkey. Economically, the role of the state has been diminished, while strong attention has been given on growth of the market economy, FDI and private entrepreneurship. The state-centric approach has also been abandoned in the political sphere, as –for instance- the positions of local governments in the governing activity were strengthened. In terms of democratic consolidation, the country has achieved many steps for the development of civil society and betterment of human rights. In all these developments, the EU has been the major external anchor, as the party has showed strong commitment to EU membership. However, it is also important to note here that other external actors such as the foreign private enterprises and global civil society organizations have had influences in Turkey's recent transformation process (Öniş 2006, 2009). On the basis of these developments, it can be argued indeed that AKP has assumed a different governing rationality and state vision than other political parties:

It [AKP] aims at remaking the state by restricting its domains of control and intervention in accordance with global trends. In defending its state project, the AKP takes pride in Turkish society's dynamism and adaptive capacities, which in essence runs contrary to the Kemalist distrust of society (Çınar 2006: 476).

So, contrary to other "state-friendly" parties, AKP have not detached itself from the society and become more successful in addressing the demands of people. Indeed, non-state actors from various spheres of the society, ranging from representatives of women's rights organizations to business actors, have started to be included in governing activity through opinion-sharing meetings. For instance, the major business association of Turkey, TUSIAD (Turkish Industry and Business Association) constantly presents its economic and political policy suggestions regarding, for example, amendments to the Constitution, ban on political parties, strengthening of family businesses, etc. In this regard, it can be argued that, since the last decade, the political power that used to be hold mostly by the state bodies in the center has been shared more and more with the business and civil society actors.

All these developments in political, economic and social spheres in Turkey have actually created the necessary environment for CSR to start to be discussed and deployed in Turkey, as the concept has come to Turkey through external influences and needed a well-functioning, stable market economy and also the inclusion of non-state actors in governmental activities to flourish.

4.2 Corporate Social Responsibility in Turkey

Although the philanthropic activities of Turkish corporations date back to Ottoman era, it was only in 2000s when the Corporate Social Responsibility as a concept has started to be discussed (UNDP/CSR Turkey/EU Commission 2008). The recent transformations Turkish economy and politics have gone through, as discussed in the previous part, created the necessary environment for CSR to flourish in the country. Indeed, the years followed after the financial crisis appear to be crucial in the development of CSR in Turkey, as the country has come to have a more stable economy with restructuring regulatory mechanisms and the activities of the foreign enterprises have increased. Social and environmental responsibility has become a competition arena for private enterprises and local companies have started to take related actions in a more systematic way (Interviews: Participant 1, 2011; Gelir 2001). In addition to that, the increased foreign trade has also contributed to the development of the concept, as there is a growing demand from international buyers and investors for compliance with international/global environmental and social standards in economy. Moreover, improved regulatory framework for the transparency and accountability of political and economic entities especially in the course of the EU accession negations and international treaties and conventions to which Turkey has been participatory, such as OECD Guidelines for Multinational Enterprises, have provided the necessary institutional setting for CSR activities (UNDP/CSR Turkey/EU Commission 2008).

The current trends indicate that the concept is dealt mostly in the business and civil society field and there is not really an exclusive effort given by the state institutions for the development of the concept. Although the concept has entered the country thanks to the MNEs, as they needed to abide by the standards in their home countries where their headquarters are located (Ararat/Göcenoğlu 2006), an examination of the recent CSR activities indicate the increased attention given by the local companies to the subject as well. According to a research conducted by the magazine Capital and the market research agency in Turkey, GfK, the top five companies from the list of the leaders of CSR according to business actors appear to be Turkish corporations. The CEOs of many corporations in Turkey believe that CSR engagement contributes to the growth, development and competitiveness and image of their companies. Therefore, many private companies regard CSR projects not as a "help" or "social support", but as an important part of their business activities that require serious financial and human

