Abstract:
Corporate Social Responsibility (CSR) is a managerial conception in which Catholic Social Teaching (CST) may take a relevant effect on business enterprises. I try to reveal how CST can contribute to this managerial model with special attention to the criticism of CSR. I will focus on Pope Benedict’s Encyclical Letter “Caritas in Veritate”, because it is an example of the holistic model on which Catholic Social Thought is based. The fundamental claim that runs through Benedict’s Encyclical is that economic exchange requires love. I try to reveal how this approach can prevail in the concept of corporate social responsibility including the tasks shared by the state, the market and civil society.

1. What is CSR? Literature summary
At first we have to make clear what we are talking about! There are several interpretations of and approaches to Corporate Social Responsibility. Some criticisms are based on the misunderstanding or limitation of the concept of CSR. In some cases a clear definition of CSR may provide a sufficient argument in this debate as we can see in the followings. Hereinafter I will present a complex explanation of CSR taking into account the following aspects:

A. Principles
B. Responsibilities
C. Reasons/ origins
D. Official definitions

A. Principles of CSR
I focus on two resources concerning the main principles of CSR because of their theoretical and practical relevancy. Both of them outlined seven basic principles of responsible organizational policy. Some of these principles from these two resources are similar but they contain some differences as well. One is a legal study: “Corporate Social responsibility: A Legal Analysis” (Weissbrodt, 2009) which made a significant impact on the contemporary theory of CSR. National and international law has incorporated the principles of this book.

The other one is the so called ISO document. International Standards Organization tried to offer concrete guidelines to companies for the implementation of the core principles of CSR in their business. This is a practical approach of CSR.

Combining these two documents we can describe CSR by the following requirements:
(1) Accountability, which means that management is answerable to the supervisory authorities of an organization, to legal authorities and to society in general;
(2) Transparency, which implies that organizations should disclose their policies and activities and their likely impact on society in an accurate and readily available manner;
(3) Stakeholder interests primacy including the rights and legitimate interests of all groups that are affected by corporate policy;
(4) Integrated, sustainable decision-making means that focus on the interests is required from managers when making decisions.
(5) Consistent best practices means that it is necessary for corporations to apply the same standards of corporate behaviour throughout the world, respecting international norms of behaviour, concerning environmental protection, human rights, workers’ rights etc.
(6) Ethical behaviour, which should be the standard of corporate behaviour, including honesty, equity and respect for the rule of law, which constitutes a mandatory corporate obligation to obey national and international law.

(7) Community investment means that corporations must actively seek to benefit the public good. (ISO 26000, 2009, 10–14).

B. Responsibilities of CSR

Corporations may have different responsibilities for their different stakeholders. Different responsibilities require different treatment and behaviour from the companies. Several taxonomies exist in the literature. Hereinafter I will review the most important and referred classifications.

Hans Jonas (1984) distinguishes natural responsibility and contractual responsibility of CSR. The firms have contractual responsibility for their so called legitimate stakeholders (for business partners) but they also have natural responsibility for their normative stakeholders (e.g. for local society). According to this approach the natural responsibility is not less important than the contractual one.

Hart (1968) differentiate four types of responsibility of the enterprises. Role responsibility for external stakeholder is based on the positions and tasks of the employees in the corporations. The causal responsibility is the consequence of the firms‘ activity and their possible impact on the society and environment where they operate. Liability responsibility for regulations is completed by a volunteer responsibility of the corporations which is a fundamental characteristic of CSR. Capacity responsibility is a personal attitude and ethical behaviour of the managers and employees is also required.

According to Archie Carroll’s (2001) classification there are four responsibilities of the firms. Economic responsibilities require the companies to be profitable for shareholders, provide good jobs for employees, and produce quality products for customers. Legal responsibilities mean complying with laws and playing by the rules of the game. Ethical responsibilities are doing what is right just and fair, and avoiding harm. Philanthropic responsibilities mean making voluntary contributions to society, giving time and money to good works.

In Lantos‘ classification these responsibilities correspond with types of CSR: ethical, altruistic and strategic ones. Ethical CSR is a morally mandatory fulfilment of a firm's economic, legal and ethical responsibilities to avoid harm or social injuries. Altruistic CSR is a fulfilment of an organization's philanthropic responsibilities, even if this sacrifices part of the business's profitability. Strategic CSR fulfils those philanthropic responsibilities which will benefit the firm through positive publicity and goodwill (Lantos 2002).

