

**Analysis of the MNEs' Social Practices in Latin America:
Implications for Development Studies Research**

Track: Culture, Social and Ethical Issues

Abstract

Although CSR has been embraced by MNEs, their CSR specific contributions to social development in developing countries is questioned. Research grants MNEs an important role in social development when operating in developing countries. However, we know minimal how MNEs' subsidiaries operating in Latin America understand and implement CSR; how these companies address the overall needs of the society, or those of the communities. Based on the literature reviews on CSR research and empirical studies of MNEs operating in Latin America, this article proposes an analytical framework to identify patterns on MNEs' CSR implementation, to draw implications for development studies research.

Keywords: CSR, development studies, social development

It is traditional to start the study of corporate social responsibility (CSR) acknowledging the thorough discussion in the literature on the issues that should be covered within the CSR concept (Carroll, 1999; Dahlsrud, 2008; Lee, 2008). This article is not the exception, and it departs from a broad, but well-known, definition in which CSR refers to the responsibilities of the companies toward society (Bowen 1953, in Carroll, 1999).

While the CSR concept expands the research for understanding how and why organizations should respond to the society, the challenges to multinational enterprises' (MNEs) CSR policies and practices increase in their international operations. Developed countries' MNEs' subsidiaries that operate in developing countries need to discern what CSR activities and practices to implement: either those standardized globally across the company or those demanded by local stakeholders. Research on MNEs' CSR shows that, and for diverse reasons, international subsidiaries tend to follow their home headquarters' global standardized CSR practices, therefore favoring their alignment to the corporate principles and business scope (Bondy & Starkey, 2014; Husted & Allen, 2006), ignoring local CSR issues, which make CSR relevant (Bondy & Starkey, 2014). Research also shows how local CSR issues acquire considerable importance given the emphasis

on developmental challenges (Egri & Ralston, 2008; Eweje, 2006; Idemudia, 2011; Visser, 2008). That is, in developing countries, the social infrastructure for human development tends to be precarious, and governments either do not have the resources to provide it or have lost their capacity to build the appropriate conditions for an acceptable living standard. It is contradictory to observe how some developing countries have been able to attract foreign direct investment (FDI) and develop a vigorous export economy but have not been able to build the infrastructure for human and social development. Therefore, there is a high expectation from local societies in developing countries for MNEs to engage and invest in the development of such social infrastructure (Eweje, 2006; Gulbrandsen & Moe, 2007).

The case of the Latin American countries presents an opportunity to advance CSR knowledge based on their distinctive development characteristics, and because local Latin American communities are expecting that foreign economic actors (e. g., investors and firms) assume the responsibility to contribute to the local and regional social development (UNCTAD, 2010). Such expectations are based, first, on the fact that FDI is highly concentrated in commodity export sectors which have been key for the development of the region and continue to play a central economic role (UNCTAD, 2010; 2018). Second, the region continues to attract FDI in the extractive and raw materials sectors that do not necessarily translate into better jobs or social infrastructure (ECLAC, 2013). Third, empirical studies that contrast the Latin American and U.S. CSR activities, acknowledge that in Latin America the emphasis is on community investment (Contreras, 2004). Thus, expectations can be summarized in that MNEs receive resources from the communities and they are expected to reciprocate by returning other resources to the communities (Davila & Elvira, 2012).

In this regard, MNEs will play an even more important role as significant stakeholders in development. However, we know minimal how CSR is understood and implemented in Latin America by MNEs' subsidiaries operating in the region; and, how these companies are addressing the overall needs of the society, in particular those of the local communities. Therefore, the purpose of this article is to analyze the CSR activities and practices of Latin American MNEs' subsidiaries to draw implications for development studies research. Based on the literature reviews on CSR research and empirical studies of MNEs operating in the region, the article proposes an analytical framework to identify patterns on how MNEs understand and implement CSR in this region. This article contributes to the development studies area by analyzing the CSR agenda of MNEs in Latin America with regard to its developmental impact.

This article is structured in two main sections. The first section synthetically reviews the mainstream literature on CSR and the central elements of CSR in developing countries to suggest an analytical framework to explain how CSR is understood and implemented by MNEs in Latin America. The second section presents implications for development studies research.

CSR, CSR in Developing Countries and MNEs in Latin America

The concept of CSR is as popular in Latin America as it is in the international academic and practitioner communities (e. g., *Fundación PROhumana* in Chile; Lindgreen & Córdoba, 2010). However, to understand what is unique about CSR in relation to Latin America there is a need to review how local companies respond to societal expectations for development. Research shows that international Latin American corporations (also known as Multilatinas) have a long history of a unique commitment to social development in the Latin American region (Logsdon, Thomas, & Van Buren III, 2006) and have invested in community development (Davila, Rodriguez-Lluesma, Elvira, 2018).

