Chapter 6
Case Study 1: Corporate Citizenship and Social Responsibility Policies in America

6.1 Introduction

This case study sheds light on the broad categorisation of social responsibility and environmental sustainability policies in the USA. At the same time, it outlines a non-exhaustive, disciplined research on corporate citizenship. Previous theoretical underpinnings and empirical studies have often indicated that social responsibility and environmentally sound behaviours are being embedded into core business functions and corporate strategic decisions. Notwithstanding, this research shows how major US institutional frameworks and principles have been purposely developed to foster a climate for social and environmental responsibility engagement. Policies and voluntary instruments include formal accreditation systems and soft laws that stimulate businesses and large organisations to implement and report their CSR-related activities. Several agencies of the US Government are currently employing CSR programmes that are intended to provide guidance on corporate citizenship and human rights; labour and supply chains; anticorruption; energy and the environment; as well as health and social welfare among other issues.

6.2 American Social Responsibility Policy

The US markets for labour and capital are fairly unregulated as there are low levels of welfare state provisions. Consequently, many social issues, such as education, healthcare or community investment have traditionally been at the core of corporate

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Parts of this chapter have appeared in Camilleri, M.A. (2016) Corporate Social Responsibility Policy in the United States of America. In Idowu, S.O, Vertigans, S. & Burlea, A., CSR in Challenging Times (in press).

M.A. Camilleri, *Corporate Sustainability, Social Responsibility and Environmental Management*, DOI 10.1007/978-3-319-46849-5_6

social responsibility (CSR) in the American context. CSR initiatives and communicating activities within the areas of philanthropy, stewardship, volunteerism and environmental affairs are not treated as a regulatory compliance issue in the United States of America (USA or U.S.). Therefore, CSR in the USA is often characterised by voluntary societal engagements by businesses as they are not obliged to undertake social and environmental responsibility practices. Such laudable behaviours are also referred to as corporate citizenship initiatives (Carroll, 1998; Fifka, 2013; Matten & Crane, 2005). Social responsibility and corporate citizenship encompass responsible behaviours that go beyond financial reporting requirements.

These behaviours are particularly evidenced in cause-related marketing, stewardship activities, philanthropic and charitable contributions (Porter & Kramer, 2002; Varadarajan & Menon, 1988). In fact, US companies donate 10 times as much as their British counterparts (Brammer & Pavelin, 2005). Notwithstanding, at this point in time, the United States is currently consuming some 207% of its ecological capacity (Worldwatch, 2015.) and the average U.S. citizen uses 11 times as many resources as the average Chinese, and 32 times as much as the average Kenyan (Worldwatch, 2015). Moreover, the United States was a net importer of 67 non-fuel minerals and metals out of the 92 tracked by the U.S. Geological Survey (2010). Nonetheless, the American policy makers handle the issues that are related to global warming or the use of genetically modified organisms in food production, quite differently than their counterparts (Doh & Guay, 2006). In other parts of the world, the provisions of healthcare or issues pertaining to the climate change have traditionally been considered in the realms of government's responsibilities. Corporate responsibilities for social and environmental issues seem to have become the object of codified and mandatory regulation in certain jurisdictions (Camilleri, 2015a). Therefore, it may appear that the larger firms rather than small and medium sized enterprises (SMEs) are the leading actors and drivers of CSR engagement and sustainable behaviours.

6.3 The Corporate Citizenship Notion

The corporate citizenship notion offers ways of thinking and behaving responsibly (Carroll, 1998; Matten & Crane, 2005). It has potential to unlock significant benefits to both business and society (Carroll & Shabana, 2010) as it is also consonant with Porter and Kramer's (2011) shared value proposition. Sound environmental practices could be linked to improvements in economic performance and productivity, operational efficiencies, higher quality, innovation and competitiveness. Therefore, corporate citizenship (through social responsibility and environmental sustainability) can be strategic in its intent and purposes. An integration of these different perspectives has led to the definition of corporate citizenship. The conceptual grounds to better understand the nature of corporate citizenship can be found in the bodies of literature on corporate social responsibility (e.g., Carroll, 1979), corporate social responsiveness (e.g., Clarkson, 1995), corporate social performance (e.g., Albinger & Freeman, 2000; Wartick & Cochran, 1985; Wood, 1991), and stakeholder engagement (Strand & Freeman, 2013). Carroll (1979) attempted to synthesise the fundamental principle of social responsibility. He explained the rationale behind social responsibility initiatives and went on to describe the corporate responses to social issues. Businesses always had a commitment towards society as they are obliged to engage in economic, legal, ethical and discretionary (philanthropic) activities (Carroll, 1979, 1999).