C. Reasons/origins of CSR

Researchers try to find the main motivations or driving force behind the evolution of CSR. Concerning the reasons of CSR practice two hypotheses emerged: the globalist and institutionalist hypotheses.

The globalist hypothesis says that CSR efforts are a function of the dictates of the global market place. CSR is a tool to secure the balance between the benefits and social costs of the open markets (Scherer and Palazzo, 2008). Discrepancy between national and global regulations and the presence of the regulatory vacuum forces the firms to go beyond legal requirements. Companies need to establish a new form of legitimacy and a social license to operate (Sklair 2001). CSR is a response to antiglobalization pressures, globalized companies have a greater need for CSR.

The institutionalist hypothesis states that CSR efforts are a function of institutional factors in the national political-economic system. Strong political culture in terms of traditional
pressures for public participations is a driver for CSR-performance. Companies from countries with strong institutions for social embedding of the economy or firms from strong welfare states are expected to have comparative institutional advantage for CSR.

Gjølberg (2009) developed an index of CSR performance. His investigation underlines that there is a complex interaction between CSR, globalization and local institutions, there is a complementarity between ‘soft’ civil regulation and ‘hard’ government regulation of business practice.

**D. Official definitions of CSR**

There are several parallel official definitions of CSR. World Business Council for Sustainable Development (1999) identified CSR as the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life. In 2001 the organisation modified its previous definition: “Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large”.

The Business for Social Responsibility identified CSR in 2001 as “operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. Social responsibility is a guiding principle for every decision made and in every area of a business.”

With its so-called ‘Green Paper’ the European Commission (2001) gave a widely accepted definition of CSR: it is “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2001, 8) It focuses on two different aspects of corporate responsibility:

As a management tool CSR should guarantee that CSR-relevant aspects become part of the corporations’ day-to-day business and are integrated into their governance structures. In this sense, corporate policies and procedures are in line with commonly accepted ethical standards and respect stakeholders’ rights “in areas such as working conditions, the environment or human rights” (European Commission, 2001, 17).

As a political demand, CSR describes voluntary corporate engagement for a better society and a cleaner environment. In this sense, corporations should not only contribute to economic welfare by providing useful products and services, paying taxes and offering secure workplaces, but they should also engage with society as good corporate citizens by undertaking additional responsibilities (see ibid., 12–16).

This definition reflects several above mentioned principles (e.g. respect for stakeholder and human rights, ethical behaviour, standards of corporate behaviour, community investments), it requires economic, legal, ethical and philanthropic responsibilities on voluntary bases. It is the starting point of our analysis.

**2. Economic Criticism of CSR**

Some economists (e.g. Freidman, M.) and economic schools (e.g. Chicago school) argued that CSR is not a legitimate corporate activity for many reasons. This criticism is part of a general academic discussion on the purpose of economy which is out of this paper’s framework. That is why I try to outline those relevant arguments in this debate which impact on the essence of CSR theory directly, and I will confine myself to the presentation of some aspects of this dispute.

A. Economic purpose per se is ethical and socially effective, CSR is needless. Corporations
are formed for limited economic purposes which is profit maximization and not promoting societal welfare.

B. Legal regulations provide the return for any benefits a firm receives or compensate for any harm, which business activity causes. Consequently corporations don’t have to give back anything to society.

C. Stakeholder theory which is the base of CSR practice is not an appropriate approach for business. CSR is involuntary charge for shareholders.

D. Compensating for governmental duties by corporate activities causes serious problems.

A. Economic activity per se is socially effective

I pick up some relevant arguments from the most referred authors and show their statements concerning this question without the want of a complete summary of their economic theories. The constant referential and starting point in most of the economic debates is Adam Smith, who was a professor of moral philosophy as well. Smith emphasized utility’s connection with beauty and virtue (Smith, 1756). He argued that the goal of the market is cooperation, the division of labour which serves mutual advantages (Smith, 1776). In this context the whole free-market economy is based on trust and moral actions, they are the foundation of successful market functioning. Another important statement about the behaviour of market actors is that the homo oeconomicus is not value-neutral, not selfish, but he represents some important virtues such as prudence and rationality (Szalai, 2014). Self-interest is not the same as selfishness, which is one’s own interest at others' expense. Self-interest is simply a concern for financial reward and is necessary if society’s common good is to be maximised. (Lantos, 2001)

