

THE DEVELOPMENT OF LEGAL RESPONSIBILITY FOR A SOCIALLY RESPONSIBLE BEHAVIOR FOR BUSINESS OPERATORS IN ROMANIA, MEMBER STATE OF EUROPEAN UNION

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Abstract: *Legal responsibility represents an important component of social responsibility, together with ethical responsibility, ecological responsibility, economical responsibility and philanthropic responsibility. The integration of social responsibility into the activity of business operators in the Member states of European Union is pursued at European Union level. The article analyses the opinion of the Brasov city citizens, in the framework of a marketing research performed in 2015, as regards the possibility that legal instruments should influence a socially responsible behavior for public or private business operators. The aspects analysed for business operators in Romania can represent a model for other European Union states as well.*

Keywords: social responsibility; public institutions; economic operators; quantitative marketing research; legal responsibility

JEL Classification: M31; L32

Introduction

Several traders instinctively know that “to do the right thing” – serve the clients, take care of the staff’s morale, be careful with the providers, be good neighbours, and protect the environment – means commercial sense. The socially responsible activity regards the provision of the economic success of a entity – private economic operator or public institution – by including social and ecological aspects into its activity. (European Commission, General Department for Enterprises, 2009, pp. 2-3)

In this context, a manager of a socially responsible entity – private economic operator or public institution – has several categories of ethical obligations. These obligations are divided into four directions, given four groups interested in the respective activity, i.e.:

- towards the shareholders, these obligations regard a correct management, loyalty, information, transparency, confidentiality;
- towards the employees, these obligations regard an equitable remuneration, professional development, respect for the personal life, respect for the petition right;

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- towards the clients, these obligations regard high-quality products/services, guarantee of the use safety, information;
- towards the community, these obligations regard the environmental protection, the contribution to solving social issues, observance of the cultural diversity. (Tigu, 2005 pp. 23-27)

1. Social responsibility and its component responsibilities

At present, the social responsibility of an entity – private economic operator or public institution – must be regarded from a complex perspective. We consider (Potincu, 2012, pp. 85-106; Potincu, 2015b, pp. 106-107) that the social responsibility is what the community expects from an entity – private economic operator or public institution – ecologically, economically, legally, ethically and philanthropically. In our opinion, the social responsibility includes all these types of responsibilities: ecological responsibility, economic responsibility, legal responsibility and philanthropic responsibility.

The ecological responsibility is a reflection of the sustainable development considered by the specialty literature (Crane, 2008 pp. 92-93, 307) to be a basic value of the social responsibility. In this context, we can state that the ecological responsibility lays at the basis of the social responsibility.

The ecological responsibility of an entity – private economic operator or public institution – implies the integration of the environmental protection requirements into their activity. It is stated that the activity conducted by the entity – private economic operator or public institution – are not separate, but they are a component of the entire ecosystem. (Frederick, 2006, pp. 144-146, 150-152) The dynamics of the ecosystem complexity requires the entity to seek durable strategies.

One of the most important responsibilities of a business is considered being an economic operator which is operational on the market. The fate of several categories of persons, first of all its employees, depends on its availability on the market. For this reason, the economic responsibility acquires a major significance, and it must correctly be assumed by each economic operator or public institution.

The juridical responsibility implies the compliance with the normative documents in force. In the case of the failure to assume the juridical responsibility, the juridical liability steps in. *Juridical responsibility* is defined as a classical instrument of fulfilling the provisions of juridical norms. (Dutu, 2007, pp. 238-243)

Compliance with the law, in general, is a primordial attribute of a socially responsible attitude promoted by an entity – private economic operator or public institution. In this context, social responsibility implies, first of all, the compliance with the legislation integrated by law, because the application and responsibility in this field is confronted with the most difficulties.

