

# Corporate Social Responsibility in Romania



## CSR in Romania: Evolution, Regulations, Practices and Reporting

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**Abstract** The topic of the social responsibility has a long footing in different societies around the world, and also in the Romanian society, especially in the last 10 years. Indubitably the transition to a decentralized economy started in 1990 and the accession as an EU member state in 2007 change a lot the Romanian society, business environment and corporate governance culture. Thus, corporate social responsibility (CSR) has increased and it is nowadays an item to take into consideration on the corporate agenda in Romania. This chapter describes how CSR evolved in an emerging economy as Romania and what specificities presents in this sort of environment. It all begins with the emerge of CSR in Romanian after 1990, then the national regulations concerning CSR are analyzed, followed by the status of CSR practices and reporting especially in the case of listed companies. However, in the last decade the practices on corporate responsibilities have improved in Romania along with the markets' evolution, with the market's demands and the change in costumers' behavior.

### 1 Introduction

Corporate Social Responsibility (CSR) is one of the crucial components for the sustainable development of an entity, including issues like ethics, business responsibility, and the relationship with employees, customers, shareholders, suppliers and local communities, as well as in terms of a positive financial result long. More concisely, “corporate social responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholder voluntarily” (Commission of the European Communities,

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2001, p. 6). Socially responsible manner behaviour is increasingly seen as essential to the long term survival of companies (Adams & Zutshi, 2005).

CSR is often regarded as referring to the CSR activities and CSR reporting. The CSR activities refer to actions, plans, projects developed by the entity. The entities communicate their activities to the third parties in their annual reports, or separate CSR reports mandatory or voluntary depending on the jurisdiction legislation. Both CSR's components are related but in the same time are functioning independently, CSR activities without being reported are not known, and even if a company want to produce a CSR report, without activities is content-less.

Governments worldwide are increasingly demanding companies to report, and seven countries have already introduced laws requesting mandatory CSR reporting (Norway, Denmark, France, Netherlands, Sweden, Australia and India).

In the European context, long before the commencement of the Directive 2014/95/EU corporate sustainability reporting has always been considered a voluntary act. Entities voluntarily developed different reports concerning these issues following or not a specific framework to disclose environmental and social information. The most widely used standard is the GRI (Global Reporting Initiative). It proved very useful to organise CSR data and thus it is used by a considerable number of the reporting companies worldwide. Other frameworks used include AccountAbility's AA 1000 Standards, ISO 26000 and the policy initiative recommended by the United Nations Global Compact. CSR reporting is considered "The process of providing information designed to discharge social accountability" (GRI, 2011).

CSR reporting is about to gain momentum in the EU, especially after the introduction of the Directive 2014/95/EU. It lays down rules for large companies to disclose specific information on social and environmental impacts of their operations. The Directive, which has been ongoing implemented into national laws by its member states, becomes active from 2017 onward in the case of Romania. Before and moreover after the Directive 2014/95/EU issuance, conceptual and empirical research on the emerging CSR reporting practices has received growing attention from researchers, practitioners, and policymakers across various disciplines.

One may consider that the development of the concept of CSR could be associated with the evolution process of the society, which is requiring more transparency increasingly from entities and additional corporate responsibility for their activities. Reporting non-financial indicators, represent the first step towards companies' transparency (Crisan-Mitra & Borza, 2015).

In this vein, CSR is a new and challenging concept for a post-command economy. During the first decade of Romania (after 1990), the market economy starts, the strongly under-capitalised Romanian citizens and economic actors seek to maximise their immediate incomes and tend to neglect the long-term perspectives, but, a learning process was initiated and fostered by various actors (Korka, 2005). In this context, the research analyses the status of CSR practices in Romania from different angles: emerging of CSR in Romania, actors involved in regulation, implementation and promotion of CSR and some of the best practices of companies.

Our study identifies the main characteristics of CSR in an emerging economy where companies often make very little voluntary disclosures (Belal & Cooper, 2011).

## 2 Emerging of CSR in Romania

In Romania, the concept of CSR emerged only after the 1990s with the advent of several NGOs, particularly humanitarian ones, founded with the support of international public or private institutions (Stancu, 2012). An infusion of CSR culture was promoted as a means for the reconciliation of economic, employment, social and environmental interests (Korka, 2005).

