

# Corporate Social Responsibility in the Romanian Public Sector

Radu Florin Ogarcă and Silvia Puiu

## 1 Introduction

The concept of Corporate Social Responsibility (CSR) is mostly known as a feature for companies in the private sector. However, the term has been extended to the public sector, more and more governments understanding the need for contributing to a sustainable development or at least facilitating it.

Our analysis will start from the definition offered by World Bank (2003): “Corporate Social Responsibility is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life, in ways that are both good for business and good for development.”

Fox, Ward, and Howard (2002) identified four key roles that the government may have related to CSR activities:

- Mandating refers to legislation, regulations. The government has a proactive role because the legislative background in a country has many implications in the CSR activity at a national level;
- Facilitating refers to the incentives that public authorities could offer for the private actors in order to encourage CSR projects, but also to a higher transparency regarding this area;
- Partnering implies that the public authorities should cooperate with private actors on different CSR projects, sharing human and material resources;
- Endorsing refers to the support offered by the government that should act as a model for the private sector, by implementing practices in accordance with CSR standards.

---

R.F. Ogarcă • S. Puiu (✉)

Faculty of Economics and Business Administration, University of Craiova, Craiova, Romania

e-mail: [silviapuiu@yahoo.com](mailto:silviapuiu@yahoo.com)

Steurer (2010) mentions five reasons for which governments should be more involved in CSR activities: this could help them to meet policy objectives on a voluntary basis; CSR regulations can reduce the negative impact of some undesirable regulations; even if CSR extends beyond legal framework, governments should focus more on non-binding initiatives; CSR becomes an important feature of a partnership between public and private entities; the variety of stakeholders.

Corporate social responsibility in the public sector can be approached not only in terms of public policies, but also at the level of public management of specific public organizations. Even if the term CSR refers to a corporate area, the public institutions should also have a greater impact in the community and develop more CSR projects.

Di Bitetto, Chymis, and D'Anselmi (2015, p. 133) offer an explanation about the reasons for which CSR is more common for the private companies than for the public sector. They argue that companies had to become more oriented to community because of the competition. In many areas, the public institutions are still in a monopolistic situation. But societies evolve, citizens become more and more demanding, requiring from the governments to be more efficient and transparent.

In Romania, the concepts related to CSR are not so well known as in other European countries, because public authorities became more proactive only after 2000, aiming the adherence to the European Union (Anca, Aston, Stanciu, & Rusu, 2011, p. 19). At the beginning, the government's role was limited to the first one, that of mandating.

Mandl and Dorr (2007, p. 12) argue that "In Romania, the concept of social responsibility originates in the 1990s when many NGO's were founded with the assistance of international public or private institutions. The major involvement of both large and small companies in CSR activities started after 2000." The authors mention as causes the presence of multinationals and the adherence to EU.

The government implemented laws related to the environmental protection, trying to reduce the pollution and offered tax incentives for the companies becoming green, by acquiring advanced technologies, less pollutant. Regarding the social domain of CSR, Romania also implemented some laws and regulations for assuring equal chances on the labor market, reducing discrimination. The Law no. 57/1992 states that companies hiring people with disabilities will have some fiscal advantages. Other laws refer to volunteering, transparency and anti-corruption measures.

Public authorities in Romania are more focused on the first two traditional roles: mandating and facilitating. The government should encourage more the partnership between public and private entities. As partners, resources and knowledge are commonly shared and so, the synergy effect brings a lot of advantages for both sides. Endorsing and acting as a model for the private sector are other aspects that are not enough developed in Romania.

Romanian managers do not fully understand the benefits of CSR. Most of them see only the involved costs, but not the advantages for CSR projects (Korka, 2005). The resistance against changes is very high, especially in the public sector. Hristea (2011, p. 66) argues that the implementation of a CSR policy gives companies many social, economic and financial advantages.

Our opinion is that public institutions should become more open to corporate social responsibility, because this type of activities will bring a better image for citizens, partners and investors. CSR is linked to competitiveness and may be seen as an important part of a marketing strategy. Concepts like public marketing, competitiveness and corporate social responsibility in the public sector are not well known and understood, some of them being considered as a feature for the private sector.

In recognition of the importance of CSR activities, the Romanian Government established a national strategy for this field in 2010. The National Strategy on CSR covers the period between 2011 and 2016 and it is inspired from the Norwegian one. This strategy presents the key domains for promoting CSR in Romania, the main actors involved, the role played by the state and the private sector, the international directives regarding CSR and the economic consequences of CSR.