Another frequently referred work in this field is Wicksteed’s Common Sense of Political Economy (1910). He tried to secure the economic purpose from selfishness: “This economy and liberty will be equally valued by altruistic and by egoistic groups or individuals, and it would be just as true, and just as false, to say that the business motive ignores egoistic as to say that it ignores altruistic impulses. ” (I.5.24)

We have to mention Pigou as well, who defined economic welfare as “that part of social welfare that can be brought directly and indirectly into relation with the measuring-rod of money” (Pigou, 1952, 11)

The economic relations are positive sum games, the actors cooperate with each other because this relation is mutually advantageous for both of them. The market may create Pareto efficiency which is a state of allocation of resources when it is impossible to make any one individual better off without making at least one individual worse off. Pareto improvement results in a so called win-win situation.

The market doesn’t reward the unethical behaviour on the long term. Without trust the so called transaction costs are high. Transactional cost can be anything that prevents mutually beneficial transactions to come into being (Coase, 1937).

The free market and capitalism are the means by which people can lift themselves out of poverty.
Friedman stated in his article “The Social Responsibility of Business is to Increase its Profit” (1970) that the social benefit will be achieved by ignoring that benefit and focusing on only (shareholders’) wealth maximization.

**B. Legal regulation is answer for social challenges**

There are two important models of the corporation concerning the importance of legal framework: the so-called contractarian model and the communitarian model (which I will discuss in details later). The “contractarian” school of corporate law came to dominate legal scholarship since the 1980s. In this model corporation is a form of contract between shareholders, it is a private matter between individuals placing no additional duty on the firm. Corporations are “simply legal fictions which serve as a nexus for a set of contracting relationships” (Jensen, 2001, 297-317). According to advocates of this theory this model provides the greatest efficiency. The contractarian model accepts only shareholder interests and states that without contractual bargaining power nobody has a right. Corporations have no obligation back to society. If business activity doesn’t meet society's needs, then government establishes good laws and policies, and such problems disappear.

Economics is the science of contract (Edgeworth, 1881, 17). The market is a framed institution which is based on a clearly defined regulatory system. Almost all economic transactions need a certain type of governance. The market itself does not exist if there is no law of property, law of contract or law of compensation. Those problems that are identified as of the market rather should be seen as the pitfalls of the legal system (Hayek, 1973).

Corporations need not give back to society, since a business pays taxes in return for any benefits it receives or for any harms it causes. Under multiple-goal theory, goals of taxation law are the followings (Elkins, 2009).

**Purpose of the Tax**

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<td>Illegitimate</td>
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(Elkins 2009)
Commutative taxation serves the purpose of overcoming market failure. Distributive taxation modifies the market distribution, restitutive taxation confiscates ill-gotten wealth, and punitive taxation discourages unwanted behavior.

C. Stakeholder theory is not an appropriate approach for business

The contractarian model is connected to the shareholder theory and the communitarian model relates to stakeholder theorem. The ideological bases of shareholder theory focuses "on the individual as autonomous being and ... human liberty as freedom from external, unconscented-to restraint." (Millon, 1993, 1374). The shareholder theory requires primacy to be given to the shareholder. The corporation should be governed for shareholder wealth maximization. The best way to govern the corporation is by a board of managers elected by and accountable to the shareholders. Additional reasons for shareholder primacy are that shareholders hold the residual claims, shareholders have the greatest risk, and shareholders have the least protection. (Sheehy, 2006, 215)

By contrast the stakeholder theory views the individual as set in a social context; it considers liberty as having positive duties. The stakeholder theory means that business enterprises have multiple purposes; they should serve not only wealth for shareholders but also value for a broader range of stakeholders.

Elaine Sternberg is the leading spokesperson opposing stakeholder theory. She argues that the stakeholder theory is incompatible with business and corporate governance; it undermines private property and wealth. The number of stakeholders is infinite and stakeholder theory has no means of balancing the competing interests of various stakeholders. The theory does not make managers responsible to owners, managers cannot have any true accountability (Sternberg, 1996 in Sheehy, 2006, 204).