The CSR related debates started to be promoted in companies and educational institutions, but also the civil society and the media. For example, Open Society Foundation together with the “Capital” weekly magazine actions with an aim to awake and make effective the interest of consumers and of investors for their capacity to influence in a decisive way the general improvement of the social and environmental background of the community and to the strengthening of social cohesion and community awareness and responsibility (Korka, 2005).

This phenomenon was followed in 2000 by major reforms as part of the preparation for the EU accession, reforms that influenced the involvement of small and large companies in CSR activities which consisted largely in improvement or replacement of production technologies with more “friendly” environment, and social measures that targeted the employees or the company (Zapciu, 2015). In order to respond to the need for convergence across Europe, the “acquis communautaire” related to CSR has to be as soon as possible, internalised effectively. That means to adopt similar regulations, and tax incentives as EU member states have, measures that stimulate and encourage companies to formulate and implement their socially and environmentally responsible policies (eventually to assist them in the design of the first attempts to introduce CSR in their current business administration).

One of the first initiative, belonging to USAID back in 2002, support a CSR project in Romania aiming at clarifying the concept for local managers and at assisting them to implement first attempts of CSR in their business plans. In this respect, World Learning Inc. PTP Romania has been involved as a consultancy agency, and the Chamber of Commerce and Industry was chosen as an appropriate local partner, as it has a nation-wide coverage. Five MNCs operating in Romania have presented their CSR experience with local communities: McDonald’s, Kraft Foods Romania, Procter & Gamble, Cisco Systems and Eli Lilly (Korka, 2005).

Another initiative is CSR Romania ([www.csr-Romania.ro](http://www.csr-Romania.ro)), initiated in 2006 by the Romanian foundation Forum for International Communications. The Forum was among the first non-governmental organisations in Romania to provide in-depth focus on the concept of corporate social responsibility by establishing a dedicated platform called CSR Romania with the aim to offer Romanian companies space to

exchange knowledge and learn about CSR, to mainstream CSR in business and to strengthen the stakeholder dialogue.

The implementation of responsible practices has become stronger after the EU accession and was driven mainly by the involvement of multinational companies that have transferred their practices and organisational culture from the headquarters to a local level (Băleanu, Chelcea, & Stancu, 2011; Dura & Drigă, 2017). Multinational corporations that entered the Romanian market and currently operate successfully their local or sub-regional businesses have a critical mission in demonstrating their interest and availability for the host community concerns and needs. Big multinational companies with establishments in Romania, including Unilever, Coca-Cola, Lafarge, Raiffeisen Bank, Holcim and Philip Morris, Carpatcement, P&G, Zentiva, Orange, Vodafone, and Petrom OMV have introduced CSR to the country. Among the first companies that published CSR reports in Romania were: Petrom OMV, GSK, Raiffeisen Bank, Ursus Breweries, Heineken, Auchan and Siveco which proves that large companies start to pay more and more attention to Romanian stakeholders.

Besides the transfer of knowledge and best practices in the country, a different kind of companies and “responsible industries” was developed after the European integration—the companies whose business objective itself is “to be responsible”. These companies are engaging in activities which by their nature bring benefits to the environment and communities, and their “responsibility” comes as an indirect result of the goods and services they produce/provide. The most relevant examples in Romania include the renewable energy industries and waste management, rural tourism or eco-tourism, and marketing of organic or ecological products.

The responsible corporate behaviour was evaluated initially in Romania based on commercial image and reputation considerations of and not in terms of sustainable development and the needs of stakeholders. In the last years, an increase was noted in the implementation of the second approach, the responsible practices being increasingly associated with long-term success, directly proportional to the community development, the environment and welfare practices and the relations in their sphere of influence.

Still is still very much in development as a business strategy in Romania. It is primarily an international business that has embedded the principles of CSR so firmly in its business operations. Nevertheless, concepts such as fair pricing, good working conditions and social commitments are increasingly becoming elements of the business practices of local enterprises.

### 3 Status of National Regulations Concerning CSR in Romania

Romania is a member of the International Labour Organization (ILO) and has ratified the most recent ILO conventions concerning child labour, trade union rights and forced labour and was the first European country to ratify the Kyoto Protocol at the United Nations Framework Convention on Climate Change (UN FCCC). Although Romania is not a member of the Organisation for Economic Co-operation and Development (OECD), it does subscribe to its guidelines.