resources. Most of the CSR activities of these corporations seem to be generic philanthropic projects, in the fields of art, culture, health, environment, sports and especially education, and mostly the education of the girls[32]. Indeed, the projects conducted in the field of education are appreciated most by the society in Turkey (Capital and GfK Turkey Research 2011). Hence, it can be argued that most of these projects are conducted for good public relations (PR), without establishing a sustainable CSR strategy that includes not only the development of such –mostly generic- societal projects but also the concern for incorporating ethical behavior in every aspect of their business, ranging from employee rights to supply chain management. Apparently most corporations in Turkey associate Corporate Social Responsibility with societal projects and stay in the application stage, without reaching to the strategy and further reporting stages (Interview: Participant 1, 2011). Indeed, the biggest problem with the CSR conceptualization of corporations in Turkey seems to be the lack of monitoring, evaluating and finally reporting, which would take CSR engagement of corporations from short-term projects to long-term sustainable strategies. It is only the last couple of years that the companies become aware of this differentiation and develop more sustainable CSR strategies in Turkey (Interview: Titiz 2011).

It is not only the activities of MNEs and/or the competitors that have pushed corporations to engage with CSR in Turkey. The raising awareness of consumers and the related activities of civil society organizations have also an influence in rising trends in the field. There are two civil society organizations working exclusively in the field of CSR in Turkey: CSR Association of Turkey and the Turkish Business Council for Sustainable Development. These organizations have the aim of raising awareness for the CSR and Sustainability in Turkish society and also improving the contribution of different actors to the development of the concept in the country. CSR Association of Turkey, for instance, organize training seminars for business actors, work in cooperation with the UN and EU agencies to develop projects and publish reports and

---

32 'Dad, Send Me to School' ('Baba Beni Okula Gönder') led by Dogan Holding and 'Snowdrops' ('Kardelenler') led by Turkcell are some examples of social responsibility projects led by Turkish corporations in the field of education.

also assist certain countries, including Azerbaijan and Iran, with establishment of a CSR association in their countries[33].

In addition to these two associations, there are some other civil society organizations that do not exclusively deal with CSR; but refer to the related subjects in their works. The biggest business association TUSIAD, for instance, tries to improve the implementation of "four fundamental principles of corporate management – transparency, accountability, equitability and responsibility". Corporate Governance Association of Turkey (TKYD) attempts to enhance good governance in corporations through providing assistance and guidance and encouraging the best practices. Another organization, Private Sector Volunteers Association (OSGD) has the purpose of strengthening the relationship between the society and private sector by encouraging corporations engage with voluntary activities (UNDP/CSR Turkey/EU Commission 2008).

Another important actor in the field is UNDP. Although the organization cannot be referred as a CSR actor, it appears to be one of the partners in certain CSR-related projects of corporations or CSOs. The organization is involved in the field, first of all, thanks to UN Global Compact Initiative. Moreover, as the working area of UNDP -that includes fighting poverty, democratic governance, sustainable environment and development, etc.- involves business actors as well, CSR is used as a supportive and complementary tool by the organization for the achievement of the objectives (Interview: Gelir 2011). Indeed, the organization has been establishing partnerships between state institutions, corporations and civil society organizations "to stimulate entrepreneurship within Turkey and between neighboring countries" with the purpose of achieving faster outcomes in the process of sustainable development and reduction of poverty. It is important to note that, this "multi-pronged strategy" is based on the recommendations put forth by the UN Commission on Private Sector and Development in the report 'Unleashing Entrepreneurship: Making Business Work for the Poor' in

---

33 For more information see:

Turkish Business Council for Sustainable Development, http://www.tbcsd.org, 08.09.2011

CSR Association of Turkey, http://www.kssd.org, 08.09.2011

2004. An example for such a partnership is the project named 'The Dreams Academy' initiated in 2009 in cooperation with Vodafone Turkey Association and Alternative Life Association (AYDER), which aims at improving the living standards of disabled individuals.[34]