As any strategy, the National Strategy for promoting CSR as a national priority starts from a SWOT analysis presented in Table 1.

We can add to the mentioned weaknesses also the wrong perception that the costs involved are very high and not covered by the benefits brought by CSR

**Table 1** SWOT analysis for CSR in Romania

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>The interest of the society and the relative novelty for the public sector</li> <li>The involvement of multinationals and big Romanian companies in CSR activities</li> <li>The increase of the CSR projects in the last years</li> <li>Consumers are more and more oriented on socially responsible companies</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>The concept of CSR is not well known and understood</li> <li>The lack of studies and research regarding CSR in Romania</li> <li>A lack of involvement of SMEs in CSR activities</li> <li>Lack of information regarding consumers' rights</li> <li>A high level of corruption</li> <li>The lack of a business culture built around moral values</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>The benefits for the community, companies, environment</li> <li>The importance of CSR at international level</li> <li>The development of SMEs and a higher openness on the European market</li> <li>A higher competitiveness of Romanian companies on the international markets</li> <li>The possibility to learn from countries where CSR is more developed</li> <li>Financial opportunities for initiating CSR projects</li> <li>Positive reactions of citizens regarding the involvement of the companies and the state in CSR activities</li> <li>A healthier environment</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>The lack of previous public policies regarding CSR</li> <li>The lack of a coherent and complete legal background</li> <li>Problems in implementation of the laws</li> <li>The gap between Romania and other European countries regarding CSR and the implemented directives on different areas</li> <li>The risk to be excluded from certain markets because of the lack of CSR</li> <li>Insufficient support from public authorities in order to promote CSR at a national level</li> <li>The lack of public resources needed for promoting CSR or initiating CSR activities</li> </ul>

Source: National Strategy for Promoting CSR in Romania, 2011–2016, <http://www.sgg.ro/legislativ/docs/2011/05/2x4bdfjnwskv89h17pzq.pdf>

activities. Public institutions or SMEs, for example, do not understand how many advantages they can get on the long term. Another wrong perception is that in a crisis period, you do not have to invest in CSR. There are various types of CSR projects; some of them are not so costly (volunteering), but the benefits are important: competitive advantages, a better image and reputation in society, higher opportunities because the community is more vulnerable in a crisis period and therefore, the connection created between potential clients and the entity initiating CSR is stronger and on a long term. Another important weakness is also the resistance to change, many managers in the public sector being used with obsolete strategies.

Public authorities should become more open to CSR, because benefits are definitely higher than the involved costs on the long run, leading to a better positioning of our country on the European markets in terms of competitiveness and image.

The National Strategy on CSR established three main domains that require attention: creating the premises for developing more CSR activities both at national and local level; more promotional campaigns to encourage SMEs and other entities to invest in CSR projects; a higher involvement from public institutions and an increased openness to these types of activities.

The strategy mentions nine specific domains for corporate social responsibility: health, security and working conditions; environment; ethics; prevention and fight against corruption; civil protection; gender equality; restructuring process of the public sector; research and development; integration of disadvantaged groups.

The main consequences for public authorities are the legislative and the budgetary implications. The legislative initiatives should take into consideration the European Directives related to CSR activities and the support offered by public authorities has to be limited to the established public budget.

## **2 Barriers in Front of a Higher CSR Activity in the Romanian Public Sector**

Some of the barriers are mentioned even in the National Strategy for promoting CSR. We could say that the weaknesses and the threats from the SWOT analysis are some of the most important barriers: the lack of knowledge and awareness regarding CSR and its importance for community; the lack of a proper legislation or a poor implementation of laws and European Directives; the lack of public resources; the lack of political will; the high level of corruption; the lack of a long term perspective; resistance to change; CSR in Romania is mostly done for PR reasons than ethical ones (European Communities, 2007, p. 75)

We appreciate that the lack of awareness and obsolete mentalities are the most important barriers, because if this problem is solved, the other will gradually fade away. According to the National Strategy on Promoting CSR (2011–2016), the document is in accordance with the following laws and regulations:

- The standard ISO 26000 regarding CSR;
- Council Resolution on the follow-up to the Green Paper on CSR (2002/C 86/03);
- Council Resolution 2003/C 39/02;
- Regulation no. 761/2001 of the European Parliament and of the Council regarding voluntary participation by organisations in a Community eco-management and audit scheme;
- Directive 2004/18/EC of the European Parliament and of the Council on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts;
- COM (2006) 136 implementing the partnership for growth and jobs: making Europe a pole of excellence on CSR;
- COM (2001) 366 Green Paper promoting a European framework for CSR;
- COM (2009) 400 Mainstreaming sustainable development into EU policies;
- European Council (2006) Review of the EU Sustainable Development Strategy (EU SDS)—Renewed Strategy, 10917/06, 26 June 2006;
- Lisbon Strategy;
- The Universal Declaration of Human Rights;
- The *OECD Convention* on Combating Bribery of Foreign Public Officials (1997).