CSR's economic responsibilities include the obligations for businesses to maintain economic growth, and to meet consumption needs. The economic component of CSR represents the fundamental social responsibility of businesses. Many firms produce goods and services and sell them at fair prices. This will in turn allow the business entities to make a legitimate profit and to pursue growth. Legal responsibilities imply that businesses must fulfil their economic mission within the extant framework of regulations and legal parameters. The legal component recognises the obligation of the enterprise to obey laws. However, it could prove harder to define and interpret the ethical responsibilities of businesses. This component is often referred to as a "grey area", as it "involves behaviours and activities that are not embodied in law but still entail performance expected of business by society's members" (Carroll, 1979, p. 30). Ethical responsibilities require that businesses abide by moral rules that define appropriate behaviours within a particular society. Another category of corporate responsibility is related to discretionary, voluntary or philanthropic issues. Corporate philanthropy is a direct contribution by a corporation to a charity or cause, most often in the form of cash grants, donations and/or in-kind services' (Kotler & Lee, 2005, p. 144). This category of social responsibility is totally dictated at the "discretion" of the organisation as there are no laws or codified expectations guiding the corporations' activities. "Discretionary responsibilities include those business activities that are not mandated, not required by law, and not expected of businesses in an ethical sense" (Carroll, 1979, p. 500). Practically, some examples where organisations meet their discretionary responsibilities, include; when they provide day-care centres for working mothers, by committing to philanthropic donations, or by creating pleasant work place aesthetics.

Carroll (1991) described these four distinct categories of activity by illustrating a "Pyramid of Corporate Social Responsibility". He maintained that his conceptualisation of the pyramid depicts the obligations of the business. Eventually, Schwartz and Carroll (2003) suggested an alternative approach that is based on three core domains (economic, legal and ethical responsibilities). The authors produced a Venn diagram with three overlapping domains; which were later transformed to seven CSR categories. This development was consistent with the relentless call on the part of the business community for the business case of CSR. Kotler and Lee (2005) demonstrated how a CSR approach had established a new way of doing business that led to the creation of value (Porter & Kramer, 2011; Wheeler, Colbert, & Freeman, 2003) with a respectful and proactive attitude towards stakeholders (Strand & Freeman, 2013).

Corporate citizenship continues to receive specific attention, particularly by those facilities that are operating outside their own domestic markets. At the same time, multinational corporations (MNCs) have been (and still are) under increasing pressure to exhibit "good corporate citizenship" in every country or market from where they run their business. MNCs have always been more closely monitored and scrutinised than the home country firms. No doubt this will continue to be the case in the foreseeable future.

6.4 Contemporary Corporate Citizenship Issues

In October 2015, the US Chamber of Commerce Foundation has hosted a corporate citizenship conference entitled; "*Connect the Dots: How Businesses Solve Global Challenges Locally*". This fruitful event was intended to provide solutions to businesses on how they could build positive engagements that align local impact to global strategy. This conference showcased successful business examples as it focused on inter- and intra-sector partnerships. The debate also progressed on how the U.N. Sustainable Development Goals (SDGs) could be aligned with corporate strategy and goals (SDGs, 2015). Interestingly, this event was characterised by an over-riding theme of imperatives as international corporations pledged to improve the conditions of their host communities. It has been argued that corporations could better adapt to local practices as they strive to uphold beneficial practices and policies of their businesses' very own value systems. It goes without saying that the corporations' decisions would normally rely on a set of operating principles that are acceptable to the host community, per se. Other issues that were reported during this conference included, employee rights, employee welfare in the form of job security, non-discriminatory practices, cooperation with host governments, disclosures of non-financial information, environmental protection, product safety, profitability, fair pricing, community interest, and legal and ethical behaviours.

A Boston College Center for Corporate Citizenship survey on corporate reputation that was carried out in collaboration with Ernst Young (EY) found that expanding transparency and reporting positive deeds were the two most important ways to build public trust in business (Swanson, 2014). Another EY (2013) survey revealed that more than 50% of respondents issuing sustainability reports indicated that corporate citizenship disclosures helped to improve their firm's reputation. Another study by EY and GreenBiz found that employees were a vital audience for sustainability reporting, with 18% of reporters citing employees as a report's primary audience (EY, 2013; Swanson, 2014). EY (2013) indicated that 30% of the respondents saw increased employee loyalty as a result of issuing a report. In a similar vein, the Boston College Centre for Corporate Citizenship (BCCC, 2015) in its quarterly magazine advocated how community involvement activities have contributed to achieve corporate goals when they aligned the company's business context with their stakeholders' interests. BCCC (2015) noted that companies are increasingly tying their employee volunteer and corporate giving programmes to their business strategy. As a result, businesses have prioritised certain community involvement projects, including; K12 education, youth programmes and health and wellness programmes among others (BCCC, 2015). In 2009 and 2011, matters topped the agenda of corporate citizenship (BCCC, 2015). The inclusion of health in the top three social goals implies that the US citizens are concerned on the rising costs of health care.