In general, Multilatinas report implementing social practices along various themes such as education at all levels, employability skills and housing for the community, and, to a lesser extent, health services. Moreover, these companies have established a CSR path in the implementation of their social practices: they take care of their workers, providing them with appropriate training, offering health and other personal services and extending these practices to employees' families and members of the local community. Additionally, Multilatinas report how some of the social practices were converted into social institutions to empower the community for human development, reinforcing their long-term commitment to the social development of the region. These institutions include schools, colleges, and community centers; water and power systems; and health care programs, among others (Davila, et al., 2018).

The analysis also show how Multilatinas extend their social practices to communities that do not necessarily surround the company's operations. The next example illustrates practices that often follow patterns more congruent with the needs and expectations of the local stakeholders and community than to global CSR standards. The CEO of the Mexican multinational FEMSA (beverage, convenience stores and logistics) asked former Colombian President Uribe what FEMSA could do for Colombia. Without hesitation, Uribe asked him to help in the social and economic reintegration process of the low-intensity groups of the civil war (Cornejo, 2013). The Colombian government had several reintegration programs, which were failing because no one wanted to hire a demobilized member of the guerrilla. FEMSA introduced an entrepreneurship program managed by volunteers that would donate their time to train former members of guerrilla groups in new businesses. FEMSA offered the graduates of its program to become its suppliers. The company's program started by including 35 micro-entrepreneurs as its suppliers in textile, wooden pallets and promotional items. FEMSA became an important actor of the private sector to aid in the peace process that sought to reintegrate demobilized members into society (Cornejo, 2013).

Despite Multilatinas' CSR efforts, the region suffers of a pervasive social and economic inequality. There is a need to invest in the most disadvantaged people to close the skill and entrepreneurship opportunity gaps and ultimately to reduce income inequality. Latin American societies are socioeconomically diverse partly due to their history and partly due to

unsuitable socioeconomic policies (OECD/ECLAC/CAF, 2016). Thus, one can observe how Multilatinas participate in other spheres of society and seem to be particularly active in establishing the CSR agenda in this region. Although, we know little regarding how other MNEs that operate in the region implement their CSR activities and practices.

To analyze extant research on the Latin American MNEs' subsidiaries' CSR activities, the article presents an analytical framework based on the theoretical developments of the CSR concept. From any angle, CSR is a complex phenomenon and sometimes even diffuse. There have been many proposals, criticisms and attempts to clarify and define the concept. These efforts and the increase in studies about CSR, specifically in the U.S. and European countries, have generated a series of theoretical positions that, for the moment, take the form of two broad contesting research paths: mainstream CSR research and CSR research in developing countries. The central elements identified in each path conform an analytical framework that seeks to help us to clarify and understand the CSR concept and its research applications.

For this review, the selected studies focus on the social dimension of CSR that tends to be understudied (Egri & Ralston, 2008; Lockett, Moon & Visser, 2006) and generally includes categories on employees and community development as well as product responsibility. Among these categories, community development is suitable for analysis within Latin American MNEs' subsidiaries' overall CSR activities because of the vulnerability of the surrounding communities in which these companies operate (Gifford & Kestler, 2008). Studies targeting natural resources or environmental conservation activities and practices, which are important topics for CSR, were not considered in this article. Thus, the article turns next into a synthesis on CSR as it is driven in the mainstream literature and in developing countries following a group of studies that portray patterns of CSR activities and practices in the region.

Level of Analysis in the CSR Definition

Scholars emphasize that the definition of CSR has multiple interpretations by both academia and practitioners, and this causes an impact on the way the research on CSR has evolved (Carroll, 1999) and how companies formulate and implement their CSR actions (Carroll & Shabana, 2010). The discussion on what CSR means for a given organization requires a serious reflection on its responsibilities, namely, economic, legal and ethical as well as acting as a good corporate citizen with rights and duties (Carroll, 1999). How much weight is given to a certain responsibility is what determines the CSR orientation of a given company. Research that builds on this CSR definition takes the organizational level of analysis emphasizing the impact of CSR on the organization's performance, influencing at the same time the CSR policies (Carroll & Shabana, 2010). In contrast, the discussion on what CSR means for the society is to be found in the analysis of the business-society social contract. This perspective, characteristic of developing countries research, derives from the congruence on prescriptive, normative and societal values about the role of businesses in the development of a given

country (Jamali & Karam, 2018). Thus, CSR research in developing countries integrates the contextual characteristics into the study of CSR, adding development to the business social responsibilities (Idemudia, 2011). In this vein, it is important to distinguish when MNEs orient their CSR policies and practices to micro-level or macro-level issues in the countries in which they operate. For example, micro-level CSR issues include small-scale projects that target only local community in basic areas of health or education. In contrast, CSR macro-level issues tend to be related to development of broader societal issues such as human rights, good governance and social development (Gulbrandsen & Moe, 2007).