Another important European Directive that is mandatory to be implemented for all member states in the EU is the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

Romania will have to integrate this directive into the national legislation until 6th December 2016 and the companies should apply it starting with 2017. If we analyze the barriers, we can conclude that the problem is related to the implementation of laws.

The Directive 2014/95/EU states that public-interest entities “shall include in the management report a non-financial statement containing information to the extent necessary for an understanding of the undertaking’s development, performance, position and impact of its activity, relating to, as a minimum, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters”. The directive does not specify a certain standard for reporting, the states having the freedom to establish which standards will be applied.

Scott (2013) was explaining in an interview that the barriers in reporting CSR are very high for small entities because of a few reasons like limited resources or the fact that they do not have the expertise needed for preparing a proper report. And because they do not have the resources, they cannot hire a specialist or assure the trainings for their employees.

In 2015, The Romanian Center for European Policies published the results of a quantitative research on the Romanian companies that already publish a non-financial statement regarding the CSR activity. The barriers mentioned by the companies were: the difficulties in understanding the standards for reporting

(58%); the absence of an electronic system to easily collect the needed data (50%); the lack of a specific procedure (33%); the reluctance of the employees (29%); the reluctance of the managers to publish these data (17%).

If these are the barriers for companies that already apply the Directive 2014/95/EU, we may conclude that the barriers for the other entities that will have to apply it too from 2017 will be even higher. The same is the situation with the public institutions because the resources are limited and the social pressure is very high.

These barriers may be reduced if there is a strategy for increasing the awareness on the importance of CSR and having some standards in reporting it. If the managers and the employees understand the benefits of reporting in terms of competitiveness and reputation, the resistance to change will gradually decrease.

Education is a very important factor in this process too, because trainings on CSR, standards and legal background would assure an increase of the number of entities developing CSR projects in both the public and the private sector. The government should contribute to this process, facilitate and support entities involved in these activities through education, national campaigns for promoting CSR and also by being a model.

### **3 The Level of Knowledge About CSR in the Romanian Public Sector**

#### ***3.1 Research Objectives***

The objectives of this quantitative research were:

- To identify the level of knowledge and awareness regarding CSR in the public sector;
- To identify the obstacles that stay in front of a higher CSR activity in this sector;
- To find some solutions that could be applied in order to increase the number of CSR projects in the public sector (where the public authorities or public institutions are initiators or partners with private actors).

We started from two *hypotheses* in our research:

**H1.** : One of the most important barriers for a higher CSR activity is the lack of financial resources.

**H2.** : Employees working in the public sector are not well informed on CSR, the level of awareness and knowledge being low.

### 3.2 Methodology

The research was conducted on a number of 94 employees and managers working in the public sector between 14th of November 2015 and 21st of December 2015. The questionnaire was realized in Google Forms, this online research assuring the respondents of the confidentiality. A face to face questionnaire would have been difficult, people having a problem in recognizing that they are not familiar with some terms or legal aspects.

In order to have a more representative sample, the respondents were from different domains of the public sector: education, healthcare, army, police, justice, cultural institutions, public administration or other. The questionnaire was sent to 500 potential respondents; their e-mail addresses were gathered from the websites of the public institutions.

Surveygizmo (2015) published an article based on their experience, stating that the response rate for external surveys (like mine) is 10–15% on online surveys. Of course, there are different opinions regarding this subject. Other websites specialized on online surveys mention a 20%. The idea is that obstacles and limits of online surveys are higher, but the answers are more honest, precise and close to the truth than those based on paper, where respondents may be afraid to be sincere or they are in a hurry.

The response rate for our research is 18.8% ( $94/500 \cdot 100$ ) and we appreciate it as being average. The results of our study can offer a direction for the responsible people in the public sector, these being able to implement some measures in order to increase the awareness and the knowledge on CSR.