Sternberg opines, "stakeholder theory seems to offer a free lunch; it attracts those (who) would like to enjoy the benefits of business without the discipline... [and] those with most to gain from avoiding accountability: business managers...[and] promoters of worthy 'causes,' who believe they would be the beneficiaries." (Sternberg, 1996, 8-9)

D. Compensating for governmental duties causes problems

European Commission describes CSR as voluntary activity, and it remains unclear whether corporations have to substitute, to supplement, or to compensate governmental efforts. While corporations substitute or supplement governmental activities it seems to be less problematic, but compensating for governmental duties by corporate activities causes serious problems. On the one hand, corporations act in these fields as quasi-governmental actors, without democratic legitimization. On the other hand, CSR is considered to be voluntary, which means that it is no guarantee that the corporate activities will compensate for governmental services in all relevant areas (Ablander 2011).

Business organizations are not usually competent in public welfare issues. This is because they do not have adequate training and facilities to provide the needed aid which society desires. (Shaw – Barry, 1992)

Another problem roots in the fact that multinationals move across borders, but governments are national. The different national governments represent different traditions concerning task sharing among state, firms, and civil actors. The American and European perspectives of CSR diverge from each-other just because of the different considerations of these responsibilities. Government and not the enterprise is that actor in a globalizing world which must play the role of the mediator balancing the various interests of political, economic, and civil actors.

3. Answer for the criticism on the bases of CST and empirical researches
The Church officially discussed economics at least in the documents “Rerum Novarum” (1891), in the “Populorum Progressio” (1967), in the “Centesimus Annus (CA)” (1991) in “Caritas in Veritate (CiV)” (2009) and in Pope Frances’s Evangelii Gaudium (EG) (2013). Referring to the statements of CST I try to present the standpoint of the Catholic Church and its possible contribution to the above specified debate on the reason for existence of CSR. I will follow the order of critics in the previous chapter.

A. Economic activity per se is not ethical and not socially effective.
First of all we have to declare that the Catholic Church doesn’t provide an alternative way between capitalism and socialism. But! CST states that there is no domain of the “economic” with its own facts and laws. The illusion that the economy was somehow “autonomous…has led man to abuse the economic process in a thoroughly destructive way” (CiV§ 34). From the anthropological view of the Catholic Church we can consider the market as a community of persons and not only the place of the exchange. Pope Benedict in CiV gives a new definition of the market. It is not only “not egoistic”. Pope Benedict describes love as “the principle driving force in every person and all humanity,” love is the principle in humans’ micro- and macro-relationships as well. The economic sphere is part of human activity, and precisely because it is human, it must be structured and governed in an ethical manner. (CiV§ 7, 53).

It rejects the „homo oeconomicus” approach of man because it is not a truly ontological construct of him/her. Decisions on economic matters are taken by the same humans who take them on moral, aesthetic, or simply family matters. Homo oeconomicus and homo sociologicus is the same person, whose moral isn’t limited to practising some virtues, such as prudence and rationality. The 2008 financial crisis was not independent from economic theories based on the homo oeconomicus as a model of the human being. (Argandon et al, 2011)

The Catholic Church says that without ethics the economy doesn’t function correctly. But this ethic is not limited to those moral actions which were defined as market characteristics in previous chapter. Pope Frances defines ethics in a narrow sense: “….ethics leads to a God who calls for a committed response which is outside the categories of the marketplace… When market categories are absolutized, God can only be seen dangerous, since he calls human beings to their full realization and to freedom from all forms of enslavement”. (EG §57)

Pope Frances pointed out the unsustainability of neoclassical market conception, “which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world. This opinion, which has never been confirmed by the facts, expresses a crude and naïve trust in the goodness of those wielding economic power and in the sacralised workings of the prevailing economic system”. (EG § 54).
The message of CST is that the purpose of a firm is not simply to make a profit but it also has to serve the needs and welfare of the people involved in the business and of the society where the firm works. The instrumental role of profit and its link with other purposes are fundamental concepts in John Paul II’s Centesimus Annus. (CA, 35). Profit is merely the first indicator that resources have been properly utilized. But if such profit is the result of the exploitation of workers, it avoids the obligations of social justice and violates the rights of workers. Therefore, a business enterprise should rather be taken as a “community of solidarity” which must maintain the welfare of its people, its owners, and the environment, i.e., a “social ecology” (John Paul II1991). The individual profit of an economic enterprise, although legitimate, must never become the sole objective (Pontifical Council 2005, 51).