Both levels of analysis in the CSR definition, societal and organizational, seem to be mutually exclusive, although more research needs to be done to understand under what circumstances both levels can be integrated. Nevertheless, the general orientation of the CSR definition is a starting point to inquiry about Latin American MNEs' subsidiaries' CSR activities and practices. The next study illustrates how two MNEs that operate in the same context and industry in Chile follow the two different levels of definition in their CSR practices.

MNEs in Latin America. Two Norwegian firms operating in Chile faced the challenge of deploying a global CSR approach in the socio-economic context of Chile. The dilemma was for the managers of the Chilean subsidiaries that encounter a double identity: the Norwegian way of doing business and the reality of the economic conditions of the Chilean workers (Huemer, 2010). Although both subsidiaries followed the core principles of the headquarters, how they were translated into practices was different. One of the subsidiaries maintained the global CSR core principles expressed in long-term obligations focusing on business mindedness and shareholder interests. Huemer (2010) reported a low impact of this subsidiary's CSR practices, addressing only better working conditions and a commitment to maintain manual labor to keep salaries low and, in the same way, sporadically sponsoring local schools and cultural events.

The other subsidiary followed a societal approach providing benefits such as education and health services for the employees and their families. In fact, Huemer (2010) identified that the CSR practices in this Chilean subsidiary were more developed there than elsewhere (e.g., the Canadian subsidiary).

Research Focus

Although different disciplinary perspectives offer a set of theoretical foundations to advance the research on CSR, there still is a call for integrative approaches (Garriga & Melé, 2004). Various literature reviews seek to respond to this call, analyzing research advances according to the focus of the CSR level of analysis: societal/institutional, organizational and individual (Aguinis & Glavas, 2012; De Bakker et al., 2005; Lee, 2008). Although these research focuses seem to be

contesting alternatives to guide CSR research, the literature constantly stresses that they can be integrated, producing a comprehensive but complex phenomenon (e.g., Jamali & Neville, 2011).

In mainstream theoretical developments, when CSR studies take the societal level of analysis, the elements that are analyzed correspond to the institutional business environment, generally referring to the regulations or standards in a given context and that influence the types of CSR policies that firms implement (Aguinis & Glavas, 2012). A counterpoint with this approach is that some studies have concluded that when firms' CSR actions and policies are not genuine, regulatory or standards forces can often lead to symbolic CSR that tend to calm stakeholder demands or to make the company conform with the minimum requirements of local standards (Aguinis & Glavas, 2012). In developing countries, the institutional level of analysis refers mainly to the geopolitical landscape and the cultural system of the country as antecedents of the companies' CSR actions (Jamali & Karam, 2018). Then, in developing countries, the contextual paradigm used in comparative studies 'of what is contextually unique and why' (Brewster, 1999; p. 215) emerges as an important dimension for CSR research.

Thus, beyond regulations and standards, the contextual approach to CSR research is highly relevant in developing countries mainly because of the internationalization of the concept along with the rapidly changing of the socioeconomic and political landscape in these countries. Additionally, there is a need to position the CSR actions in their respective historical context of the country (Logsdon, et al., 2006) to understand its evolution. Idemudia (2011) states that it is not realistic to assume that CSR means the same thing in developing countries because development has been added to the businesses' social responsibilities.

At the organizational level of analysis, the mainstream CSR research shows consistent findings on how firms engage primarily in CSR activities due to instrumental reasons seeking for a positive impact on organizational performance (e.g., financial and non-financial outcomes) (Aguinis & Glavas, 2012). However, research also indicates that there are firms that engage in CSR activities for normative reasons based on the firm's values (Aguinis & Glavas, 2012). In developing countries, research shows that organizations with diverse types of ownership (e.g., MNEs, local firms) and structures (e.g., corporate governance) engage in CSR activities seeking to meet the expectations of the local populations in terms of their basic needs such as healthcare services, sanitation, basic education or roads, and those expectations of powerful local groups (Jamali & Karam, 2018).

Thus, CSR research at the organizational level in developed countries might be understood under the umbrella of corporate social performance (CSP) or corporate social policy in order to respond to stakeholders' pressures. In developing countries, in contrast, CSR research seeks to fulfill the social contract between the company and the expectations of the society. Once more, the contextual approach to CSR continues to be relevant at this level of analysis, although it can take

the narrow form of the surrounding community or the broader developmental approach. The following studies analyze how MNEs take an organizational view in their CSR actions and clearly follow their headquarters' CSR policies.

MNEs in Latin America. Newell and Muro (2006) noted how MNEs tend to have become involved in several disputes in Argentina with local groups such as indigenous communities, mainly due to the lack of regulations on CSR issues. The authors argued that these companies seem to respond more to the pressures from their headquarters and supply chain pressures or market entry requirements when implementing their CSR practices than from local pressures; an exception is the social movements. In addition, the authors stated that MNEs' CSR strategies clearly reflect European or North American priorities without considering the needs of the local communities.