In the year 2015, the U.S. has spent 17% of its gross domestic product on health care. This figure is much higher than any other developed nation, and is projected to reach nearly 20% by 2024. Unsurprisingly, science, technology, engineering and math (STEM) education is also an area that is receiving increased investments from corporations. According to BCCC's (2015) study, nearly 40% of companies are focusing on STEM education in their community involvement programmes. Their corporate citizenship efforts ensure a future pipeline of talent and skills. In fact, OECD (2014) anticipated that there will be a 17% increase in STEM related jobs between 2014 and 2024 (OECD, 2014). Arguably, there is an opportunity for businesses to achieve greater returns on their discretionary investments. At the same time, they will close any skill gaps and identify mismatches within their labour market.

6.5 Reporting Corporate Citizenship Activities

US organisations have traditionally disclosed their environmental, social and corporate governance (ESG) behaviours in their annual reports. Moreover, some businesses are issuing separate, sustainability reports that exclusively deal with ESG disclosures (Eccles & Krzus, 2010; Morsing & Schultz, 2006). As a result, there are many different kinds of reports that report on non-financial issues, including; 'carbon reports', 'climate change reports', 'environmental reports', 'integrated reports' 'social reports', sustainability reports and 'triple bottom line reports' among others. Relevant research suggests that there are three main theories for reporting ESG practices: (a) to manage the perceptions of key stakeholders, i.e. the 'signalling theory' (Albinger & Freeman, 2000), (b) to convey the organisation's values to the public, i.e. the impression management theory' by (Neu, Warsame, & Pedwell, 1998), and (c) to establish that the organisation's activities are in line with social norms, i.e. the legitimacy theory (Garriga & Melé, 2013). In addition to the organisation's motivations for corporate citizenship disclosures, there is a growing demand for this non-financial information by stakeholders (Camilleri, 2015b).

Presently, European Union (EU) member states are transposing new EU directives on non-financial reporting and diversity information. On the 29th September 2014, the European Council has introduced amendments to Accounting Directive (2013/34/EU). The EU Commission has been mandated by the European Parliament to develop these non-binding guidelines on the details of what non-financial information ought to be disclosed by large "public interest entities" operating within EU countries. It is hoped that EU non-financial reporting will cover environmental, human rights, anti-corruption and bribery matters as expressed in the UN Guiding Principles on Business and Human Rights (the "Ruggie Principles") and OECD's Guidelines for Multinational Enterprises. Such corporate non-financial statements and ethical codes of conduct serve as a basic indication of the organisations' credentials on social and environmental responsibility (Camilleri, 2015b).

Very often, corporate businesses use non-governmental organisations' (NGOs) regulatory tools such as process and performance-oriented standards in corporate governance, human rights, labour standards, environmental protection, health and safety and the like. Many NGOs are offering certifications for compliance with proposed principles and guidelines—as they incorporate independent monitoring and assurance systems. The following are some of the most popular standards and reporting instruments: Accountability's AA1000, British Assessment's—OHSAS 18001, Eco-management and Audit Scheme (EMAS), Global Reporting Initiative (GRI), Fair Labor Association (FLA), International Standards Organisation's ISO 26000—Social Responsibility International Standards, Organisation's ISO 14001, Environmental Management System, Social Accountability's SA8000 and the United Nations Global Compact among others. Sustainability reporting instruments and standards for social and environmental performance including industry-based certifications (e.g., SA8000; ISO 14001) and product-based standards (e.g., Fair Trade) have grown in number. SA8000's focus on the establishment of management systems has been drawn on the experience of the well-acclaimed ISO 9000 and ISO 14000 standards. SA 8000 configures the requirements on social evaluation, as it specifically refers to forced labour, freedom of association, discrimination, working conditions as well as other issues. In many cases, these standards have been taken up voluntarily by businesses themselves. Such instruments signal the firms' responsibility credentials towards their stakeholders (Camilleri, 2015b).