After Romania's integration into the European Union, significant improvements were made to the normative acts concerning the protection of the environment, the health and safety of employees, the social inclusion of people with disabilities, voluntary work and civil protection, and transparency and anti-corruption (Săvoiu et al., 2010).

Public authorities have taken a series of efforts towards increasing the awareness of CSR in Romania, particularly after the elaboration and the dissemination of a National Strategy to Promote Social Responsibility in Romania 2011–2016 (Romanian Government, 2011). There were developed, in this context, many important initiatives and events in the Romanian business environment: seminars, conferences, studies. Also, there were designed websites devoted to one or more specific CSR issues: the prevention and reduction of pollution of the environment, equal opportunities for men and women and the elimination of discrimination at work, the promotion of road safety, emerging organic market development, encouraging research, art, culture or sport. With regards to the actual involvement in CSR-type initiatives, the number of projects involving institutions increased.

The Ministry of Environment is a specific authority of the central public administration, with juridical rights, in direct subordination of the Government, with the mandate to elaborate the Government strategy for environmental protection and water management and to coordinate its implementation on the national level, in order to ensure sustainable development. Romania being concerned for environmental protection through the prevention, limitation and elimination of some effects that have a negative impact on the environment, established in 2001, also an Environmental Guard, responsible for monitoring the environment, the prevention and the banning of contraventions.

In the same vein, it was encouraged the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS). The Ministry has organised several events that focused on the training of the institutions involved in applying the provisions of the EMAS Regulation, "facilitating access to information on the main components and objectives of EMAS and the advantages of the EMAS registration which lead to environmental and business performance".

A significant aspect is that Romania endeavoured to finalise its own revised National Sustainable Development Strategy and present it to the European Commission before the end of 2008. Implementing the National Sustainable Development Strategy has become a priority for policy action in the Government Programme.

Another important step ahead for CSR evolution in Romania was the issuance of the National Strategy to Promote Social Responsibility for the period 2011–2016 emphasising the priorities, objectives and main directions for implementation and including SWOT analysis of Romanian CSR. The significant strengths mentioned are: the increasing interest of society/community towards CSR, the relative novelty of CSR concept for the Romanian Public, the involvement of MNCs and (some) of the large Romanian companies in CSR programs/initiatives and the continuous increase of CSR initiatives and the gradual implementation of the best practices in this field at national level, the growing number of consumers choosing products/services provided by social responsible companies. As weakness is considered the follows: CSR is little understood within the Romanian society, the insufficient development of a domestic business culture based on moral values (also influenced by the high corruption level), superficial involvement in CSR activities; the leading causes of social problems are ignored and therefore not adequately addressed, socially responsible investments and acquisitions are poorly put in practices, the stakeholders exhibit an insufficient capacity to direct/guide the CSR programs to work in their best interest, the relative absence of extensive studies, research, and sociological assessments on the level of understanding of CSR and the application of CSR programs in Romania. Opportunities are the follows: the importance attached to CSR at European Union and international level, the opportunities to learn and adapt the best practices and the experiences of developed countries in CSR field, development opportunities and competitive advantages for Romanian companies (mainly SMEs) on European and/or international markets, the financing resources offered by the European Union for CSR initiatives or for initiatives including a CSR component, the positive public attitude towards the companies involved in the community/society. Threats presented are the absence of coherent public policies to promote CSR, a weak and incoherent legal framework, problems in applying the existing regulations, insufficient support and involvement of public authorities in promoting and applying CSR (including the lack of budgetary funds allocated toward this goal).

Reporting the responsibility practices has become increasingly important for companies, and starting with 2014/95/EU Directive on the obligation of big companies to annually report a series of non-financial information and information on diversity, for EU companies with more than 500 employees becomes mandatory. This Directive supports corporate reporting as a means towards better integration of sustainability within business models. The EU Member States were required to transpose the directive into their national law by 6 December 2016, thus requiring big complying with the Directive's provisions starting with the financial year of 2017.

The European Directive is now transposed in Romanian legislation which provides companies with a more stable framework for transparency. The Order No. 1.938/2016 present precisely in the same manner as is presented in the EU Directive the following elements: reporting framework, disclosure format, safe harbour principle, diversity reporting required and adapted the following elements:

definition of a significant undertaking and of public interest entity, report topics and content, auditor's involvement, and noncompliance penalties.