While such activities are conducted by the non-state actors regarding Corporate Social Responsibility in Turkey, state institutions' engagement with the concept is limited to provision of a legal framework composed of laws, such as the Renewable Energy Law (2005), Public Procurement Law (2002), the Banking Law (2005), etc. which were strongly driven by the EU membership negotiations (UNDP/CSR Turkey/EU Commission 2008). State actors' justification regarding the limited efforts for the development of the concept, according to Participant 1 from one of the leading CSR associations in Turkey, is that:

They say "if we get engaged with this issue, we will prepare a law, issue it and then people will just keep it in the shelf. They will not abide by it and then we will have to carry out criminal procedures." Indeed, I agree with their argument. There are thousands of laws and people do not even know their function. Instead, state actors say "you do this job well. Lobby as the civil society and try to encourage the business sector to get involved in the field" (Interview: Participant 1, 2011).

This actually indicates that the state does believe the influence of CSR-related activities in dealing with social and environmental issues, but prefers that the non-state actors play a leading role in the field, as they can produce more effective and faster solutions. Still, state can contribute to the development of the concept without imposing laws. Indeed, it is believed by the non-state actors from the CSR field that the state can "encourage best practices, issue a guideline" (Interview, Participant 1, 2011), "create the necessary environment for several business/civil society actors to come together and operate easily" (Interview: Gelir 2011), "support the projects conducted in the field to increase their credibility" (Interview: Titiz 2011), etc. An example given by Berkay Orhaner from Yüksel İnşaat (a construction company in Turkey) indicates how state can help the promotion of the concept and in which way

---

34 UNDP Turkey, http://www.undp.org.tr

this complements governmental efforts and brings about a better outcome for the society:

Let's say there is a school to be established. There are many bureaucratic procedures state has to follow. However, a construction company, which is already working on a construction project in nearby area, has all the necessary equipment, personnel there. With the motivation of a tax incentive, that construction company can establish that school in a month, whereas it takes a year for state to establish it. And the company does it with a higher quality. For its own image, since it established that school, it will also, say, provide projection devices for the classes, which would probably not be available in a state-established school. If the state can encourage such projects, it can solve many problems together with corporations in a more efficient way (Interview: Orhaner 2011).

In the light of these discussions on state, business and civil society actors' activities in the field, it can be argued that the development and the deployment of the concept of Corporate Social Responsibility seem to reflect the neo-liberal modes of governing, together with the influence of external actors. First of all, the discussions about and the application of the concept have started to develop mostly during the beginning of 2000s, when the country has gone through a new neo-liberal structuring, in which state has started to share power with enterprises and civil society organizations. It is within this neo-liberal restructuring that market competition has become the leading rationality of the governing activity and many state-owned companies in Turkey have been privatized. The increased number of private enterprises and the FDI has indeed enhanced the competition in the Turkish market and Corporate Social Responsibility has become an instrument for many corporations to compete with each other. As the foreign companies have started to differentiate their brand by indicating the ethical business they are doing, the trend has been followed by the Turkish companies as well. While the philanthropic activities of the big companies used to be regarded as a "support" to society as they were simply allocating money to their charity organizations, the recent activities led under the concept CSR tend to be emphasized together with the profit motive, growth and brand image by the leading business actors in the country.

Besides associating CSR with competition and profit, the way in which business actors assume a responsibility for the development of society indicates the neo-liberal modes

of governing, in which the state is not imagined as the only institution responsible for taking care of the ills of society. It is believed by the business actors that the society today directs its expectations and demands not only to the state but also to the private corporations (Interview: Orhaner 2011). Indeed, the projects conducted in the education field reflect this situation. Talking about the project 'Kardelenler', the CEO of Turkcell states that "The results of the study we made led in 2000 indicated that the projects conducted primarily in the field of education would be more functional for the society. In that sense, we determined our primary goal as to provide girls, who cannot continue their education due to economic inabilities, with equality in opportunity in education"[35] (Capital and GfK Turkey Research 2011: 80). It is not only the private entities acting as responsible agents for the society, but civil society organizations also assume a role in this sense. The partnerships of companies and civil society organizations on certain projects -as in the case of Vodafone Turkey Association and AYDER which conduct projects for the betterment of the lives of the disabled individuals, the activities of CSR Association and UNDP Turkey that aim at encouraging private entities to do responsible business, providing them with guidance and training, promoting entrepreneurship and strengthening the relationship between the business and the society;   present concrete examples for the responsibilization of non-state actors.