The mining sector in Latin America has been the center of many company-community controversies, but an interesting approach to solve these confrontations is to know how MNEs negotiate CSR issues with local stakeholders according to their expectations (Yakovleva & Vazquez-Brust, 2012). Thus, in a study of the CSR orientation of mining MNEs in Argentina, it was identified that companies negotiate their economic, environmental and legal CSR responsibilities with the government; philanthropic responsibilities with the communities and ethical responsibilities, defined by the headquarters, were not negotiated locally (Yakovleva & Vazquez-Brust, 2012). However, Yakovleva and Vazquez-Brust's (2012) analysis revealed that for the society at large, the environmental duty is the critical element of CSR in the mining sector in Argentina, although it was not included in the mainstream models of CSR that they used in the study. Nevertheless, this study distinguishes the particular CSR issues in which MNEs' subsidiaries require flexibility from headquarters' CSR policies to operate globally in an effective manner.

The case of the Brazilian DuPont subsidiary (U.S. MNE chemical company) also presents evidence on how its CSR actions are aligned to the corporate policies, responding only to salient stakeholder demands and not because they were the company's initiatives (Griesse, 2007a). Since the company started operations in 1937, its CSR activities and practices have been limited to comply with local labor laws. However, the company worldwide is receiving international societal and governmental demands because of the genetically modified seeds that the company produces. DuPont created an external advisory board to assess the company's CSR programs and to provide advice on all the aspects of the product. In Brazil, the subsidiary deployed the same strategy and created the Biotechnology Information Council, which networked with other international councils. The purpose of the Council was the diffusion of scientific information on biotechnologies in the region. Thus, the case presents evidence on how the MNE aligned its response to the central corporate social policies.

Torres-Baumgarten and Yucetepe (2009) analyzed the CSR website section of the ten largest U.S. MNEs¹ with operations in Latin America, concluding the limited information on community social investment that the companies

provide for the region compared to other regions such as Africa, Asia and Europe. Most of the companies have had operations for a long time in many countries in the region, and the information that they provide differs significantly from what the companies report in other parts of the world. Although General Electric is differentiated from the rest because it sponsors a great range of CSR initiatives in the region. However, the authors questioned the role of MNEs in society as well as the local subsidiaries' understanding of CSR actions in the region (Torres-Baumgarten & Yucetepe, 2009).

Although, in these cases, researchers inquired about a broad view of CSR to identify particularities of the studies, what is common in all of them is that the MNEs' subsidiaries implement their CSR actions in compliance with corporate policies. The implementation of CSR practices meets minimally the local expectations for social development.

Stakeholders

Scholarly works that grant the actions and influence of organizational stakeholders are important elements that firms consider for their engagement to CSR and to particular actions and policies. Then, the literature suggests that CSR actions should be designed to satisfy key stakeholders' demands (Aguinis & Glavas, 2012). The debate here is to identify who the stakeholders are. The mainstream literature proposes that the organization responds to those stakeholders that have salient attributes such as legitimacy, power or urgency because those stakeholders are the ones that can affect organizational objectives (Agle, Mitchell, & Sonnenfeld, 1999). Overall, salient stakeholders are categorized as primary stakeholders and are usually consumers, managers, employees and shareholders.

Under the stakeholder perspective of the organization, studies on mainstream CSR research seek to identify the forms of organization-stakeholder relationships toward specific organizational outcomes, such as legitimacy, reputation, perception or trust from any of the stakeholders toward the organization (Aguinis & Glavas, 2012). Research also suggests that organizations engage in CSR projects when they are under greater scrutiny by their external stakeholders, affecting the organizations' social performance (Chiu & Sharfman, 2011). Thus, organizations and stakeholders, under certain conditions, exert mutual influence toward corporate social performance issues and, therefore, corporate CSR policies.

Research on CSR in developing countries indicates that organizations tend to engage with multiple stakeholders that are the beneficiaries of CSR, including children, women, farmers, laborers, workers, miners, manufacturers, local communities and rural poor, disadvantaged communities, or low-income consumers (Jamali & Karam, 2018). Davila and Elvira (2009) introduced the term 'silent stakeholders' to refer to those individuals or groups that have a lack of legitimacy or power and may lack resources to defend their interests and thus may be ignored by business organizations, as suggested by Tavis (1994). These silent stakeholders are even invisible to the organization-stakeholder network, but they are part of the socio-economic sector (Davila & Molina, 2017).