The ethical responsibilities force the entity – private economic operator or public institution – to do what is just, correct and equitable, even if they are not obliged to do so by the normative documents in force at a certain time. (Muresan, 2007, p. 36)

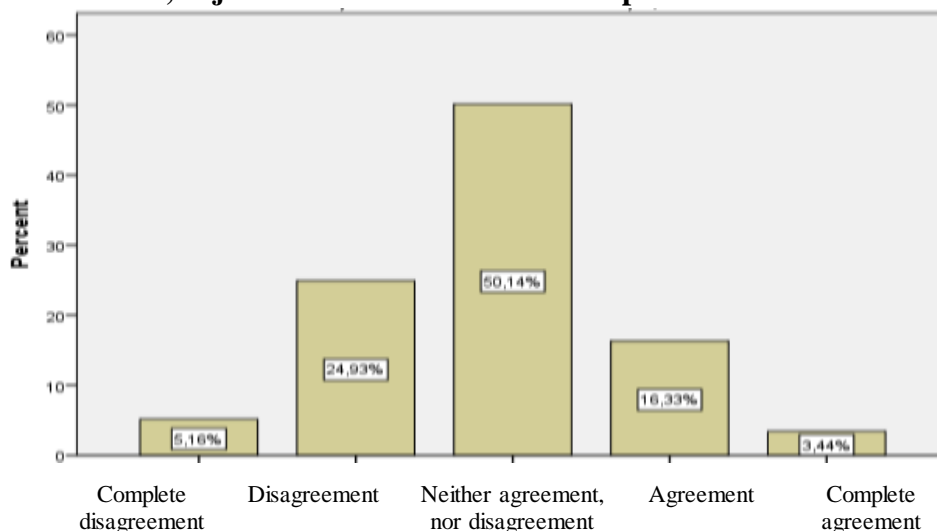
It can be stated that the philanthropic responsibility of an entity – private economic operator or public institution – is a requirement to be manifested within the community in which the company performs its activity. The philanthropic responsibility cannot be imposed.

2. The legislation regulating the activity of the public institutions, a premise for a socially responsible behaviour

In 2015 a quantitative marketing research was conducted (Potincu, 2015c) – within the postdoctoral research entitled “*Use of marketing instruments in order to identify methods for implementing and developing socially responsible management in public institutions*” – regarding the promotion of the social responsibility by the Romanian public institutions. The quantitative research having the theme “*Opinions of citizens in Brasov city on social responsibility in the activity of public institutions*” took into consideration people over 18 years old, of both genders, dwelling in Brasov. The final size of the pattern was 393 people, to which an aleatory error of $\pm 4,94\%$ corresponds.

We shall further analyse the opinion of the Brasov citizens who have been questioned regarding the manner in which the legislation regulating the activity of the public institutions clearly sets the values, objectives and missions of those public institutions.

Figure 1 – The legislation regulating the activity of the public institutions clearly sets the values, objectives and missions of those public institutions



Source: Potincu C. R. (2015) *“Use of marketing instruments in order to identify methods for implementing and developing socially responsible management in public institutions”*, Postdoctoral Research, Transilvania University of Brasov, Department of Management and Economic Informatics.

The role of this question on "The legislation regulating the activity of the public institutions clearly sets the values, objectives and missions of those public institutions" was to see whether this legislation could be the basis on which a socially responsible attitude would be developed. We took into consideration the fact that the entire activity of the public institutions is subject to a strict legislation, due to the social nature of the public institutions. Thus, a socially responsible attitude must at least be allowed, if not even expressly provided by the legislation regulating the activity of the public sector in Romania.

In this context, 30% of the questioned citizens were of the opinion that the legislation regulating the activity of the public institutions still had important additions to make in order to reach the level where the values, objectives and missions of those public institutions are set, and then reach the level of developing a socially responsible behaviour.

Only 19.77% of the Brasov citizens considered that the legislation regulating the activity of the public institutions was at the level clearly setting the values, objectives and missions of those public institutions, creating the premises for implementing a socially responsible behaviour.