Another feature of Corporate Social Responsibility governance that reflect neo-liberal way of governing in Turkey is related with the way how state intervenes –or is expected to intervene- the CSR governance. On the one hand, non-state actors do not expect the state to issues laws that would make CSR engagement of the companies obligatory. On the contrary, the companies voluntarily regulate their activities by following certain principles or values set for the corporate governance and/or by trying to meet the criteria of certain reporting systems, such as the Global Reporting Initiative[36] (Interview: Titiz 2011; Interview: Orhaner 2011). On the other hand, state itself does not want to intervene the market through legal restrictions in the field of CSR, but appreciate the non-state actors' activities in the field as they not only boost

---

35 translated from Turkish.

36 Global Reporting Initiative (GRI) is "a network-based organization that produces a comprehensive sustainability reporting framework that is widely used around the world" (GRI, http://www.globalreporting.org, 25.09.2011). The number of private companies that apply the framework has been increasing in Turkey. Bilim Pharmaecuticals, Yüksel İnşaat are some examples of such corporations.

the market competition, but also assume responsibility in the social sphere. However, by getting involved in CSR governance in the ways discussed earlier, the state can actually use the concept as an instrument for intervening the market without damaging the market mechanisms, while at the same time contributing the development of the concept in Turkey.

5. Conclusion

Corporate Social Responsibility has been widely discussed in economic, political, social and environmental debates and attracting more and more attention from various fields of academia. It is today not only the business actors but also political bodies, civil society organizations and educational institutions that engage with CSR activities. As the concept suggests businesses' and CSOs' involvement in social and environmental issues and self-regulation mechanisms, various scholars have applied governance studies on CSR, pointing to the participation of both state and non-state actors in solving of various problems that the countries have.

Given the contributions of governance studies in CSR literature, this study has attempted to go beyond the questions of 'who are the actors in CSR governance', 'what do they do', etc. and tried to explore the rationality behind its development. In that sense, the study has particularly focused on the question of 'how can Corporate Social Responsibility be understood in the realm of neo-liberal art of governing' and tried to elaborate on this research question by applying the governmentality studies. The focus is given on neo-liberal art of governing not only because it is argued that many countries appear to go through neo-liberal structuring programs and in that sense, it is relevant to explore the relation between current CSR practices and such programs; but also due to the fact that several actors' activities in CSR field tend to reflect neo-liberal modes of governing.

In the light of this, this paper chose Turkey as a case study, firstly because Corporate Social Responsibility is relatively a new concept in the country and there is relatively a lack of literature focusing on Turkey; and secondly in order to reflect upon the relations between the emergence and deployment of the concept in Turkey and the recent neo-liberal restructuring that the country has gone through.

The study showed that looking at the practices evolving around Corporate Social Responsibility around the world, including Turkey, one can indeed argue that CSR

governance reflect neo-liberal ideas of governing. State entities do not impose laws to organize responsible business activity, but encourage self-regulation mechanisms of corporations. They emphasize the competition motive of CSR and actually apply it as an instrument to boost market competition, by providing frameworks and guidelines and encouraging best practices. While in Turkey there is not really a state involvement in the field, state actors believe the influence of the concept and find the business actors' effort in the field as a better and more effective option than issuing laws.

Business actors' main motivation to engage with CSR issues appears to be the profit motive, as CSR contributes to their competitiveness and company image. Looking at the way how they lead CSR activities in Turkey, they usually focus on the subjects that the society mostly in need of, such as education. They do not expect state institutions to set laws on such activities, but prefer to engage with them on a voluntary basis, not only to show that they are responsible businesses but also because they believe that they produce fast and innovative solutions to such issues. In that sense, they also use their CSR profile as a supportive instrument for their economic activities. In this regard, it can be argued that establishment of schools, betterment of education services, improvement of the lives of the disabled by private corporations with the motivation of competitiveness reflect how the social problems –at least to a certain extent- embedded within the market.