In public interest entities are included: listed companies, credit institutions, insurance and reinsurance undertakings, non-bank financial institutions, payment institutions and e-money institutions, privately managed pension funds, financial investment services companies, national/state owned/companies, companies with full or majority state capital, self-managed public company.

The report must include the follows features: environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters. The Romanian regulation makes additional mentions of specific topics for each matter in paragraph 492 (6) (7):

(6) The non-financial statement shall contain, about environmental matters, details of the current and foreseeable impact of the entity's operations on the environment and, where appropriate, on health and safety, the use of renewable and non-renewable energy, greenhouse effect, water use and air pollution. As regards social and personal aspects, the information provided in the non-financial declaration may refer to actions taken to ensure the following: gender equality, the implementation of the ILO's core conventions, working conditions, social dialogue, respect for workers' rights to be informed and consulted, respect for trade union rights, health and safety at work, dialogue with local communities and/or actions taken to ensure the protection and development of these communities. Concerning human rights, the fight against corruption and bribery, the non-financial declaration may include information on the prevention of human rights abuses and on instruments put in place to combat corruption and bribery.

(7) The non-financial statement also includes the consequences on the climate change that the entity has and the use of the goods and services it produces, as well as its commitments to sustainable development, the fight against food waste and the fight against discrimination and the promotion of diversity.

According to the EU Directive, the report shall contain a description of the undertaking's business model, company policies relating to nonfinancial matters, and the outcomes of those policies, principal risks related to nonfinancial matters and business activities, any non-financial KPIs which are used. This information shall be presented in the administrator report, or a separate report published alongside the administrative report or within six months of the balance sheet date, made available on the undertaking's website and referenced in the directors' report. The report may rely upon an international, EU-based or national reporting framework.

Additional aspects included refers to: comply and explain the principle, safe harbour principle, diversity statement, auditor's involvement: the presence of statement and consistency check of disclosures as part of the review of the management report and fines specified in the Accounting Law no.82/1991.

Starting with 2019, for all entities with more than 500 employees the nonfinancial statement will become mandatory (OMFP 3456/2018).

The legal reporting requirement will certainly influence companies to become more active in CSR activities and set their strategies and directions. With the market growing steadily from 1 year to another, the Romanian CSR scene is becoming more

mature as companies look for long-term interventions rather than quick-fix actions (BR, 2016). “Still many of them have not identified their stakeholders in order to develop an effective and reliable CSR strategy which takes into account the stakeholders’ expectations. In many companies’ views, CSR is only about charity and sponsorship. However, a positive development is that we have seen an increasing willingness in recent years for businesses to be involved in community life,” says Diaconu, director environmental services at KPMG Romania (BR, 2016).

During the whole period, from the introduction of CSR concept in Romania till now, many NGO was involved in promoting and sustaining CSR culture and challenging companies to become more socially responsible and awarding and recognising their activities. For example, the specific CSR Romanian site Social Responsibility ([www.responsabilitatesociala.ro](http://www.responsabilitatesociala.ro)) presents annuals top companies with CSR activities’. Also, companies providing services in this area developed dedicated websites. Concerning the website promoting CSR, there are two dedicated websites: [www.responsabilitatesociala.ro](http://www.responsabilitatesociala.ro) since 2006 and [www.csrromania.ro](http://www.csrromania.ro) affiliate of CSR Europe since November 2011. Others websites, blogs and database that includes information regarding CSR in Romania are Responsabilitate—[Sociala.org](http://Sociala.org), CSRMedia, Acțiōnām Responsabil.ro, and ȘtiriONG ([www.csrmedia.ro](http://www.csrmedia.ro), [www.actionamresponsabil.ro](http://www.actionamresponsabil.ro), and [www.stiriong.ro](http://www.stiriong.ro)). The website [www.responsabilitatesociala.com](http://www.responsabilitatesociala.com) extensively presents suitable practice examples of multinational companies that conduct businesses in Romania and are socially responsible. CSR Romania (2010) developed a portal presenting and advertising very well the experience of Romanian and international organisations in this area. Such companies in our country have initiated several projects and initiatives.

## 4 Status of CSR in Romania

The analyse of the CSR’s status refers to their role in economy, companies’ practices concerning their activities and reporting, CSR perception, is based on a desk research of (a) studies conducted by different professional organisations, CSR promoters organisations and academia, (b) specialised CSR websites and (c) companies CSR practices displayed on their websites.