6.6 An Analysis of U.S. Social Responsibility Policies

The U.S. government continuously reiterate their commitment to corporate social responsibility (CSR). This is exemplified in their comprehensive approach to providing support and guidance on areas of corporate conduct and sustainable behaviours. The U.S. secretary of state's agenda is to ensure effective coordination and partnerships with individual bureaus and offices in order to harness global economic tools that advance U.S. foreign policy goals on responsible initiatives. For example, the U.S. Bureau of Economic and Business Affairs (EB) leads a corporate social responsibility team. Its primary purpose is to promote responsible business practices and fostering sustainable development whilst building economic security (EB CSR, 2015). This team provides guidance to American companies and their stakeholders to engage in corporate citizenship. EB's CSR team supports major areas of responsible corporate conduct, including: 'good corporate citizenship', 'human rights', 'labour and supply chains', 'anticorruption'', 'anticorruption', 'health and social welfare', 'contribution to the growth and development of the local economy', 'innovation, employment and industrial relations', 'environmental protection', 'natural resources governance' including the Kimberley Process, 'transparency', 'transparency', 'trade and supply chain management' and supply chain management', 'intellectual property' and the 'women's economic empowerment' among other issues. Most of EB's corporate policies are drawn from the Organisation for Economic Co-operation and Development (OECD) 'Guidelines for Multinational Enterprises' and from U.S. national contact point for the guidelines (as explained hereunder). EB's CSR team also works with the U.S. National Contact Point (US NCP) and manages the Secretary of State's Award for Corporate Excellence (ACE) programme (EB CSR, 2015). The EB's role is to engage with business, trade unions and civil society to bring economic prosperity, respect for human rights and good corporate citizenship.

6.6.1 Good Corporate Citizenship and Human Rights

The Bureau of Democracy, Human Rights and Labour's (DRL's) offices of International Labour Affairs, Internet Freedom, and Business and Human Rights also work with companies, civil society including unions, NGOs and government agencies to implement policies that respect human and labour rights (DRL, 2015). The DRL team focuses on engaging stakeholders on key issues at the intersection of business and human rights. DRL has also implemented the United Nations (U.N.) Guiding Principles on Business and Human Rights. These principles are grounded in recognition of:

(a) "The states' existing obligations to respect, protect and fulfil human rights and fundamental freedoms;
(b) The role of business enterprises as specialised organs of society performing specialised functions, required to comply with all applicable laws and to respect human rights;
(c) The need for rights and obligations to be matched to appropriate and effective remedies when breached" (UNGBPHR, 2011).

In 1998, DRL set up a Human Rights and Democracy Fund (HRDF) to fulfil the bureau's mandate of monitoring and promoting human rights and democracy in the global context. The HRDF fund was designed to act as the department's "venture capital" fund for democracy and human rights issues, including; the promotion of democratic principles and personal liberties. Such programmes enabled the U.S., "to minimise human rights abuses, to support democracy activists worldwide, to open political space in struggling or nascent democracies and authoritarian regimes, and to bring positive transnational change". DRL's important efforts have brought positive change as its funding of HRDF has grown from $7.82 million in 1998 to over $207 million in 2010 (HRDF, 2015).

In parallel, an 'Office to Monitor and Combat Trafficking in Persons (TIP) works with business leaders to prevent and stop human trafficking. TIP does this by advancing the Luxor Guidelines, which focus on corporate policy, strategic planning, public awareness, supply chain tracing, government advocacy and transparency to reduce forced labour in supply chains. In 2015, TIP Office awarded over $18 million in grants and cooperative agreements to combat human trafficking. This office continues to fund an emergency global assistance project that provides services on a case-by-case basis for individuals that have been identified as trafficked persons. Moreover, TIP is involved in a number of other projects that comprise partnerships with governments, civil societies, and other key stakeholders. These collaborative agreements increase capacity and raise awareness of human trafficking. For example, TIP supported the new Child Protection Compact (CPC) in Ghana as it worked in liaison with Ghanaian ministries to address child trafficking. The TIP office also awarded $5 million to the International Organisation for Migration (IOM) and to the 'Free the Slaves' initiative (TIP, 2015).

In addition, TIP supported seven countries, including Bangladesh, Burma, Ghana, India, Philippines, Sierra Leone, and Timor-Leste as it funded victims of human trafficking in those locations. Other project activities are carried out in Kyrgyzstan, Mexico, Sub Saharan Africa, Ukraine and Uruguay (TIP, 2015).

Currently, many NGOs and international organisations are working in tandem as they support 27 projects that address prosecution, protection and prevention of sex and labour trafficking in different places around the globe (TIP, 2015). On the 28th October, 2015, the Partnership for Freedom in collaboration with the Department of State and four other federal agencies launched "*Rethink = Supply Chains: The Tech Challenge to Fight Labour Trafficking*", an innovation challenge that calls for technological solutions that identify and address labour trafficking in global supply chains for goods and services. The Partnership for Freedom has awarded $500,000 in prizes and services that are aimed to spur innovative solutions to end human trafficking, and to support victims of human trafficking in the United States.