### 3.3 Results

The *respondent's profile* was revealing the following:

- According to their age, 35.1% of them were between 36 and 45 years old, followed by those between 26 and 35 years old (25.5%) and between 46 and 60 years old (22.3%);
- According to their graduated studies, 63.8% of them graduated master's degree, 28.7% bachelor's degree and 7.4% only high school;
- According to their position within the company (manager or employee), 81.9% were employees and 18.1% were managers.

Even if they answered in a proportion of 74.5% that their institutions are sometimes involved in CSR projects, the number of these types of activities is still very low, comparing with those initiated by private companies (mostly multinationals).

The respondents were asked about the barriers in front of a higher CSR activity in their public institutions. They had to check the first three barriers from the

**Table 2** The barriers in front of a higher CSR activity in the public sector

Barriers	Percentage (%)
The lack of financial resources	61.6
The lack of a political will	27.4
The lack of motivation	46.6
The lack of information	35.6
The insufficient promotion of the National Strategy on CSR	35.6
The lack of a proper legislation to encourage CSR initiatives	41.1
Other reasons	5.5

following ones: the lack of financial resources, the lack of a political will, the lack of motivation for employees, the lack of information, the insufficient promotion of the National Strategy on CSR, the lack of a proper legislation to encourage CSR initiatives, other reasons.

The main three reasons for not having a higher CSR activity in the public sector were the lack of financial resources, the lack of motivation and the lack of a proper legislation as we see in Table 2.

The lack of financial resources as an important barrier was also mentioned by Scott (2013), especially for small entities. He was mostly referring to SMEs, but the situation is similar for public institutions. Even the National Strategy for promoting CSR states that the budgetary implications are one of the consequences, because the public budget is limited and the costs involved could put a pressure on it.

Of course, limited resources are not the only barrier; lack of motivation for employees and managers is another important aspect that should be taken into account. In our opinion, this could be diminished if there would be some training in the public institutions in order to make the employees understand the importance of CSR and the advantages that this could bring. The lack of a proper legislation is also seen as a barrier and sometimes even if the laws exist, they are not properly implemented, monitored or disseminated to the community.

These three represent the main barriers but if we look at the other percentages, we observe that the others are also important obstacles, being mentioned by 35.6% of the respondents (the lack of information and the insufficient promotion of the National Strategy on CSR, in equal proportions) and by 27.4% (the lack of a political will). We can say that the first hypothesis is validated, because more than 60% of the respondents checked the lack of financial resources as a main barrier in front of a higher CSR activity in the public sector.

For the following questions, we used Likert Scale and the results were calculated in Table 3. The respondents checked if they agree or disagree with these statements. The data showed a gap between what the respondents think and how things are in fact.

In this calculation, we used 5 for Total Agreement, 4 for Partial Agreement, 3 for Indecisive, 2 for Partial Disagreement and 1 for Total Disagreement. If we analyze



**Table 3** Perceptions of employees in the public sector on CSR

Statements	Mean
CSR projects should be reduced or even cancelled during recession	1.83
CSR projects lead to a better image of the public institution	4.53
Benefits of CSR are higher than the involved costs	3.85
CSR is a good way to differentiate the public institution from other entities	3.77
There are no advantages of CSR so the efforts and the costs do not have any justification	1.88
If there were more fiscal facilities, the public institution would be more involved in CSR projects	3.86
Introducing courses of social responsibility in the educational system is a necessity	4.34
Public institutions should be a model for the other entities in an economy regarding the implementation of CSR projects	4.31
The public institution where I work is rather a secondary partner in a project with a private actor or an NGO than an initiator of a CSR project	3.36
The CSR of the public institution was an important factor when I made the decision of applying for a job there	3.19
A higher support from central administration to encourage public institutions to develop CSR projects is needed	4.52

numbers, we see that the respondents consider that CSR projects should not be reduced during recession, 77.6% of them having this opinion.

This answer should be the correct one but the reality shows that public institutions or SMEs decrease the amount of CSR in recession because of the costs involved. We can correlate this question with the following four. At all these five questions, respondents had a similar opinion. They understand that the benefits of CSR are higher than costs, 62.8% of them partially or totally agreeing with this statement.