Looking at the civil society organizations' approach to Corporate Social Responsibility, it is hardly possible to argue that they are motivated merely by the economic aspect of CSR. While certain CSOs do support corporations' engagement with the CSR-related issues by referring to competitiveness aspect of CSR, most of them rather use CSR as a tool to benefit from businesses' power to cope with social and environmental challenges. Looking at the way how CSOs involve themselves in CSR practices in Turkey, they expect private corporations' care and support for dealing with social problems. While stating that state institutions are needed for social prosperity, they emphasize that state should have a 'coordinator' role in CSR field and that entrepreneurial activity is an indispensible element for social development. In that sense they promote entrepreneurship and competition motive –through training programs, guidelines, publications, experience sharing meetings, partnerships, etc.- to deal with social issues through CSR in Turkey.

Referring back to the research question of this study, Corporate Social Responsibility can indeed be understood in neo-liberal art of governing in the sense that the practices of various actors in the field do reflect the neo-liberal art of governing, as they either motivated by neo-liberal ideas –such as competition- to engage with CSR, or apply those ideas to increase the prosperity of the society. However, it should be emphasized that, while Corporate Social Responsibility in Turkey reflects neo-liberal ideas, it can hardly be referred as a mere 'neo-liberal project', which would overlook the different motivations and rationalities behind many different actors and practices in the field. At the end, being asked why he/she thinks CSR is important, a manager, a civil society activist, a politician or simply a consumer would not answer "because it is a good neo-liberal project that will bring about prosperity in the society". However, one can reflect upon neo-liberal ideas, as this manager, politician civil society activist or consumer relates CSR with issues like 'competitiveness', 'profit', 'economic growth', 'businesses' power/influence on social issues', 'private enterprises and their concerns on sustainable development', etc.

Indeed, this study tried to show, in the light of governmentality studies, that 'neo-liberal ideas' are not imposed by a certain technocratic group to shape the behaviors/opinions of individuals within a society, but such ideas have started to be supported and deployed by more and more people within the society. However, within the scope of this study, it was not possible to show in a more detailed manner how these ideas/opinions of 'competitiveness', 'profit', 'economic growth', 'businesses' power/influence on social issues', 'private enterprises and their concerns on sustainable development', etc. and their relation with CSR might have started to be supported and deployed more and more by the individuals in Turkey. In that sense, a more detailed and further research can focus on discourse analysis of various CSR actors in Turkey in order to reflect upon how their ides/opinions on CSR have evolved.

References

Albareda, Laura/ Lozano, Josep Maria/ Buckland, Heloise/ Tencati, Antonio/ Perrini, Francesco/ Midttun, Atle, 2006: The Changing Role of Government in Corporate Social Responsibility: Literature Review. [online] Homepage: The European Academy of Business in Society (EABIS). URL: http://www.eabis.org/fileadmin/eabis_uploads/Resources/Project_outputs/Changing_Role_of_Government/Literature_Review_on_the_Changing_Role_of_Government_in_Corporate_Responsibility.pdf [accessed: 14.02.11]

Albareda, Laura/ Lozano, Josep Maria/ Tencati, Antonio/ Midttun, Atle/ Perrini, Francesco, 2008: The changing role of governments in corporate social responsibility: drivers and responses, in: Business Ethics: A European Review 17/4, 347-363.

Ararat, Melsa/ Göcenoğlu, Ceyhun, 2006: Drivers for Sustainable Corporate Responsibility, Case of Turkey. [online] Homepage: CSR Association Turley. URL: http://www.csrturkey.org/dl/CSRTurkeyMDF5.pdf [accessed: 19.03.11]

Barry, Andrew, 2004: Ethical Capitalism, in: Larner, Wendy / Walters, William (Hg.), Global Governmentality: Governing international spaces, London: Routledge, S. 195-211.