MNE in Latin America. The case of Newmont (U.S. mining company) that operates in Peru has a long history of tensions with its surrounding community. The case shows how Newmont's Latin American subsidiary had to interact with multiple stakeholders beyond its primary stakeholders. Gifford and Kestler (2008) analyzed how this company had to acquire an in-depth knowledge of the conditions of deprivation in which the individuals of the community were living. Based on the advice of a group of social scientists, the company worked together with the community representatives on identifying the most urgent needs and offered health infrastructure to help the community in various health issues (Gifford & Kestler, 2008). Thus, the case illustrates that in Latin America, diverse stakeholders coexist with organizations and expect to participate in the community development efforts seeking social integration. One important question here is how to bridge the gap among diverse societal groups' expectations or needs, organizations' interests, and governmental duties and responsibilities.

Bridging Mechanisms: Society-Organizations-Government

Stakeholder engagement is a major concern among CSR scholars and practitioners because of the need organizations have to make a social impact in the society. Whether this need is part of the organization's essence or the result of environmental pressures, organizations require the involvement of their stakeholders to succeed in their CSR efforts. The literature defines stakeholder engagement in general terms as those practices that an organization implements to involve its groups of interest positively in its social actions or decision making (Greenwood, 2007). Because of the diversity of organizational stakeholders, the mainstream literature on CSR identifies central mechanisms for stakeholder engagement such as dialogue, partnership and employee volunteering (e.g., Bowen, Newenham-Kahindi & Herremans, 2010; Erdiaw-Kwasie, Alam & Shahiduzzaman, 2017). Although the purpose of the engagement mechanisms is to promote the involvement of the stakeholders in the social activities of the organization, they also help the company in bridging the expectations of the societal actors such as organizations and other powerful stakeholders' groups, for example, governments (Davila et al., 2018).

In developing countries, research finds similar stakeholder engagement mechanisms but with nuanced features. For example, research indicates that such mechanisms need to be oriented to the local needs of the community in which the company operates (Jamali & Karam, 2018). Partnerships between MNEs and non-governmental organizations (NGOs) in that context of CSR have incipient performance mainly due to the lack of interest of the headquarters (Jamali & Keshishian, 2009). However, recent research indicates four mechanisms Latin American companies use to engage with the local communities: (a) close relationships with local community social/governmental organizations; (b) continuous dialogue with

members of the community; (c) networks of volunteers to help perform the social activities of the companies; and (d) creation of social infrastructure institutions (Davila et al., 2018). The next study shows how an MNE in Latin America implemented stakeholder engagement mechanisms because of external pressures more than for intrinsic reasons.

MNEs in Latin America. A longitudinal case study of Caterpillar (U.S. MNE, engines and tractors manufacturing firm) in Brazil shows how the strong alignment of the companies to the central headquarters' CSR policies prevent them from engaging with local communities and fulfill their expectations. Despite that the companies reported compliance with the local legal requirements and offered good payment and comprehensive benefits to their employees, Griesse (2007b) documented how the surrounding communities complained about the minimal commitment of the MNE's CSR in the community. Caterpillar, which started operations in Brazil in 1976, maintained minimal interactions with its surrounding community despite its poor conditions and lack of urban infrastructure (Griesse, 2007b). The company started to interact with the community in the 1990s because it was being threatened by environmentalists who criticized how the Caterpillar tractors were being used to deforest the Amazonian region. The case describes several stakeholder engagement mechanisms that the company used to reconcile with the community such as developing a sustainable forest management program for indigenous groups and donating its employees' time to lead the city of Piracicaba toward the United Nations (UN) Agenda 21 on global sustainable goals. Additionally, the company implemented philanthropic and cultural activities for the community that, according to the case, did not improve its weak position within the community. Despite all the efforts made by the company to engage with salient stakeholders, the considerable time that the company took to become concerned and, ultimately, to identify the community needs and learn about its demands is evident (Griesse, 2007b).

Outcomes

Some scholars advocate in favor of MNEs' subsidiaries when they do not implement the right CSR actions and blame academia for providing so many new constructs and definitions that might make difficult the translation to practitioners (e.g., De Bakker et al., 2005). This causes organizations to receive mixed messages about what is the appropriate thing to do in the local and international contexts. However, the CSR outcomes tend to be divided into two general categories: first, there are firms' related benefits as the main outcomes, such as reputation, consumer satisfaction, financial performance, firm capabilities, among others (Aguinis & Glavas, 2012). Second, is that MNEs' CSR subsidiaries follow and comply with what is established by the local laws, and when MNEs invest further, it is to compensate for the institutional voids of the business environment (Khanna & Palepu, 2010). However, this outcome has been criticized simply because MNEs cannot operate under the conditions of poor human and physical infrastructure (Visser, 2008).