One of the benefits is the image and reputation of the public institution or the capacity to differentiate itself from other entities. The correlation between CSR and a better image is agreed by 89.3% of the respondents and strengthened by those who appreciate CSR as a strategy for differentiation (64.9%). So, corporate social responsibility should be integrated in the marketing strategy of a public institution, because CSR leads to a better image and can increase the competitiveness of an entity through differentiation and the creation of a competitive advantage.

The fifth question is a reiteration of the first four statements and was aiming to verify the honesty and the attention of the respondents. They maintained their opinions regarding the advantages offered by CSR, fact revealed by the mean 1.88 (Disagreement).

Of course, this should be the reality, but it is not. So, we may conclude that employees understand the importance of CSR for a public institution and this is a first step in promoting CSR at a national level—to make people really see the benefits and not just the costs involved. But these aspects show the perceptions on how things should be. Even if the attitude of employees is the correct one, the financial barrier is a tangible limit and we have to admit that CSR is dependent on a

budget. There are also some CSR activities that do not involve a lot of money but require the total implication of human resources in an institution (volunteering).

The following questions tried to bring light on what might be the causes for the low CSR in the public sector: few facilities from public authorities, lack of education regarding corporate social responsibility, lack of models, lack of various types of support for public institutions, lack of transparency on CSR and problems regarding CSR reporting, lack of communication on these issues and even lack of promotion on CSR.

Definitely, the National Strategy for CSR 2011–2016 (adopted in 2010) is an important step for Romania, but there are more steps needed in order to increase the level of CSR and the quality of the implemented projects, not just the quantity of them.

The statement “If there were more fiscal facilities, the public institution would be more involved in CSR projects” is agreed by 67% of the respondents, the mean of 3.86 also showing that tax incentives are considered one of the factors leading to an increase in the CSR activity. This is the role of facilitator that the state should have. These facilities should encourage donations, sponsorship and the employment of youngsters, elders, women, people with disabilities or other disadvantaged categories of society.

In 2015, ViitorPlus association and EY Romania realized a research on the fiscal facilities companies know and use. Some of the facilities proved that are not even known by the companies. The Law no. 448/2006 was aiming the insertion of people with disabilities on the labor market. According to this law, companies with more than 50 employees may buy products or services from entities based on the activity of these persons and so they are exempted from paying a specific tax to the state.

The insertion of persons with disabilities on the labor market in Romania comparing with other European countries is very low. The study from 2015 revealed that the percentage in Romania is 9.48%, meanwhile in the European Union was 45.8% since 2010, according to Academic Network of European Disability Experts.

The introduction of some courses on corporate social responsibility in the educational system (starting with elementary school) is a solution for increasing the awareness of citizens related to CSR. This solution was agreed by 85.1% of the respondents, the intensity of agreement being highlighted by the mean 4.34. We saw at the first questions that employees working in the public system understand the importance of CSR, but there are still a lot of gaps in knowledge related to the legislation, the facilities they could use, the reporting standards and so on.

Education in school should also be completed with trainings in public and private entities, in order to keep employees up to date regarding CSR problems and challenges. This is a good way for the government to receive a grounded feedback from the community and involve it in the debates and decisions. Having a good legislation requires a proper knowledge on the needs in the territory.

The respondents appreciated in a proportion of 84% that public institutions should be a model for the other entities in an economy when dealing with CSR projects. This would be the endorsing role of the state, when this acts like a model

and supports the other entities wanting to be involved in CSR activities. This should be the ideal situation, but the reality in Romania is different. The most important entities developing CSR projects are the multinationals and large companies. Public institutions and SMEs represent only a small part of the amount of CSR in Romania. So, there is a long way from the present state of being to the ideal one in which the public authorities are the model to follow.

More than 50% of the respondents said that the public institution where they work is rather a secondary partner than an initiator of CSR projects. The percentage of those being indecisive was rather high (25.5%), showing that they are not fully aware of the activities in which their institution is involved, otherwise they would have checked “agree” or “disagree”. This distribution of answers explains also the mean of 3.36.

“The CSR of the public institution was an important factor when I made the decision of applying for a job there” is another statement where the employees offered heterogeneous answers, the mean of 3.19 suggesting their hesitation. 42.5% of the respondents were taking into account the CSR in the institution when applying for a job, 28.7% were indecisive and 28.7% disagreed.

We appreciate that the percentages for agreement are too high, representing a tendency for an ideal situation. In fact, public institutions are not so active when it comes to CSR, so taking into account this factor when you want to get a job in the public sector is not a good idea, because the chances to find a public entity with an important activity of CSR are not so high. The unemployment rate and a general uncertainty on the labor market make it difficult to choose an employer considering its CSR involvement.

