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DEVELOPMENT OF CORPORATE SOCIAL RESPONSIBILITY FRAMEWORK FOR DEVELOPING COUNTRIES: THE CASE OF KAZAKHSTAN

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ABSTRACT

Purpose of research. The aim of this systematic review is to develop a general framework which is applicable for analysis of corporate social responsibility (CSR) in developing economies. This framework is further applied to transitional economy such as Kazakhstan.

Methodology. This study presents a systematic review of existing CSR literature on developing economies. The study used the content analysis approach and identified the relevant studies by searching the keywords. Based on existing literature, the study developed a general framework which summarizes mostly noted motives and limitations relevant for CSR discussion in the context of developing countries.

Originality / value. The most of existing studies aimed on developed countries and limited research is conducted in the context of developing countries that are characterised by weak institutional environment and have different socio-economic factors, compared to their counterparts. The study adds value to existing CSR literature by developing the framework which summarizes motives and limitations of CSR for developing countries.

Findings. We identified that most of existing studies have reported the barriers of undertaking CSR research and documented the factors such as corruption, weak stakeholder activism and lack of government controls as main constraints. On the other hand, existing studies reported that religious traditions, historical background, globalization, and government institutional voids are the main drivers of CSR studies. Subsequent application of the framework to Kazakhstan shows that these constraints and motives are also true for the country.

Keywords: CSR, society, community, contribution, developing countries, Kazakhstan.

INTRODUCTION

Despite the relative novelty of CSR term, the discussions regarding the role of business in society could be traced back to ancient thinkers such as Cicero who stressed the significance of moral behaviour in business practices. Since then, these debates were evolving, putting greater pressure on the moral image of entrepreneurs, as demonstrated by the boycotts of firms accused in using slave labour. More recently, sustainability issues are gaining global outlook founded on the aspects of environment, development, and human rights [1]. CSR concept is still progressing, with no consensus neither on the exact definition of CSR, nor on the responsibilities of firms in the sustainability framework. It is suggested to view CSR as an “umbrella” term uniting various practices and theories on three grounds: firm’s impact on society beyond legal requirements, its obligations towards different groups of stakeholders, and its interaction with wider society [2].

As focus of CSR is firm’s interplay with other actors of the environment and context where CSR is implemented. Face of CSR changes in different societal settings, due to inherent differences between societies themselves [3]. While Anglo-Saxon approaches to CSR dominate in publicity due to more prominent division between social and economic issues in Western countries, CSR can appear in other forms of social contract and carry different meaning in developing parts of the world [2]. In particular, CSR should be studied under unique prism in developing countries due to the several factors as summarized by Visser [4]. Firstly, developing economies are represented by countries having the highest growth potential. Secondly, these economies are facing acute social and environmental issues. Thirdly, impact from investment, globalization, and eco-

conomic growth in developing countries can have dramatic consequences, both negative and positive, on their society and environment. Finally, challenges to CSR agenda in developing world are different from the ones faced in developed economies. These emerging economies have divergent socio-economic environment from western countries. Therefore, the CSR developed by western countries have failed to show its effectiveness in developing countries. It arises the need to develop the CSR framework by looking into the unique environment of emerging economies. The socio-economic factors should also be integrated into the CSR framework to increase its effectiveness and compliance. Locally developed CSR conceptions are believed to better address regional social and environmental problems compared to the ones imported from the West, as they address specific pressing issues for the country, such as poverty, education, and healthcare, while Western approaches focus more on consumer protection, fair trade, and socially responsible investment [5].

The aim of this systematic review is to develop CSR framework which is applicable to developing economies, by highlighting motives and constraints of CSR implementation in developing countries' context covered in existing literature. The study shows that developing countries possess unique set of factors which ultimately shape their face of CSR. In addition, the applicability of this framework is tested on the example of transitional economy, Kazakhstan. This study contributes to existing CSR literature by presenting a general framework which summarizes motives and constraints of implementing CSR in developing countries, which represent a largely neglected spot in CSR literature.