6.6.2 Labour and Supply Chains

Even though the practice of slavery has been abolished, it is still present in many countries. There are different forms of slavery that span from forced labour in agriculture to sweatshops producing low-cost commodities for global supply chains. Individuals are illegally trafficked as 'property' or are required to work in the worst possible conditions; for example, in mines extracting raw materials that are used in electronic consumables. ILO (2015) estimated that around 21 million men, women and children around the world are in forced labour, human trafficking or in a form of slavery. Forced labour in the private economy generates US$150 billion in illegal profits per year. Almost 19 million victims are exploited by private individuals or by enterprises, and over 2 million by their state or by rebel groups. Around half of these victims are thought to be in India, many of them work in brick kilns, quarries or in clothing industry. Bonded labour is also common in parts of China, Pakistan, Russia and Uzbekistan, and is widespread in Thailand's seafood industry. A recent investigation by Verité, found that a quarter of all workers in Malaysia's electronics industry were in forced labour (Economist, 2015).

America made human trafficking illegal in 2000, after which it started to publish annual assessments of other countries' efforts to tackle it. But it has only slowly turned up the heat on offenders within its borders. Australia and the UK have recently passed light-touch laws requiring transparency in supply chains. This legislation required manufacturers and retailers that earn global revenues above the $100 million threshold to list their efforts on how they are eradicating modern slavery and human trafficking from their supply chains. For the time being, a firm can comply by simply reporting that it is doing nothing. But it seems that few corporations are willing to admit such a statement that will surely affect their CSR credentials. Hence, it seems that this issue is forcing its way on to managers' to-do lists. Moreover, the ILO has launched a fair-recruitment protocol which it hopes will be ratified by national governments. The ILO's intention is to cut out agents. In this light, TIP has partnered with Slavery Footprint to provide online tools to initiate marketplace action and ongoing dialogues between individual consumers and producers about modern slavery practices in supply chains (TIP, 2015). Similarly, DRL continues to promote labour rights throughout the supply chain as it enforces labour law and provides due diligence. DRL has also strengthened legal advocacy that expanded livelihood opportunities for many individuals, as it advanced multi-stakeholder approaches. EB, in cooperation with DRL and other stakeholders, has coordinated the U.S. Department of State's participation in the Kimberley Process to stem the flow of conflict diamonds and to address their traceability across supply chains.

6.6.3 Anti-corruption

The corruption undermines sound public financial management and accountability at all institutional levels: It deters foreign investment in many countries, it stifles economic growth and sustainable development, it distorts prices, and undermines legal and judicial systems (INL, 2006). The high-level, large-scale corruption by public officials is also referred to as kleptocracy. It can have a devastating effect on democracy, the rule of law, and economic development. Those who contribute to such corruption by paying or promising to pay bribes or by giving other undue advantages to foreign public officials will undermine good governance and alter fair competition. The U.S. has long led by example in its enduring fight against corruption. Through its Foreign Corrupt Practices Act (FCPA) in 1977, the U.S. became the first country to criminally penalise its nationals and companies that bribe foreign public officials in commercial transactions. In fact, the United States denies safe haven to egregiously corrupt officials and other public figures as specified in the Presidential Proclamation 7750 (of January 2004). Moreover, the

United Nations Convention Against Corruption (UNCAC) Convention Against Corruption (UNCAC) has also provided a framework for international cooperation against corruption, including preventative and enforcement measures. The U.S. government has participated in drafting U.N. legislative guide materials prior to its implementation and enforcement (INL, 2006). The USA is also member of the OECD's Anti-Bribery Convention where EB represents the U.S. Department of State within the OECD Working Group on Bribery in International Business Transactions.

The Bureau of International Narcotics and Law Enforcement Affairs (INL) promotes anti-corruption, internationally and supports CSR by fostering clean business practices; by engaging the business community in anti-corruption efforts and promoting a level playing field (INL, 2015). This bureau fights international crime, illegal drugs and instability abroad. It helps foreign governments to build effective law enforcement institutions that counter transnational crime spanning from money laundering, cybercrime, and intellectual property theft to trafficking in goods, people, weapons, drugs, or endangered wildlife. INL's remit is to combat corruption by helping governments and civil society build transparent and accountable public institutions. INL (2015) fights injustice and promotes laws and court systems that are fair, legitimate and accountable by:

- "Make courts and legal systems more fair and transparent;
- Develop judges, prosecutors, and investigators who are highly skilled and accountable;
- Improve correctional facilities and prisoner treatment standards;
- Encourage women to join law enforcement and legal fields;
- Combat gender-based violence and hate crimes, and aid survivors" (INL, 2015).