Our opinion is also strengthened by the answers given to another question: “Would you accept a reduction of the salary if this were the only solution for the public institution to get involved in CSR projects?” Only 19.1% of the respondents said “yes”, the rest of 80.9% said “no”. This is also a consequence of the general perception that public money is not properly spent in valuable CSR projects, corruption being a real problem for Romania.

The last question for which we used Likert Scale was referring to the higher support that the central authorities should offer to public institutions in order to encourage them to develop CSR projects. This endorsing role of the government is more complex, comprising the legislation part, the facilities offered, the marketing part, because CSR needs to be promoted in order to change some mentalities, to reduce the reluctance to change and to fully understand why CSR is important for a society. More than 90% of the respondents (92.6%) agreed that this support should increase, this being the question with the highest consensus.

The second set of questions was aiming to find out which is the level of knowledge for the employees in the public sector. These referred to the National Strategy on CSR, to CSR reporting, to the strategy of the institution regarding CSR, as we can see in Table 4. These questions have an average level of generality and the answers to them should be known by any employee.

If we take a look at the first question in Table 4, we see that 19.1% of the respondents said there is no National Strategy on CSR, even if this strategy exists

**Table 4** The level of knowledge regarding CSR matters in the public sector

	Is there a National Strategy on CSR? (%)	Is there a report on CSR published on the website of your institution? (%)	Does your institution have a strategy on CSR? (%)
Yes	14.9	19.1	22.3
No	19.1	40.4	27.7
I do not know	66	40.4	50

since 2011. So, we could make the assumption that the percentage for “no” is in fact added to that for “I do not know”. Only 14.9% of the respondents knew there is a National Strategy on CSR and this reflects a real and important problem: the lack of knowledge on CSR derived from a lack of promotion.

If the National Strategy was better promoted, the level of awareness and knowledge would be higher. It is ironic that the full name of the strategy is “National Strategy for Promoting Corporate Social Responsibility”. The strategy aims the promotion of CSR but employees and managers do not know that it exists.

In order to maintain the confidentiality of the respondents, we do not know if the institutions in which some respondents work have a strategy or a CSR report on their websites. So, we cannot be sure that those who said “yes” were completely honest. There are few public institutions in Romania that publish a report on CSR, so we could appreciate that the proportion of those who checked “I do not know” is higher.

It is very difficult for the employees to talk about the institution where they work in non-favorable terms and this could be a reason for not being completely honest. But the general idea is obvious, most of the respondents answered “I do not know” at all the three questions related to the knowledge on CSR.

We can conclude that the second hypothesis “employees working in the public sector are not well informed on CSR, the level of awareness and knowledge being low” is also validated, even if the employees understand, at least at a declarative level, that CSR is important and offers a lot of advantages for the institution and for the community.

In the last part of our research, the respondents were asked about the importance of CSR for themselves and for the public institutions where they work (the last one being their perception). These two questions were formulated as scales from 1 to 5, where 1 was *not important at all* and 5 was *very important*. The mean and the standard deviation are shown in Table 5 and both show that employees perceive CSR as important.

The mean 3.98 and the proportion of those who said CSR is important and very important for them (75.5%) show us that people are willing to learn and there is a potential. The mean of 3.43 for how important is CSR for the public institution where they work revealed that the employees perceive its importance also within the institution.

**Table 5** Descriptive statistics on the importance of CSR

	Mean	Standard deviation
How important is CSR for you?	3.98	1.037
How important is CSR for your institution, in your perception?	3.43	1.15

To perceive the importance of corporate social responsibility and to be well informed on these issues related to CSR (National Strategy, legislation, facilities, standards, European Directives, indicators, reporting) are two different aspects. Of course, the former one may be seen as a premise for the latter. People should be at least willing to change something and the change is possible only if they understand which are the most important advantages of CSR, the costs involved and that benefits are higher than the costs on the long run.

## 4 Conclusions

The main barriers in front of a higher CSR activity in the public sector (but also for SMEs) are the lack of financial resources, the lack of knowledge on CSR, the insufficient promotion of the National Strategy on CSR and the lack of a political will. Employees understand the importance of CSR, its benefits, advantages, but the financial component is very important too. For example, more than 80% of the respondents would not be willing to accept a reduction of their wages in order to support the institution in involving in CSR projects. But this is normal in the context of a society, where a lot of people are paid with the minimum wage (about 323 Euros).