MAIN PART

Methodology. This study utilized content-analysis approach for conducting systematic review. In particular, the relevant studies were initially identified by searching the key words in either paper's title or abstract, as summarized in Table 1. Initially, we collected 65 articles which satisfied key words criteria. Subsequent careful reading of abstracts of selected papers resulted in the exclusion of 15 papers, which lacked relevant discussion of the issues of CSR inherent to developing countries. The studies written during the period spanning from 1962 to 2020 were included into the review. In formulating the CSR framework, this systematic review focused on the drivers and limitations suggested by the scholars on CSR topic covering various developing countries around the globe. To reduce bias errors, quality of papers was also checked by including the ones published in peer-reviewed journals, (e.g., Scopus, Emerald insight, ScienceDirect, SAGE) books and conference proceedings.

Table 1 – Key words criteria

Research protocol	Description
Search fields	Titles and Abstracts
Databases	peer-reviewed journals, books, and conference proceedings, including Scopus, Emerald insight, ScienceDirect, SAGE.
Key words	CSR, developing country, emerging country, CSR problems, limitations, opportunities, benefits, Latin America, Africa, India, post-communist countries, religion, tradition, philanthropy, morality, business, social responsibility, context, society, community
Note – compiled by the authors	

Literature review

CSR evolution

Early literature inspired by shareholder theory mainly viewed CSR as a wasteless activity which damages profits of firm's business owners [6]. Agency theorists also questioned value of CSR by arguing that social initiatives undertaken by firm could be impacted by agency conflict, with managers promoting their own social interests or stakeholder preferences under the mask of CSR [7]. However, later works exhibit support of CSR, by arguing that socially responsible activities can enhance value of the firm. For example, Baron [8] noted that CSR is used by the firm as a tool to increase product demand and reduce costs. In addition, literature commonly highlights positive role of CSR practices in creating competitive advantage (e.g. [9];[10]). Furthermore, many

authors demonstrate positive effect of CSR on financial performance (e.g. [11]; [12]), thereby providing additional arguments in favour of undertaking socially responsible initiatives by the firm.

This change of views in respect to CSR was significantly influenced by globalization, which modified the environment in which business operates and reviewed the role business plays in society. Shift of world production to regions with weaker legal and regulatory systems made public issues particularly acute [13]. Due to such blurred boundaries, single government lacks enforcement mechanisms to deal with cross-national social and environmental issues, thereby creating conditions for private actors to fill institutional voids and respond to matters of public concern [14]. Nowadays, growing number of multinational firms are voluntarily taking public functions that once were attributed to government's public agenda [15]. These contributions are made by firms through investing their resources in education, health, or human rights. Thus, in the globalized framework, firm's role is expanding from merely contributing to private, but also to public good, therefore making private business not only economic, but also a political player [16].

In addition to globalization, shift of political ideology and introduction of political reforms in many countries contributed to ennobling the significance and importance of CSR role. The capitalist model dominated in 1950s and 1960s which focused on profit maximization, entailed violation of labor rights, causing subsequent response in society calling for more responsible business practices [17]. In 1980s and 1990s, the consequences of human actions on environment, including the ones by corporate entities, started to receive greater attention from international bodies [18]. Massive privatization of public services, such as healthcare, transportation, telecommunications and other seen in last decade, also changed the way CSR is perceived by putting in hands of private firms' products of social significance [19].

CSR in developing countries

Despite growing recognition of the importance of CSR role, due to inherent institutional differences, expectations from socially responsible initiatives and their strategic value are not the same across countries [20]. CSR is traditionally viewed as a Western phenomenon, with developed countries taking the lead in the implementation of CSR practices, regulations, thus exhibiting higher demand from firms to address social issues. Higher CSR disclosure scores in developed countries compared to developing ones reported by Bhatia and Makkar [21], also confirm that firms in developed countries put great focus on CSR practices in their business agenda. Media also plays an important role in highlighting the importance of CSR and increase its awareness among stakeholders. It is not surprising that current state of CSR research is mainly concentrated on developed countries, largely neglecting parts of the world where environmental and social problems are particularly evident [22]. Recently, Pisani et al. [23] conducted a systematic review and examined the globality of CSR research conducted over the last 31 years period and showed that developing countries receive little coverage by international CSR research, thereby questioning global nature of CSR literature.