6.6.4 Health and Social Welfare

There is a wide array of U.S. governmental programmes that may have contributed directly or indirectly to health and social welfare. Many corporate citizenship programmes are concerned with the economic and social well-being of individuals and families. The term "social security" is used to cover a large portion of the field of social welfare. This term first came into general use in the United States in 1935, during the Great Depression, when the Social Security Act was passed. This particular act was included in the Atlantic Charter that was signed by the President of the United States and the Prime Minister of Great Britain on August 14, 1941. Later, in 1944, this act was adhered by 26 Allied governments at the International Labour Conference in the Declaration of Philadelphia. The terms "social security" and the "Federal Old-Age", "Survivors and Disability Insurance" (OASDI) have become synonymous with the US governments' programmes that are designed to prevent destitution; by providing protection against major personal economic hazards such as unemployment, sickness, invalidity, old age, and the death of the breadwinner. In a sense, social security is primarily an income maintenance programme which, in addition to providing cash benefits, may be accompanied by constructive social services in order to prevent or mitigate the effect of certain hazards (SSA, 2017).

In the United States, public education was not considered as a social welfare activity, probably because it is taken for granted, since its inception 125 years ago. On the other hand, public health and vocational rehabilitation are not included within the Social Security Act, but are present in separate Federal laws (SSA, 2017). However, medical care and cash benefits have always been provided under the workmen's compensation laws. These laws cover work-injuries and members of the armed forces and their dependents, and veterans who are entitled to medical care at public expense.

Interestingly, landmark reform on the Patient Protection and Affordable Care Act (PPACA), and the Health Care and Education Reconciliation Act (HCERA) of 2010 (H.R. 4872) was passed and enacted through two federal statutes. PPACA was signed in March 23, 2010. This act which is also known as 'Obamacare', provided the phased introduction over 4 years of a comprehensive system of mandated health insurance with reforms that were designed to eliminate "some of the worst practices of the insurance companies", including pre-existing condition screening and premium loadings, policy cancellations on technicalities when illness seems imminent, annual and lifetime coverage caps, among other issues. It also sets a minimum ratio of direct health care spending to premium income; and creates price competition that was bolstered by the creation of three standard insurance coverage levels to enable like-for-like comparisons by consumers; and a web-based health insurance exchange where consumers can compare prices and purchase plans (PPACA, 2010). This system preserves private insurance and private health care providers and provides more subsidies to enable the poor to buy insurance. Notwithstanding, the Health Care and Education Reconciliation Act of 2010 (H.R. 4872), which amended PPACA (that was passed a week earlier), was enacted by the 111th United States Congress and became law on March 30, 2010 (Reuters, 2010). This latter act (H.R. 3221) also incorporated the Student Aid and Fiscal Responsibility Act (SAFRA) expanded federal Pell Grants to a maximum of \$5500 in 2010 and tied grant increases to annual increases in the Consumer Price Index, plus 1%. Therefore, SAFRA ended the practice of federal subsidisation of private loans. This has translated to cutting the federal deficit by \$87 billion over a period of 10 years. Recently, there were other significant reforms and ideas that have been proposed, including a single-payer system and a reduction in fee-for-service medical care (New York Times, 2013).

6.7 Analysing Policies for Environmental Sustainability

6.7.1 Energy and the Environment

Historically, the United States prides itself of a long tradition of environmental leadership, that dates back to President Teddy Roosevelt. As a matter of fact, in the 1960s and 1970s the U.S. established a series of progressive laws and institutions. For example, The National Environmental Policy Act (NEPA) of 1969 committed the United States to sustainability, declaring it a national policy "to create and maintain conditions under which humans and nature can exist in productive harmony that permit fulfilling the social, economic and other requirements of present and future generations" (NEPA, 1969).

The formulation of the Environmental Protection Agency's (EPA) policies and instruments have anticipated Brundtland's concept of "sustainable development" and his idea that generates clean prosperity today whilst preserving resources and ecological functions for use by future generations. Arguably, policies on social and environmental development are expected to reinforce responsible practices on resource management, energy efficiency and measures that mitigate climate change. In this regard, EPA has developed a variety of methods, tools and guidance programmes that are aimed at supporting the application of environmental sustainability. Table 6.1 features a non-exhaustive list of US laws and Executive Orders (EOs) that are there to safeguard the environmental protection and the health of US Citizens.