The results can be correlated with the political regime existent in Romania before 1989, because one of the main causes for this state of being is the mentality and passivity of citizens. After 1990, people became more individualistic and the responsibility for others diminished. A comparison between the elders and the youngsters could be the subject for a future research, because there are probably some differences between these categories. Youngsters tend to have a modern view on CSR issues, not being so influenced by the communist regime before the 90s.

Tax incentives and other fiscal facilities are considered one of the factors leading to an increase in the CSR activity. We could correlate this factor with the most important barrier that is related to limited resources. Public institutions are rather secondary partners than initiators of CSR projects. Even the National Strategy on CSR mentions the budgetary implications.

Even if the National Strategy exists since 2011, there are a lot of employees that are not aware of its existence and therefore we identify a problem—the lack of transparency and the insufficient promotion of this strategy. Employees working in the public sector are not well informed on CSR, the level of awareness and knowledge being low; they are confused about the term, the strategy on CSR, what reporting means or how a reporting should be done. There are important

differences between a CSR reporting and a report on CSR activities. The reporting is a more complex process, implies some indicators, some standards for reporting and the report is just the final step that should be public for the stakeholders.

There is no perspective on a long term regarding corporate social responsibility, this being done mostly for PR reasons, for a temporary change in terms of image. Multinationals and large companies are more involved in CSR projects because they have the financial resources and the expertise required. The problem is with public institutions and small or medium enterprises.

CSR in Romania cannot be a model of doing things, but other countries in EU or future EU states can learn from our country that the lack of a CSR strategy is not the only problem. The real obstacle in front of a higher CSR implementation is the poor communication of these issues, the lack of transparency, the passivity of citizens and a low public marketing on CSR.

After a documentary and also an empirical research, we could offer some recommendations regarding CSR in the public sector and how it can be increased:

- Harmonize the national legislation with the new European Directives on CSR;
- Assure a higher dissemination of the legislation and a continuous monitoring and evaluation of how laws are implemented;
- Increase the number of partnerships with the private sector;
- Offer a higher support for the entities developing CSR projects, not just tax incentives but endorsing them in the process of CSR reporting and using standards;
- Initiating CSR and have a more proactive attitude. There are also some forms of CSR that do not involve a lot of money, so the problem with limited resources would be covered (volunteering);
- A permanent dialogue with the private actors, NGOs, community and other public institutions;
- Introduce more courses on CSR in schools to develop a culture more oriented to social responsibility and reduce reluctance to change;
- Organize more trainings on CSR at the level of public institutions in order to increase the level of awareness and knowledge on these issues;
- Organize national campaigns for promoting CSR, the National Strategy on CSR and the new European Directives like the Directive 2014/95/EU.

Corporate social responsibility in the public sector of Romania is at its first steps and cannot be compared with the projects developed by large companies. We appreciate the potential is high and the National Strategy on CSR should be renewed and also improved. The central authorities should learn from the mistakes and make a new SWOT analysis in order to reevaluate the new situation. CSR could also be integrated in a marketing strategy at different levels (national, regional or local), offering better chances for increasing the competitiveness and the image of the public sector.