Regarding profits in CiV suggests placing the common good and more equitable economic development on both the corporate and public agenda. Caritas in Veritate calls for nothing less than for “a profoundly new way of understanding business enterprise” (CiV§ 40). Entrepreneurial or managerial action cannot be dissociated from economic goals, which in turn must contribute to integral human development.

B. Legal regulations is not answer for social challenges

The previously mentioned communitarian model considers corporation as a concession from society, and then one may rightly claim some corporate obligations back to society. The corporation is a member of society, a social body. This approach is sceptical about the practical efficacy of contract as a mechanism by which non-shareholders can protect themselves from harmful effects and it denies that contract alone should specify the terms of corporate governance relationships. For communitarians, justice does not require endorsement of the existing distribution of wealth and bargaining capability. Rights are not absolute; law is not a priori and not a product of its particular time and involves certain styles of thinking. Reforming the corporate law is not the proper way to foster individual dignity and promote societal welfare. (Millon, 1993)

This is the point where Catholic social teaching may contribute to this debate, because the dignity of the human being, the common good and solidarity are three of its main principles which are in the centre of the communitarian model independently from the effectiveness of legal regulation.
Dignity of the human person means that human life is sacred and the dignity of the human person is the foundation of a moral vision for society. The human person is not only sacred, but social. People have a “right and duty to participate in society, seeking together the common good and wellbeing of all, especially the poor and vulnerable” - this is the definition of the “Call to Family, Community, and Participation”. Work is a means of participating in society, and to protect the dignity of work the rights of workers must be respected.

Common good is based on the CST’s principle of the universal destination of goods. This principle means that God made the goods of the earth for the use of all men. “The world is given to all, and not only to the rich.” (Populorum Progressio §23) Property rights and the right of free trade are only instruments for respecting the greater principle of the universal destination of goods. The social function of property and the universal destination of goods are realities which come before private property. The private ownership of goods is justified by the need to protect and increase them, so that they can better serve the common good. Business should be a noble vocation, which serves the common good by increasing the goods of this world and making them more accessible to all. (EG§189, §203) Profits undermine the otherwise desirable creation of wealth if they do not recognize the common good as their ultimate goal (CiV§ 21). Pope Francis says the dignity of each human person and the pursuit of the common good are concerns which ought to shape all economic policies (EG §203).

Solidarity is the principle that all members of society have a responsibility to help the other members of their community with the needs that they cannot remedy themselves. Pope Benedict’s principle of gift gives a wider sense of solidarity. The principle of gift indicates the give-receive-reciprocate relationship, where the term “gift” specifies the action of giving more than it is possible to receive, and therefore includes the activity of cooperation, solidarity, etc. Members of an association or a family are kept together not by contract or law, but by a sense of shared interests. That is what gift means! (Zamagni 2013)

Pope Francis approaches solidarity in a radical way: “Solidarity must be lived as the decision to restore to the poor what belongs to them”. “We are not simply talking about ensuring nourishment or a “dignified sustenance” for all people, but also their “general temporal welfare and prosperity” (EG §189, §192).

Concerning the role of taxes we have to underline the fact that tax regulation is various, it depends on national law. International regulations are still far behind national ones. Beyond the problem of differences in regulation we have to face the fact: effectiveness of tax regulation is strongly controversial. Tax avoidance of companies became a “special profession”. Without an ethical and responsible attitude for the common good, legal regulation per se are not proper means to enforce social requirements.

C. Stakeholder theory is an appropriate approach for business

CST is based on the stakeholder model of business leadership. Primacy of human dignity has significant economic implications. Basic CST position is that an economy must be judged on how well it serves all people, not just the narrow financial interests of a controlling few. CA states business organizations are more complex anthropocentric organizations with a threefold purpose: profit, service to society, and satisfying basic human needs by providing decent work. In CiV Pope Benedict XVI underlines that corporate social responsibility, which truly rests on personal virtues, cannot be reduced to attitudes towards specific groups of stakeholders but extends to the entire value chain and all stakeholders. Business management cannot concern itself only with the interests of the proprietors, but must “assume responsibility for all other stakeholders who contribute to the life of the business: the workers, the clients, the suppliers of various elements of productions, the community of reference” (CiV, 40).