Moreover, the Bureau of Energy Resources (ENR) advances U.S. interests with regards to secure, reliable and ever-cleaner sources of energy. ENR promotes good governance and transparency in the energy-sector as it supports the Extractive Industries Transparency Initiative (EITI). Countries implementing the EITI disclose information on tax payments, licences, contracts, production and other key elements that revolve around resource extraction. This information is disclosed in an annual EITI Report. This transparent report allows citizens to see for themselves how their country manages its natural resources and it also specifies the revenue that they generate. The EITI Standard contains a set of requirements that countries, including the U.S., need to meet in order to qualify as an EITI Candidate or EITI Compliant country (EITI, 2015).

The Bureau of Oceans and International Environmental and Scientific Affairs (OES) articulates policy goals on climate change, science and technology, health, water, environmental protection, biodiversity, oceans and polar issues, fisheries and space policy. OES (2015) pursues responsible and sustainable initiatives in collaboration with the U.S. Water Partnership; the World Environment Centre and with private corporations. These stakeholders help businesses to improve their energy efficiency and to reduce their environmental impact. OES has also teamed up with UNEP, the Global Mercury Partnership and Chlor-alkali Partnership to encourage non-mercury processes. In the same way, the Local Governments for Sustainability (ICLEI) has helped business and industry to reduce their carbon emissions. ICLEI

Table 6.1 U.S. environmental legislation and executive orders

Atomic Energy Act (AEA)
Beaches Environmental Assessment and Coastal Health (BEACH) Act
Chemical Safety Information, Site Security and Fuels Regulatory Relief Act
Clean Air Act (CAA)
Clean Water Act (CWA) (original title: Federal Water Pollution Control Amendments of 1972)
Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, or Superfund)
Emergency Planning and Community Right-to-Know Act (EPCRA)
Endangered Species Act (ESA)
Energy Independence and Security Act (EISA)
Energy Policy Act
EO 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations
EO 13045: Protection of Children From Environmental Health Risks and Safety Risks
EO 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use
Federal Food, Drug, and Cosmetic Act (FFDCA)
Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)
Federal Water Pollution Control Amendments—See Clean Water Act
Food Quality Protection Act (FQPA)—See also FFDCA and FIFRA
Marine Protection, Research, and Sanctuaries Act (MPRSA, also known as the Ocean Dumping Act)
National Environmental Policy Act (NEPA)
National Technology Transfer and Advancement Act (NTTAA)
Noise Control Act
Nuclear Waste Policy Act (NWPA)
Occupational Safety and Health (OSHA)
Ocean Dumping Act—See Marine Protection, Research, and Sanctuaries Act
Oil Pollution Act (OPA)
Pesticide Registration Improvement Act (PRIA)—See FIFRA
Pollution Prevention Act (PPA)
Resource Conservation and Recovery Act (RCRA)
Safe Drinking Water Act (SDWA)
Shore Protection Act (SPA)
Superfund—See Comprehensive Environmental Response, Compensation, and Liability Act
Superfund Amendments and Reauthorization Act (SARA)—See Comprehensive Environmental Response, Compensation, and Liability Act
Toxic Substances Control Act (TSCA)

Source: EPA (2015a, 2015b)

USA’s first programme, namely; Cities for Climate Protection (CCP) has supported cities in their climate action planning. For example, one of CCP’s initiatives involved a “Five Milestone” framework that offered; a systematic approach for cities; to analyse their baseline greenhouse gas emissions, to develop emissions reduction targets, to develop and implement a climate action plan, and to monitor emissions reduction progress.

6.8 Conclusions

Arguably, the social and environmental responsibility is the only way forward for all nations, particularly for big economies like China, the U.S., Russia and India. These countries are the largest producers of emissions and greenhouse gases in the world. This article shed light on the US governmental institutions and agencies' credentials on socially and environmentally responsible policies. It described in detail relevant instruments including relevant legislation and executive orders that were intended to unlock corporate citizenship among business and industry. At the same time, it reported how many commentators including academia are suggesting that the United States is lagging behind many other countries, in developing more sustainable economic processes and energy infrastructure. Environmental lobbyists argue that in the past years, average temperatures in the continental U.S. rose five times as much than in a century-long period. A new report from the Worldwatch Institute, entitled; "Creating Sustainable Prosperity in the United States: The Need for Innovation and Leadership" called for a broad range of policy innovations in the areas of renewable and non-renewable resource use, waste and pollution, and population. This NGO purports that U.S. leaders have not implemented adequate and sufficient reforms on social and environmental responsibility. Arguably, at the moment many businesses are still characterised by their unsustainable practices such as linear flows of materials, heavy dependence on fossil fuels, disregard for renewable resources, and resource use. According to Columbia University's Environmental Sustainability Index (ESI), the US has merely scored 38 out of 100 in "global stewardship" and 27 out of 100 in "reducing stresses".