## References

- Academic Network of European Disability Experts (2010). *Annual activity report*. Retrieved from [http://sid.usal.es/idocs/F8/FDO26327/ANED\\_2010\\_Activity\\_Report.pdf](http://sid.usal.es/idocs/F8/FDO26327/ANED_2010_Activity_Report.pdf)
- Anca, C., Aston, J., Stanciu, E., & Rusu, D. (2011). *Corporate social responsibility in Romania. Situation analysis and current practices review*. Retrieved from [undp.ro/libraries/projects/CSR/deliverables/Analiza%20Situatiei%20RSC%20in%20Romania%20ENG.pdf](http://undp.ro/libraries/projects/CSR/deliverables/Analiza%20Situatiei%20RSC%20in%20Romania%20ENG.pdf)
- Di Bitetto, M., Chymis, A., & D'Anselmi, P. (Eds.). (2015). *Public management as corporate social responsibility: the economic bottom line of government*. Switzerland: Springer. Retrieved from <https://books.google.ro/books?id=caQxBQAAQBAJ>
- European Communities (2007). *Corporate social responsibility—national public policies in the European Union*. Retrieved from [www.spolecenskaodpovednostfirem.cz/wp-content/uploads/2013/09/csr\\_en.pdf](http://www.spolecenskaodpovednostfirem.cz/wp-content/uploads/2013/09/csr_en.pdf)
- Fox, T., Ward, H., & Howard, B. (2002). *Public sector roles in strengthening corporate social responsibility: A baseline study*. Retrieved from <http://pubs.iied.org/pdfs/16017IIED.pdf>
- Hristea, A. M. (2011). Corporate social responsibility—between desideratum and reality. *Theoretical and Applied Economics*, 10(563), 57–74. Retrieved from [store.ectap.ro/articole/650.pdf](http://store.ectap.ro/articole/650.pdf)
- Korka, M. (2005). Corporate social responsibility in Romania: from theory to practice. *Transition Studies Review*, 12(1), 47–57. doi:10.1007/s11300-005-0034-3.
- Law no. 57/1992. Retrieved from <http://legislatie.resurse-pentru-democratie.org/legea/57-1992.php>
- Law no. 448/2006. Retrieved from [www.equalrightstrust.org/ertdocumentbank/LEGE%20448%20engleza.pdf](http://www.equalrightstrust.org/ertdocumentbank/LEGE%20448%20engleza.pdf)
- Mandl, I., & Dorr, A. (2007). *CSR and competitiveness European SMEs' good practice. Consolidated European report*. Vienna: Austrian Institute for SME Research. Retrieved from [www.ifm-bonn.org/assets/documents/CSREuropa.pdf](http://www.ifm-bonn.org/assets/documents/CSREuropa.pdf)
- Romanian Government (2010). *National strategy on promoting CSR 2011-2016*. Retrieved from <http://www.sgg.ro/nlegislativ/docs/2011/05/2x4bdfjnwskv89h17pza.pdf>
- Scott, P. (2013). *Interview about tendencies in CSR reporting*. Retrieved from [www.responsabilitatesociala.ro/editoriale/interviu-paul-scott-despre-tendintele-in-raportarea-de-csr.html](http://www.responsabilitatesociala.ro/editoriale/interviu-paul-scott-despre-tendintele-in-raportarea-de-csr.html)
- Steurer, R. (2010). *The role of governments in corporate social responsibility: Characterising public policies on CSR in Europe*. *Policy Sciences*, 43(1), 49–72. Retrieved from [www.wiso.boku.ac.at/fileadmin/data/H03000/H73000/H73200/InFER\\_Discussion\\_Papers/InFER\\_DP\\_10\\_2\\_The\\_Role\\_of\\_Governments\\_in\\_Coporate\\_Social\\_Responsibility\\_Characterising\\_Public\\_Policies\\_on\\_CSR\\_in\\_Europe.pdf](http://www.wiso.boku.ac.at/fileadmin/data/H03000/H73000/H73200/InFER_Discussion_Papers/InFER_DP_10_2_The_Role_of_Governments_in_Coporate_Social_Responsibility_Characterising_Public_Policies_on_CSR_in_Europe.pdf)
- Surveygizmo (2015). *Survey response rate*. Retrieved from [www.surveygizmo.com/survey-blog/survey-response-rates/](http://www.surveygizmo.com/survey-blog/survey-response-rates/)
- The European Parliament and the Council of the European Union (2014). Directive 2014/95/EU. *Official Journal of the European Union*. Retrieved from [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2014.330.01.0001.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.330.01.0001.01.ENG)
- The Romanian Center for European Policies (2015). *Research on non-financial reporting*. Retrieved from [www.crpe.ro/wp-content/uploads/2015/06/Raport-cercetare-raportare-non-financiara-FINAL.pdf](http://www.crpe.ro/wp-content/uploads/2015/06/Raport-cercetare-raportare-non-financiara-FINAL.pdf)
- ViitorPlus Association and EY Romania (2015). *Less known and used fiscal facilities*. Retrieved from [www.eyromania.ro/sites/default/files/attachments/Raport\\_Omenia%20ajuta%20compania\\_EY%20Romania%20ViitorPlus\\_FINAL.pdf](http://www.eyromania.ro/sites/default/files/attachments/Raport_Omenia%20ajuta%20compania_EY%20Romania%20ViitorPlus_FINAL.pdf)
- World Bank (2003). *Public policy for corporate social responsibility*. Retrieved from [http://info.worldbank.org/etools/docs/library/57434/publicpolicy\\_econference.pdf](http://info.worldbank.org/etools/docs/library/57434/publicpolicy_econference.pdf)