Capital and GfK Turkey Research, 2011: Corporate Social Responsibility Leaders 2011, in: Capital 2011/3, 76-84.

Carroll, Archie B., 1979: A Three-Dimensional Conceptual Model of Corporate Performance, in: Academy of Management Review 4/4, 497-505.

Carroll, Archie B., 1999: Corporate Social Responsibility: Evolution of a Definitional Construct, in: Business and Society 38/3, 268-295.

Carroll, Archie B,. 2010: Corporate Social Responsibility, in: Visser, Wayne/ Matten, Dirk/ Pohl, Manfred/ Tolhurst. Nick (Hg.), The A to Z of Corporate Social Responsibility, Chichester: John Wiley & Sons, Ltd. S.106-113.

Cizre, Ümit/ Yeldan, Erinç, 2005: The Turkish encounter with neo-liberalism: economics and politics in the 2000/2001 crises, in: Review of International Political Economy 12/3, 387-408.

Çınar, Menderes, 2006: Turkey's Transformation Under the AKP Rule, in: The Muslim World 96/3, 469-486.

Clarkson, Max B.E., 1995: A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance, in: Academy of Management Review 20/1, 92-117.

de Alcantara, Cynthia Hewitt, 1998: Uses and Abuses of the Concept of Governance, in: International Social Sciences Journal 50/155, 105-113.

European Commission, 2001: Green Paper: Promoting a European framework for Corporate Social Responsibility. Brussels: COM (2001) 366 final. [online] Homepage: European Commission. URL: http://eur-lex.europa.eu/LexUriServ/site/en/com/2001/com2001_0366en01.pdf [accessed: 18.02.11]

European Commission, 2006: Communication Paper: Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility. Brussels: COM, 136 final. [online] Homepage: European Commission. URL: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0136:FIN:en:PDF [accessed: 18.02.11]

Foucault, Michel, [1978] 1991: Governmentality, in: Burchell, Graham/ Gordon, Colin/ Miller, Peter (Hg.), The Foucault Effect: Studies in Governmentality, Chicago: Chicago University Press, S. 87-104.

Foucault, Michel, [1978] 2010: The Birth of Biopolitics: Lectures at the Collège de France 1978-1979. New York: Picador.

Friedman, Milton, 1970: The Social Responsibility of Business Is to Increase Profits, in: The New York Times Magazine September 13, 1970, No. 33, 122-126.

German Federal Government, 2010: National Strategy for Corporate Social Responsibility – Action Plan for CSR of the German Federal Government. [online] Homepage: German Federal Ministry of Labour and Social Affairs. URL: http://www.bmas.de/SharedDocs/Downloads/EN/PDF-Publikationen/a398-csr-action-plan-englisch.pdf?__blob=publicationFile [accessed: 18.02.11]

Gordon, Colin, 1991: Governmental Rationality: An Introduction, in: Burchell, Graham/ Gordon, Colin/ Miller, Peter (Hg.), The Foucault Effect: Studies in Governmentality, Chicago: Chicago University Press, S. 1-51.

Habisch, André/ Jonker, Jan/ Wegner, Martina/ Schmidpeter, René, 2005: Corporate Social Responsibility Across Europe. Berlin: Springer.

Hopkins, Michael, 2003: The Planetary Bargain: Corporate Social Responsibility Matters. London: Earthscan Publications Ltd.

Keyman, Fuat E./ Koyuncu, Berrin, 2005: Globalization, alternative modernities and the political economy of Turkey, in: Review of International Political Economy 12/1, 105-128.

Keyman, Fuat E./ Öniş, Ziya, 2007: 'Civil Society: Then and Now', in: Turkish Politics in a Changing World: Global Dynamics and Domestic Transformations, Istanbul: Istanbul Bilgi University Press.

Lemke, Thomas, 2001: The birth of bio-politics: Michel Foucault's lecture at the College de France on neo-liberal governmentality, in: Economy and Society 30/2, 190-207.