In developing countries, the literature discusses the outcomes of the CSR actions at different levels of analysis, but mainly the outcomes are related to the developmental impact of CSR. When organizations seek a systematic change at the societal level through the CSR actions, MNEs develop a social embeddedness capability, which includes developing relationships with non-traditional partners, co-inventing in custom solutions, and building local capacity (London & Hart, 2004). Recent studies show that building local capability through CSR actions, or philanthropy in some particular countries, refers to building schools or universities, health clinics or hospitals, and even housing. In other words, it is about investing in social infrastructure for human development (e.g., Davila & Elvira, 2018; Davila et al., 2018). Among the few studies on the CSR of MNEs operating in Latin America, the next study exemplifies how the MNEs seek legitimacy.

MNEs in Latin America. Lopez and Fornes (2015) analyzed the CSR initiatives of the Latin American subsidiaries of the eight largest Spanish MNEs in the service industries, concluding that such initiatives were used as a strategic tool to achieve economic objectives and protect their investments. That is, the study presents evidence on how the Spanish MNEs implemented CSR activities and practices seeking financial and non-financial outcomes such as global reputation and legitimacy, addressing their host country's challenges little. The engagement with local stakeholders was attributed to protect the MNEs investment in the region.

Figure 1 about here

Theoretically, the proposed analytical framework is structured around the central elements identified in the literature on CSR: level of analysis of the CSR definition; research focus; stakeholders; bridging mechanisms; and outcomes. The five elements are summarized schematically in Figure 1. The elements are arranged in a linear form but could represent a causal relationship among them. The position chosen on the level of analysis about the CSR definition is what determines, in a certain way, some of the positions of the other elements. The framework presents two broad paths that emerged from the review of the literature on the mainstream CSR theory and that from developing countries. In addition, the framework illustrates the existence of evidence that shows a dispersion in causality with respect to the research focus and outcomes.

The analytical framework presented here aims to be a tool to support the study of MNEs' subsidiaries' CSR in developing countries, although it is reductionist. Reality is complex, and any attempt to fragment it, as represented by the proposed framework, tends to limit and reduce it. In other words, most of the studies do not make sharp distinctions in terms of the content of the concept, and sometimes, researchers propose several explanations for the same phenomenon; thus, the

paths are not necessarily mutually exclusive. For example, MNEs can take an organizational approach to CSR adhering to corporate policies that promote societal development in their international operations. This might be translated into CSR actions and practices beyond compliance with local regulations and investment in social infrastructure.

The next section follows the implications of Latin American MNEs' subsidiaries' CSR research for development studies research in the region.

Implications for Development Studies Research

This article analyses the CSR activities and practices of Latin American MNEs' subsidiaries in order to identify implications for development studies research. An analytical framework was developed to identify patterns on how MNEs understand and implement CSR in the region. Empirical studies on the social practices of MNEs operating in the region indicate two distinctive patterns: first is the alignment of their local CSR practices to their headquarters' global CSR policies, and second is the evident distance of the international subsidiaries from the surrounding community. Next follows a discussion on the patterns from the development studies perspective along the elements of the analytical framework.

Level of Analysis in the CSR Definition

Idemudia (2008) argued that in order to contribute to the CSR-development nexus, there is a need to reach a consensus on the definition of both concepts. However, the business literature has already addressed this discussion with a comprehensive analysis of the CSR concept (e.g., Carroll, 1999). Based on the above analysis, this section presents emerging themes for the advancement of the CSR-development nexus.

Huemer's (2010) study concluded that when CSR is related to the ethos of organizations, CSR research should then focus on the purpose of the organizations. In this vein, there is a need to do research on what stops or obstructs an MNE from taking the CSR societal approach in Latin America, which ultimately will have an impact on social development and fulfilling societal expectations. Societal expectations come from diverse groups of interest. Beyond the traditional Latin American politicians' position of expecting that MNEs increase salaries or improve working conditions, unions also require having the same working conditions that their counterparts abroad have. That was the case in Norwegian MNEs in Chile when Norwegian unions visited Chile expecting to find the same standards in the working conditions and work environment in the facilities in Chile as in Norway (Huemer, 2010). However, it might be difficult to fulfill such expectations without a CSR societal-level approach.

Moreover, research has identified an additional responsibility in the CSR domain, that of job creation in Mexico (Husted & Allen, 2006) and in Brazil (Griesse, 2007b) by both countries' governmental officials and in Mexico by business leaders as well (Husted & Allen, 2006). According to Husted and Allen (2006), this element has a singular interpretation by Mexican business leaders because of the impact that unemployment has on the welfare of families, crime, and other social problems. According to the authors and, at the time of their study, job creation is not declared as an issue in international developmental initiatives such as the Global Compact, but it acquires particular importance for Latin American economies. Thus, emerging themes for development studies research derived from the level of analysis on the CSR definition in the context of Latin America are what stops or obstacles impede MNEs' CSR to take the societal or contextual level approach, the international influence of MNEs' unions in the implementation of CSR practices abroad, and the social impact on job creation.