Several theoretical and empirical research results support the relevancy of stakeholder approach. Sheehy summarised the essential refutation of stakeholder theory criticism in his
article “Scrooge-The Reluctant Stakeholder: Theoretical Problems in the Shareholder-Stakeholder Debate” (2006). He pointed out that in the centre of shareholder primacy there is wealth maximization. But whose wealth is it? Is it shareholder wealth, or is it corporate profit? There is a significant difference between them and the ways to achieve them (Hu, 1994). Another fact is that several conflicts exist between shareholders as well, there are short-term, long-term, high-risk and low-risk shareholder interests, and it is difficult to balance these different interests.

Sheehy also underlines that the only time shareholders have the actual residual claim is when the corporation is in bankruptcy or being wounded. These situations are not generally considered a normal or desirable operating procedure. Concerning the question of risk it is worth to compare shareholders’ risk with other stakeholders’ risk such as employees and corporate financiers. The exit option is an exceptional strategy for shareholders to manage risks. “In addition, shareholders are granted several special remedies at law, such as derivative actions and winding-up the company on just and equitable grounds, denied to other stakeholders.” (Sheehy, 2006, 219).

Sheehy underlined that beyond stakeholder’ rights the law recognizes many other limitations on private property rights. For example, the state's right to appropriate land or to prohibit the ownership of another human being. He also demonstrated that there are various corporate governance structures in non-Anglo corporations which can handle the different stakeholders’ interests: the German two-tiered board or the Japanese model (207).

Lack of accountability is one of the main reasons for refusal of CSR practice. But CSR theory considers the accountability as a main principle which means that the management is answerable. It is a wider sense of accountability since this approach of this principle makes corporations accountable to those they injure and to require directors to consider those they may harm.

Concerning critics of offering free lunch to stakeholders or charging shareholders involuntarily Lantos (2002) pointed out that it depends on the type of CSR. As I above presented, strategic CSR will benefit the firm through positive publicity and goodwill. Strategic CSR is a growing marketing activity that benefits both companies and society. In his book on CSR Kotler (2007) lists several results of empirical facts and researches, which prove that corporations involved in charity and welfare receives various financial benefits.

**D. Compensating for governmental duties doesn’t cause problems**

Ablander (2011) pointed out that Catholic social teaching may offer a solution for the problem of task sharing through one of its main principles which is subsidiarity. Subsidiarity means that nothing should be assigned to a larger community that can be accomplished by a lesser and subordinate entity (PCJP, 2004, §185–186; Pius XI, 1931, § 79).

Pope Pius XI, in his encyclical Quadragesimo Anno (1931, §79) points out: subsidiarity is used as a norm for task sharing among governmental and private actors within civil society. In this sense, subsidiarity works in two ways. On the one hand, it defends the subordinate entities from illegitimate overregulation of higher political instances. On the other hand, it constitutes a right of assistance, if solving their problems is out of reach for the subordinate entities. Pope Benedict XVI has strengthened the importance of subsidiarity in managing globalization. Under the conditions of the global economy, subsidiarity can also be considered as an organizational principle for shaping responsibilities and interrelations among political, civil, and economic actors in a globalizing society. (CiV§57)

Subsidiarity would allow for describing corporate duties that go beyond good management practices and which are more concrete than voluntary engagement. From this point of view, as Ablander (2011) explains in his article, corporations bear a subsidiary co-responsibility in
society and can be described as intermediate actors who must carry out concrete duties in a system of subsidiary societal task-sharing.

We have to declare that companies play an essential role in society on the local and the global level as well. Independently from their competency companies’ social and economic impact on everyday life is an unarguable fact. Among the hundred biggest economies in the world 58 belong to state and 42 belong to multinational company. (on the bases of GDP and net sale) (Sales: Fortune, July 31, 2000. GDP: World Bank, World Development Report 2000.)

4. Conclusion

In this paper I tried to summarise the main points of the economic debate on CSR relevancy and those principles of Catholic social teaching, which may enrich this debate and provide arguments for it.

According to the critical arguments of CSR corporations are formed for limited economic purpose which is profit maximization. Corporations don’t have to give back to society, because good legal regulation and taxes may provide the required base for common goods. CSR bases on stakeholder theory, but this theory is not an appropriate approach for business. Compensating for governmental duties by corporate activities causes serious problems.

Catholic social teaching refuses the separation between business and ethics in which the only purpose of an economic organization should be profit maximization. Pope Benedict XVI describes love as “the principle driving force in every person and all humanity”. From this view business enterprises have multiple purposes; they should create not only wealth for shareholders but also value for a broader range of stakeholders and for the local and global communities in general.

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