Lemke, Thomas, 2007: An indigestible meal? Foucault, governmentality and state theory, in: Distinktion: Scandinavian Journal of Social Theory No: 15, 43-64.

Mitchell, Ronald K./ Agle, Bradley R./ Wood, Donna J. 1997: Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts, in: Academy of Management Review 22/4, 853-886.

Moon, Jeremy, 2004: Government as a Driver of Corporate Social Responsibility, International Center for Corporate Social Responsibility Research Paper Series ISSN 1479-5124, No: 20-2004.

Öniş, Ziya, 2004: Turgut Özal and his Economic Legacy: Turkish Neo-liberalism in Critical Perspective, in: Middle Eastern Studies 40/4, 113-134.

Öniş, Ziya, 2006: Globalization and Party Transformation: Turkey's Justice and Development Party in Perspective, in: Burnell, Peter (Hg.), Globalizing Democracy: Party Politics in Emerging Democracies, London: Routledge (Warwick Studies on Globalization).

Öniş, Ziya, 2009: Beyond the 2001 financial crisis: The political economy of the new phase of neo-liberal structuring in Turkey, in: Review of International Political Economy 16/3, 409-432.

Porter, Michael E./ Kramer, Mark R., 2006: Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility. [online] Homepage: Harvard Business Review. URL: http://hbr.org/2006/12/strategy-and-society-the-link-between-competitive-advantage-and-corporate-social-responsibility/ar/1 [accessed: 12.02.11]

Rhodes, Rod A.W., 1996: The New Governance: Governing without Government, in: Political Studies XLIV., 652-667.

Rose, Nikolas, 2004: Powers of Freedom: Reframing Political Thought. Cambridge: Cambridge University Press.

Rose, Nikolas/ Miller, Peter, 1991: Political Power Beyond the State: Problematics of Government, in: British Journal of Sociology 43/2, 172-205.

Sending, Ole Jacob/ Neumann Iver B., 2006: Governance to Governmentality: Analyzing NGOs, States and Power, in: International Studies Quarterly 50/3, 651-672.

Shamir, Ronen, 2008: Corporate Social Responsibility: Towards a New Market-Embedded Morality?, in: Theoretical Inquiries in Law 9/2, 371-394.

Thorsen, Dag Einer/ Lie, Amund, 2007: What is Neo-liberalism. [online] URL: http://folk.uio.no/daget/What%20is%20Neo-Liberalism%20FINAL.pdf [accessed: 26.03.11]

UNDP/CSR Turkey/EU Commission, 2008: Turkey Corporate Social Responsibility Baseline Report. [online] Homepage: UNDP Turkey. URL: http://www.undp.org.tr/publicationsDocuments/CSR_Report_en.pdf [accessed: 19.03.2011]

Vallentin, Steen/ Murillo, David, 2009: CSR as Governmentality, CSR Working Paper Series, 04/2009, Copenhagen Business School Center for Corporate Social Responsibility. [online] Homepage: Copenhagen Business School. URL: http://openarchive.cbs.dk/xmlui/bitstream/handle/10398/7908/wp%20cbscsr%202009-4.pdf?sequence=1 [accessed: 14.02.11]

Walters, William/ Haahr, Jens Henrik, 2005: Governing Europe: Discourse, Governmentality and European Integration. New York: Routledge.

Interviews

Participant 1, 2011: Head of one of the leading CSR associations in Turkey. İstanbul, Turkey, 08.08.11.

Gelir, Fatma, 2011: Program Support Associate at UNDP Turkey. Ankara, 02.08.11.

Kılıç, Pınar, 2011: HR Director at a multinational company, İstanbul. Turkey, 04.08.11.

Orhaner, Berkay, 2011: Corporate Communications Expert at Yüksel Holding/Yüksel İnşaat A.Ş.. Ankara Turkey, 02.08.11.

Titiz, Serra, 2011: Founder of Mikado Consulting. İstanbul, Turkey, 04.08.11.