Research Focus

The deregulation and opening of the Latin American economies at the end of the 1980s raised the levels of FDI, meaning that developed MNEs with existing CSR programs started to invest in the region (Newell & Muro, 2006). In particular, FDI was invested in certain industries such as energy, natural resources, financial services and telecommunications, all key industries for development. In this regard, governments struggle between attracting FDI and regulating CSR for development (Newell & Muro, 2006). In this vein, Idemudia (2011) stresses the lack of research on the role of governments in developing countries to regulate companies' CSR actions for community development. Puppim de Oliveira (2006) argues that because governments in Latin America are lagged in terms of accountability and human development provision, companies receive the demands to provide for social investments. This distracts society's attention from other important issues of corporate citizenship such as corruption and tax avoidance, which have a significant impact for development.

What we already know is that governments exert more regulations on Latin American MNEs' subsidiaries according to the size of the country and when the subsidiary is oriented to the internal market, and regulations are lower when the companies are technology driven, larger in size, and export-oriented (Grosse, 1996). Moreover, it was until recently that international trade agreements are including a provision on CSR aimed at ensuring more responsible and regulated investment activities through reference to global standards (UNCTAD, 2018). Thus, from the development studies perspective, this line of research could help to analyze what factors of the FDI local governments pay more attention to and why and, more importantly, how regulations affect host countries social development, thus influencing MNEs to balance their CSR actions to corporate policies and host country development needs.

In Latin America, it is difficult to define CSR activities and practices as in the international mainstream literature because of the long tradition of the philanthropic engagement of the local corporations and businesspeople toward community development (Logsdon, et al., 2006; Sanborn, 2005). The research focus also requires refinement in terms of the relatively recent introduction of the CSR concept in the Latin American business environment—in the 1980s. Agüero (2005) argues that the CSR concept was transferred to Latin America by the globalization movement with a significant strategic focus, reinforcing the performance-oriented level of research. Moreover, to promote the concept, there was a need to create the corresponding infrastructure of research centers, businesses and industrial associations, businesspeople councils, governmental agencies, NGOs, among others (Agüero, 2005). Then, development studies research has the opportunity to inquire about the impact of MNEs' CSR performance-oriented approach on the philanthropic tradition of the regional businesses and the transforming expectations of the local societies.

Stakeholders

The definition of CSR guides companies to identify who their stakeholders are. The mainstream literature on stakeholder management proposes that managers pay more attention to those stakeholders that have salient attributes in their claims or demands (Agle, et al., 1999).

The 'silent' term for stakeholders that lack legitimacy or power before the focal organization is a fruitful proposal for development studies research. The literature identifies two instances in which silent stakeholders make themselves visible to the focal organization: first, during land ownership disputes, which are characteristic of Latin America, in particular disputes with MNEs (Davila & Elvira, 2009). An example is the case of Benetton (fashion, Italian) in Argentina that bought upland areas of the Patagonia to raise flocks of sheep and to develop other agribusinesses, although the land was originally owned by the *Mapuche* ethnic group, caused serious conflicts among the indigenous groups, civil society and governmental officials (Newell & Muro, 2006). The conflict prevails currently, and Soria (2016), an Argentinean activist, critiques the case with an add that pictures Mapuche children with the label "Invisible peoples of Benetton." Another instance in which an organization can identify its silent stakeholders is through the analysis of the ultimate target population of the CSR activities or practices (Davila & Molina, 2017). For example, the case of Newmont in Peru describes the community-oriented activities that the company sponsored through a third party that helped the company to understand the unknown local context and the real needs of the community.

The dilemma here is how MNEs can identify their silent stakeholders and how research can inform MNEs about silent stakeholder identification beyond their involvement in conflict-ridden contexts. Although there are many instances in which local conflicts reach global attention, facilitating research attention for theoretical developments, there are other

controversies that remain local and out of global sight (Newell & Muro, 2006). In this vein, Idemudia (2011) suggests that governments, or other societal agents, should strengthen the capabilities of local civil societal groups to be able to monitor and demand such companies' CSR initiatives. This was the case of a longitudinal study of small coffee producers in southern Mexico who formed a cooperative and developed saliency within their stakeholder network through the replacement of bureaucratic stakeholder relationships (i.e., those based on inequality, transactions, and hierarchy) with relationships characterized by strong moral commitment to stakeholders' claims (in this case, the improvement of the community's economic and social welfare), which enabled independent farmers to transform into an integrated, solid, and worldwide competitive group of coffee producers (Davila & Molina, 2017). Thus, for development studies, there is an opportunity to build on the silent term within the stakeholder management perspective.