These results suggest that the US's poor performance in mitigating air and water pollution and ecosystem stresses is the outcome of the country's minimal responsibility and sensitivity toward global environmental institutions (and international treaties). Notwithstanding, in a recent survey among 17 countries by National Geographic, the American consumers ranked among the last in their green consumption habits (Greendex, 2012). Moreover, Chen and Bouvain (2009) reported that the percentage of U.S. companies that were members of the Global Compact was much lower than in the other countries. This finding could indicate that certain aspects of the Compact may not be acceptable to the U.S. corporations. Maybe, the relatively low environmental credentials among U.S. businesses and individual citizens transcends from the political arena. Although, the U.S. regularly attends to the annual conferences of the parties (COPs) that are organised by to the United Nations Framework—Convention on Climate Change (UNFCCC), (UNFCCC), yet consecutive governments, since Clinton's administration did not transpose Kyoto's protocol. One of the strengths of the Kyoto treaty was the establishment of an international emissions trading system, where countries can earn credits toward their emission target; by investing in emission clean-ups outside their own country.

This case study reported that there are a number of corporate citizenship and social responsibility policies that are still evolving in the US context. Arguably, national institutional structures are creating both challenging opportunities and threats for businesses. US corporations are already operating in various contexts where they could be mandated by law to abide by national legislation and regulation. Notwithstanding, there are different CSR communications and stakeholders' evaluations of given firms across countries. Despite the growing commitment to corporate citizenship, past research did not sufficiently link this notion with CSR policy (Knudsen & Brown, 2015). This contribution has reported how different U.S. institutions, including bureaus, agencies and other stakeholders are pushing forward the social responsibility, environmental sustainability as well as the responsible corporate governance agenda. The US CSR policies and instruments are generally (1) based on sound theoretical arguments (2) tackle the economic, legal, ethical, and discretionary dimensions. However, these regulatory tools could contain disclosure guidelines and reporting mechanisms for the monitoring and controlling of corporate responsible behaviours in the U.S.

The U.S. Government to trigger companies to invest in more efficient technologies by subsidising cleaner production and circular economies. Alternatively, businesses can be penalised when they do not conform to regulatory requirements on responsible behaviours (e.g. reducing environmental impact). For instance, with carbon pricing, governments cannot interfere with management decisions. The businesses themselves ought to decide on effective ways on how they cut their emissions. Carbon markets are there and are expanding (e.g. The EU's Emissions Trading Scheme—ETS). There are many lessons to be learned from the countries' that have resorted to ETS to curb their pollution on the environment. Perhaps, one of the challenges for policymakers is the monitoring and controlling of carbon markets. Indeed, it is in the businesses' interest to anticipate the reinforcement of extant regulatory instruments or any mandatory compliance procedures to new legislation. The firms' proactive corporate citizenship behaviours will inevitably lead them to a sustainable competitive advantage, particularly at times when the labour market is not responding to the employers' requirements.

6.9 Future Research Avenues

Although there have been many contributions on corporate citizenship practices (Fifka, 2013; Matten & Crane, 2005; Pinkston & Carroll, 1994), there is still considerable potential for research that focuses on regulatory policy, in this regard (Knudsen & Brown, 2015). Future research could measure the comparability of policy frameworks for corporate citizenship in the US with other states. Notwithstanding, CSR policies, procedures, and activities necessitate considerable discretionary investments, in terms of time and resources by policy makers, civil authorities, businesses and non-governmental organisations. The underlying question is to establish whether both companies and non-for profit organisations perceive a business or a political case for corporate citizenship, as there potential to create value for themselves and for society as they pursue the sustainable path.

The increased quality of life has brought unsustainable consumption behaviours among customers. Notwithstanding, increased productivity levels are rapidly depleting the world's natural resources. This research has indicated that on paper there are several policies frameworks and initiatives that are pushing forward the corporate citizenship agenda in the U.S. However, the proof is in the pudding. Debatably, the U.S. government and its agencies should ensure that the true ecological cost of environmental degradation and climate change is felt in the market. In this light, there is scope in promoting circular economies that are characterised by resource efficiencies through recycling, reducing and reusing. Moreover, organisations should be urged to find alternative ways for sustainable energy generation, energy and water conservation, environmental protection and greener transportation systems.

Corporate citizenship policies should be promoting socially-responsible investing (SRI), responsible supply chain management and the responsible procurement of sustainable products. Fiscal policies and tools could encourage consumers to purchase sustainable, eco-labelled products, standardised items and 'fair-trade' goods.

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