### 4.1 CSR Role in the Economy

CSR is considered as an appropriate tool for enhanced competitiveness of Romanian and foreign capital companies in the domestic market (Băleanu et al., 2011), but also as a means to improve community responsibility and availability of the locally operating MNCs and for all large, medium and small sized enterprises with public or private capital (Korka, 2005).



Analysing the top 100 Romanian companies, ranked according to indicators such as market capitalization (if the company is listed on the stock exchange), financial performance in recent years, value of transactions conducted on the market, and level of debt and market shares, Băleanu et al. (2011) analyze the degree of the most valuable Romanian companies practice CSR and its beneficiaries and describes the main areas of action and specific instruments of intervention. The results outline the fact that firms engage in CSR activities to a relatively great extent (49% of the companies). They adopt a vision of CSR exclusively centred on the firm and the competitive advantages that derive from CSR activity. Companies prefer inexpensive intervention instruments and prove weak coordination with other social and political actors (Crisan-Mitra & Borza, 2015).

Moreover, by empirically analysing a large sample of 160 companies acting on the Romanian market, Iamandi (2012) emphasises the clear connection between corporate CSR communication and involvement in social initiatives, taking into account five central CSR communication-related issues: CSR site, CSR report, CSR listing, CSR budget and CSR survey. The results highlight both the declarative/prescriptive and practical/descriptive perspectives of CSR communication in Romania, showing that the Romanian CSR market is reaching its full maturity. In more specific terms, the majority of the investigated companies are already using different types of CSR participation, marking the transition from CSR just for commercial purposes to CSR for long-term strategic use.

Another issue related to CSR role in the economy refers to the CSR impact on the different profession. For example, Albu, Albu, Girbina, and Sandu (2011) analyse the role of accountants within the CSR, with an emphasis on the Romanian case. Via literature review and job-offer analysis, they investigate the existence of CSR practices in Romania and its implications on the accounting profession. Findings reveal that such practices are developed to an incipient but increasing extent in Romania. Romanian accountants are increasingly called to transpose the general framework of CSR, which is legal compliance, communication with stakeholders and performance measurement, thus leading to an increase in the importance of the accounting function in an organisation.

CSR education in universities plays a vital role in developing a CSR culture at the national level and preparing the students for market needs. By a comparative study, Grabara, Dura, and Drigă (2016) explored the issue of CSR education within Romanian and Polish context and noticed a lack of research on the effectiveness of CSR courses in Romania as well as in Poland. Further on, their empirical study reveals the main factors that determine the level of CSR awareness among Bachelor graduates from a Romanian university. However, the subject of CSR within Romanian universities is under-researched. Only a few papers addressed the issue in recent years (Anca, Aston, Stanciu, & Rusu, 2011; Burcea & Marinescu, 2011; Dima, Vasilache, Ghinea, & Agoston, 2013; Dumitrașcu, Feleagă, & Feleagă, 2014) and their conclusions seem to acknowledge the idea that academic institutions have not fully assumed their role in the development and support of CSR concept and practices in Romania. The most plausible motivation behind the phenomenon consists in the fact that the Romanian higher education system is still lethargic and

inflexible, imposing many restrictions to initiatives aiming at curricula modification (Dima et al., 2013). However, distinguishing components of the topics (such as business ethics, quality management, occupational safety and health) represent critical ingredients of the curricula for many Bachelor and Master programs, founded most often in the field of Business, Social Sciences and Engineering (Anca et al., 2011).

## 4.2 *CSR Practices*

In Romania CSR practice we can find all the six distinct forms of CSR (Bibu, Năstase, & Gligor, 2010): (1) corporate promoting of social causes, in which the company provides financial resources and other support, fundraising and volunteering to focus upon social issues; (2) marketing associated with social causes, in which the company donates a certain percentage of the income from a given period in favour of supporting social causes; (3) corporate social marketing, through which the company supports the efforts to change the social behaviour oriented towards health improvement and/or public safety, protecting the environment or the welfare of the community; (4) corporate philanthropy, through which a company directly supports a social cause or a charity action in the form of material or financial donations, granting scholarships, facilities or services of various categories; (5) community volunteering, in which a company stimulates its employees and business partners to become involved in social projects to support the community, an NGO or a cause; and (6) socially responsible corporate practices, which involve a strategic approach to CSR issues through the commitment of the company to voluntarily improve its methods of doing business in such a manner as to lead to sustainable development of the community and to contributions that increase the quality of life. Relevant case studies presented on the online platform [ResponsabilitateSociala.ro](http://ResponsabilitateSociala.ro) demonstrate that there are sufficient examples within the MNCs of Romania for each type of CSR approach noted above.

