

## Conceptualising Variations and Change in CSR from a 'Varieties of Capitalism' Perspective

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## 'Varieties of Capitalism' Approach

- Central tenants of the VoC approach:
  - A capitalist system is comprised of a number of sub-systems (e.g., financial system, labour relations)
  - The way in which firms coordinate the actors in these sub-systems (or '**mode of coordination**') is what gives a capitalist system its particular logic
  - Over time - through a process of experimentation and learning - the sub-systems reach **complementarity** (based on the logic of '*similarity*' and '*contrast*') which gives coherence and resilience to a capitalist system.

Variations in CSR			
Type of capitalism (exemplifiers)	Liberal market (e.g., US & UK)	Coordinated market (e.g., Germany & Japan)	State-Led (e.g., France & Korea, prior to 1980s)
<b>MODE OF FIRM COORDINATION</b>  1. financial system 2. labour relations	MARKET-RELIANT  1. Stock market-based 2. Individualistic, flexible external labour market	RELIANT ON ORGANISED INTERESTS  1. Bank-based 2. Collective bargaining, internal labour market	STATE RELIANT  1. State-controlled bank-based 2. State-controlled bargaining
<b>Corporate governance</b>	Shareholder value	Stakeholder value (Germany), Benign managerialism (Japan)	Public value
<b>CSR</b>	Explicit	Implicit	Implicit
<b>CSR as a complementary institution to corporate governance</b>	Logics of similarity and contrast	Logic of similarity	Logic of similarity

- ## Change in CSR
- What implications does the notion of 'CSR as a complementary institution to corporate governance' have for the three models?
    - State-led economy: "Convergence" of CSR due to radical shift in the model in the LME direction.
    - CME: "Layering" of CSR due to relative resilience of the model and some changes towards LME since the 2000s.
    - LME "Reinforcement" of CSR due to resilience of the model, despite the global financial crisis.