Bridging Mechanisms: Society-Organization-Government

Because of the silent attribute of many local stakeholders, studies in the region identify that the stakeholder needs rather than demands should be placed at the center of any CSR-development efforts (Davila & Elvira, 2018; Davila et al., 2018). The literature on CSR in developing countries also stresses that there should be stakeholder reciprocal responsibility on development initiatives (Idemudia, 2011). Otherwise, a relationship of subordination could prevail, and this, in turn, would reinforce the dependency logic that currently characterizes many Latin American management relationships (Davila & Elvira, 2009). Idemudia (2011) notes that this issue of the stakeholder reciprocal responsibility has received inadequate research attention. Thus, there is another opportunity for development studies research to explore the topic further.

Outcomes

One of the main themes of research on MNEs' CSR is to question its contribution to developmental priorities in developing countries, mainly because the CSR construct was introduced in the U.S. and tends to be driven more for instrumental reasons on the impact of CSR on the organization's performance (Yakovleva & Vazquez-Brust, 2012). Firms might not overcome their liability of foreignness if they do not build a capacity and sensitivity on how to create social value or to become locally embedded within the social infrastructure that prevails in developing countries (London & Hart, 2004). There is a need to understand the relative position of Latin American communities when comparing them with other world regions. Because of the scarcity of reliable institutions to provide for human development, communities place greater trust in firms. MNEs need to contend with complex and dynamic institutional and physical contexts, characterized by institutional voids (Khanna & Palepu, 2010), and such voids also emerge when economic growth advances faster than social and institutional structures (Rodrigues, 2013).

Finally, the outcomes derived from the MNEs' CSR-development nexus should also be compared to other forms of developments paths such as those provided by local firms (e.g., emerging multinationals, indigenous cooperatives, or social enterprises) and to critically assess their contribution to development (Idemudia, 2011). For example, in the case of Multilatinas' CSR activities and practices, a pending issue observed in the corporate reports is the lack of information on methodologies to assess procedural compliance and to assess the impact of such CSR activities on the communities. In general, Multilatinas' corporate reports specify the number of beneficiaries of their social activities as an indicator of social performance (e. g., students, schools, unskilled or jobless workers, etc.). In the context of the region, the author suggests that corporate social performance informs on the improvement of the human development dimensions or the poverty reduction for the company's stakeholders and communities.

In conclusion, this article provides a framework to analyze CSR activities and practices in Latin America of MNEs that operate in the region, to draw implications for development studies research. In general, the analysis portrait MNEs as distant from their Latin American communities in contrast to what local companies inform. However, the pressing developmental issues of the region threaten any corporate CSR policies, particularly those of MNEs that face the societal expectation to commit to the community development. Thus, to include the participation of businesses in development there is a need to require agreements between companies, communities and society as a whole.

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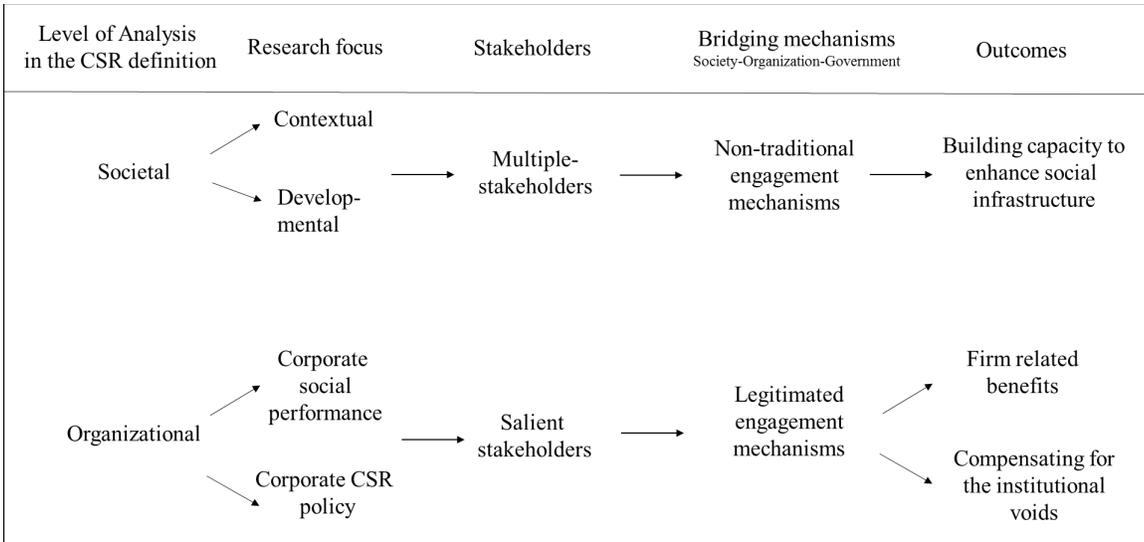
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Figure 1. Analytical Framework to Study CSR-Development in Latin America



1 Wal-Mart, Exxon Mobil, General Motors, Chevron, Conoco Phillips, General Electric, Ford
Motor, Citi Group, Bank of America Corp., American International Group