Even if there are examples found for each of six distinct forms of CSR, the development of the field of CSR is still at its early stage. While MNC and large Romanian companies have gradually developed a culture of responsible behaviour, in many cases CSR is still associated with philanthropy and focuses on donations, sponsorships and public relations activities. The areas that are most often covered by CSR initiatives in Romania include child welfare, education, art, religion, the environment and sports. The CSR initiatives are not limited to investing in the community, but they also include responsibilities to the sphere of influence and customers, as well as employee welfare. Depending on the community, some causes such as child welfare and education services, services for at-risk social groups or the religion are more often approached than other types of initiatives. The most critical areas of CSR projects implemented by companies in Romania during the 2007–2019 were in the following areas of social involvement ([www.responsabilitatesociala.com](http://www.responsabilitatesociala.com)):

1. social (community): Petrom OMV, Germanos Telecom Romania, GlaxoSmithKline (GSK) Romania, Holcim Romania, JT International Romania, Orange Romania, LaborMedPharma, The Rompetrol Group, Vodafone Romania, Zentiva, and A&D Pharma;
2. education: Orange Romania, OTP Bank, Banca Comercială Română, RBS Romania, Petrom OMV, Coca Cola HBC, SIVECO Romania SA, Carpatcement Holding, and Holcim Romania;
3. culture: Apa Nova, Coca Cola HBC, Banca Comercială Română, JT International Romania, MOL Romania, SIVECO Romania SA, Smithfield Prod, UPC Romania, Vodafone Romania, and Zentiva;
4. environment: Petrom OMV, Orange Romania, MOL Romania, Coca Cola HBC, Cosmote, Dacia Groupe Renault, JT International Romania, LaborMedPharma, and Terapia Ranbaxy.

The instruments of CSR are most commonly considered to include: codes of corporate conduct, social investment, and social and environmental auditing. There are also companies with an adopted strategic approach by integrating CSR in their basic practices, thus influencing the company's decisions and activities (Iamandi, 2012).

### **4.3 CSR Reporting**

The non-financial voluntary and in particular CSR reporting birth and propagation are related to the development of democracy and economy (Lungu, Caraiani, Dascălu, Turcu, & Turturea, 2016). Only in the 1980s, the environmental issues became prevalent, due to the high level of risks associated with the impact of economic activities on nature's degradation (Dura, Dringa, & Păun, 2019). Then the sustainability and social responsibility had spread in the 1990s when the holistic approach emerged, and the triple-bottom-line reporting acknowledged the interplay between economic, social and environmental facets of business (Idowu, Dragu, Tiron-Tudor, & Farcas, 2018). CSR reporting in Romania is studying through the role of the stakeholders in its institutionalization (Gușe, Almășan, Circa, & Dumitru, 2016), or in relation with the Directive 2014/95/Eu (Dumitru, Dyduch, Guse, & Krasodomska, 2017) or specific issues like environmental information disclosure (Caloianu, 2013; Istrate, Robu, Pavaloaia, & Herghiligiu, 2017) CSR reporting impact on companies' employees (Dumitrescu & Simionescu, 2015) financial performance (Hategan & Curea-Pitorac, 2017) or firm value (Gherghina & Vintila, 2016).

The evolution of CSR reporting is revealed using the studies conducted on Romanian companies. Since 2017 the CSR reporting was a voluntary exercise on the national level. In the focus of CSR reporting are first of all large companies, and MNC listed of no listed followed by SME case.

In 2007, studying the narrative reports of a recently privatised Romanian business, Bogdan, Ioan, and Sandu (2007) observe that following the company's privatisation, management started to account for issues related to its social responsibility.