The social nature of the activity performed by the public institutions is an aspect which eliminates their implication in the philanthropic responsibility field – constituent responsibility of little importance, in our opinion, of the social responsibility – however imposing an increased

transparency of the activity performed by the public institutions – a very important feature of the social responsibility.

In our opinion, the philanthropic aspects can be developed, but can just as well not exist; what must be complied with is the rest of the constituent responsibilities of the social responsibility: the juridical responsibility, the ethical responsibility, the economic responsibility and the ecological responsibility.

As for the need of transparency integrated into a socially responsible behaviour, this is provided in the normative documents regarding social responsibility, adopted at European Union level.

The Resolution of the European Union Council regarding social responsibility 2003/C 39/02 (of 6 February 2003) – normative document adopted at the European Union level – stipulates the promotion strategies of social responsibility. It is considered necessary for these strategies to be based on the need for credibility and transparency of the socially responsible practices of the private business operators and public institutions.

It is also intended that the Member States of the European Union continue to promote the dialogue with the stakeholders and the civil dialogue, promote the transparency of the practices and social responsibility instruments used by the business operators and promote the exchange of information and experience regarding the social responsibility policies.

Directive 2013/34/EU mentions transparency by mandatorily enforcing an economic instrument: the social responsibility activities report. Directive 2013/34/EU of the European Parliament and Council adds to the compulsoriness of reporting the financial results also the compulsoriness of reporting the non-financial results.

Directive 2013/34/EU – normative document adopted at European Union level – in its draft, stipulated that "the opportunity of improving the transparency of the social and environmental information provided by the companies in all sectors, in order to provide equitable competition conditions, has been acknowledged by the Commission [...] and reiterated in the communication <A new strategy of EU (2011-2014) for the social responsibility of enterprises>".

According to the proposal for Directive 2013/34/EU, "the non-financial transparency is one of the main elements of any CSR strategy".

The draft directive of the European Parliament and of the Council had the following main objectives:

1) Increasing the transparency of certain companies and increasing the relevance, consistency and comparability of the non-financial information – of social responsibility – currently disclosed by consolidating and clarifying the existing requirements.

2) Increasing the diversity of the companies board of administration by means of an increased transparency in order to facilitate an effective supervision of management and a solid governance of the company.

In its final form, adopted at European Union level, Directive 2013/34/EU of the European Parliament and of the Council pursues the same ideas.

Conclusions and proposals

The aspects highlighted by analysing the question “The legislation regulating the activity of the public institutions clearly sets the values, objectives and missions of those public institutions” can open further subsequent analysis directions.

Firstly, this analysis aims at developing a socially responsible behaviour in the case of the public institutions in Romania, an European Union Member State. In this respect, the legislation regulating the activity of the public institutions will have to be amended in order to reach the desired level by clearly setting the values, objectives and missions of those public institutions. Then, other additions to this legislation will be required in order to allow or expressly set the development of a socially responsible behaviour by the public institutions in Romania.

Taking into account the fact that the size of this research has been established according to a simple random probabilistic method, considering a level of admitted error of $\pm 5\%$, and a trust level of 95%, the results of the surveys can be considered representative for the entire adult population of Brasov municipality, and also these could apply to other Romanian municipalities with a similar population size. (Potincu, 2008; Potincu, 2009)

Thus, secondly, based on analysing the opinion of the Brasov citizens regarding the question “The legislation regulating the activity of the public institutions clearly sets the values, objectives and missions of those public institutions”, we can state that the legislation regulating the activity of the public institutions in other European Union Member States has two levels to reach:

- the first level that must be reached is for it to clearly set the values, objectives and missions of those public institutions,
- the second level that must be reached is allow or expressly set the implementation and/or development of the social responsibility in the case of those public institutions.

Thirdly, the development of a socially responsible management in the case of the public institutions in Romania, or in other European Union Member States, shall have a positive effect on the relation to the private business operators.

At the same time, a socially responsible management in the case of the public institutions can be an example regarding the adoption of a socially responsible behaviour for the private business operators in Romania, an European Union Member State, or in other European Union Member States.

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