Then, the case of Bucharest Stock Exchange (BSE) listed companies is the most explored (Ienciu, 2013; Jindrichovska & Purcarea, 2011; Dumitru, Ionescu, Calu, & Oancea, 2011; Dumitraşcu et al., 2014; Hategan, Sirghi, Curea-Pitorac, & Hategan, 2018; Dura et al., 2019).

On their study, on the evolution and the quality of environmental reporting across Romania companies listed on the BSE in period 2006–2008, Ienciu (2013) consider that companies provide general information regarding their environmental impact, information which is incomplete and irrelevant to the users. The study capture the pre-EU Romania's accession period, with the implementation of specific European environmental policies and the introduction of new European programs for financing environmental protection activities (the structural funds), led to a positive evolution of environmental reporting. As for the type of information provided, Romania companies restrict themselves to supplying general information (environmental management, environmental policies, environmental targets and objectives), neglecting information related to environmental risk, costs and obligations.

Using a comparative approach between Romania and Poland, Jindrichovska and Purcarea (2011) analysed the little tradition of CSR and the current state of CSR reporting development in both countries, and also some best practices. In Romania, were used companies from the energy sector and a significant shipyard, representing the approach of Romanian heavy industry sector. For Romania, the authors consider opinion, more systematic regulatory approach may be adopted.

A recent study, performed by Hategan et al. (2018) debates the balance between the traditional goal of a company to earn the profit and the nowadays sustainability goal. They identify how strong the correlation between CSR and profit is, and how companies behave in the periods they have losses, whether they continue to do CSR activities, they reduce the activities, or they give them up. The main results emphasise that the companies which implement CSR activities in a greater extent are more profitable in economic terms.

Moving from general to particular, from the whole CSR report to Occupational health and safety issues disclosed, Dura et al. (2019) analyse the GRI 403: Occupational health and safety standard elements presence in corporate social responsibility reports of Romanian companies. Their outcomes substantiated the idea that occupational safety and occupational health issues are highly important for managers who activate in the industrial sector and acknowledge the risk of physical hazards occurrence. Moreover, subsidiaries of multinationals operating in Romania, benefit from the experience gained by their parent companies in terms of OHS reporting, but they still have to make many improvements in their practices, in order to comply with the international reporting standards.

## 5 Conclusions

The current development of the concept of CSR could be associated with the evolution process of society, which is requiring more transparency increasingly from companies and additional corporate responsibility for their activities.

Like many other concepts implemented, CSR approach has been assimilated more due to the trend imposed by developed economies and less as a necessity acknowledged by the Romanian native business community. CSR in Romania is a concept initially introduced (or instead imposed to their respective branches) by MNCs (Iamandi, 2012); and in the cases of Romanian owned companies might be rather an imitation of the international practices.

In the early stage of CSR adoption in Romania, the use of CSR practices is determined mostly by commercial reasons, and not by ethical ones, directing their efforts towards attracting external stakeholders, for better visibility on the market. CSR is still perceived as not relevant and irrelevant for the business, mainly by the Romanian owned companies. This context determines companies to develop CSR activities that tend to become more a formality without content and reliability in the long term (Crisan-Mitra & Borza, 2015).

The CSR in Romania is still at an early stage of development, despite the increasing number of CSR initiatives; as Băleanu et al. (2011) showed, CSR is still punctual and targets relatively disparate activities with reputational aim; CSR seems to be developed slightly due to the fact that it is perceived as ‘politically correct’ within the European Union, and fashionable (Pop, 2016).

It could be considered that through imposing a reporting obligation companies are mainly urged to engage in CSR activities as a whole. This social trend can also be observed at the state level, legislators paying increased attention to potential developments, something that will most likely generate new regulations in the field.

Also, the trend of integrating CSR as an overall business strategy across the company can also be observed in an increased number of corporate actors. This development might be considered a general aspiration and stabilisation of the concept at the society level. As a result, the inclusion of a socially responsible business model as a fundamental strategy of a company ought to become a standard. The process will require that companies reconsider their approach, giving up sporadic and inconsistent involvement in CSR, through various humanitarian or environmental campaigns, to assuming it as a permanent business model.

For sure, the starting with 2017, when the EU Directive enters in force, the CSR disclosure will increase. But in the same time, to become effective, this action must be followed by internal activities inside the companies, as to adopt ethical codes of conduct, to report on their financial results and their socially and environmentally responsible initiatives, to have fair conduct in the competition for new clients and to promote a transparent dialogue with the local community.

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