However, implementation of CSR practices has a special importance for developing countries in particular at least for the following reasons. Firstly, developing countries' settings are characterized by the presence of institutional gaps, which CSR has a potential to address [24]. Furthermore, it is argued that CSR practices in developing countries should be assessed through the prism of these gaps [25]. Secondly, increased cross-border investment witnessed in recent years raises the role of CSR in international business operations. For example, striking number of instances when multinational firms originated from Southern and Eastern regions are investing in Western economies, calls for adaption of the former to new environment distinguished by stronger stakeholder pressure [26]. On the other hand, investment in less developed regions makes multinational firms to deal with unstable and fragile environment [23].

The role of CSR in filling institutional gaps was demonstrated by El Ghouli et al. [27], who observed that CSR initiatives have greater value in countries characterized by weak market institutions. In particular, authors found that in countries with weak equity and credit markets, CSR can result in better access to financing. In addition, the study showed that in countries where business freedom is constrained, CSR can increase investment, while decreasing default probability. Finally, in countries with weaker legal institutions, authors observed positive role of CSR in extending trade credit period and improving sales prospects. These findings suggest that CSR reduces transaction costs which usually arise due to the presence of institutional gaps in the country.

In countries with weak market environment, which is common feature of developing economies, CSR can lead to increased transparency and reduced managerial discretion, thereby mitigating agency costs and informational asymmetry [28]. In addition, in countries with high state intervention in business matters which put a constraint on managerial investment, firms can gain a support from local communities for value-maximizing investments by demonstrating commitment to environmental and social matters [27]. CSR initiatives can build social capital by the means of relationships with stakeholders, which in turn lead to lower business risk [29]. In countries with weak legal environment, where enforcement of contracts lacks power, firm's commitment to CSR can boost confidence of suppliers and customers, reflecting in positive trade terms and sales [30].

Though, positive views of the impact of CSR in developing countries also face the critique that CSR is not a panacea. The following section presents arguments in favor and against of implementation of CSR in developing countries.

Benefits to firm from CSR Practices

CSR as a Win-Win Strategy

Contribution of firms to resolving acute social problems can make substantial difference in overall country's social well-being, allowing firms to benefit from more stable society and safer environment in the country of its operations. In this way, CSR can be viewed as a win-win strategy by building synergetic value [31]. The value could be created by engaging in activities which contribute to social needs, but at the same time are in line with firm's business objectives. Improved social living can result in the expansion of firm's customer base or workforce [32]. Though, Rekom et al. [33] argued that firm should focus on CSR activities which are in line with its core operations, as they are the ones which are expected to bring value and are less likely to be cut during the periods of downturn. They also noted that undertaking initiatives unrelated to main business may result in employees' demotivation due to the feeling of lack of expertise to resolve the issue, as well as meet less support from external and internal stakeholders.

Building Competitive Advantage

By implementing CSR practices, firms can build competitive advantage through differentiation, risks and costs reduction and brand loyalty. CSR can be viewed as a form of differentiation strategy, making firm to stand out from competitors [34]. In addition, it can strengthen firms' relationships with various groups of stakeholders [35] and attract investors which care about positive history of employee, environment, and corporate governance [36]. However, in order to build competitive advantage, CSR should be implemented carefully in alignment with firms' economic gains and social benefits [32]. In terms of risk reduction, CSR is argued to bring "insurance-like" protection to firms' shareholders [37]. CSR can also decrease costs through a reduction of firm's cost of capital, which was demonstrated by several studies, including on developing economies [38; 39; 27]. With regard to reputation, firms can make a statement regarding their corporate values and enhance reputation by engaging in socially responsible activities. For example, in Brazil, firms which pass certification from Abrinq Foundation receive a logo for fighting child labour, which is later used by firms to communicate their values to young generation [40].

Improving bottom-line through CSR

The relationship of the level of CSR and corporate financial performance has been standing among the top issues of CSR research agenda for both developed and developing economies. Some proponents of the positive link between the two argued that CSR has a value-enhancing effect on firm's reputation, which in turn results in higher investment trust, open market opportunities and positive reaction of capital market, reflected in the improved financial performance [41]. Supporting example of positive relationship in developing countries was demonstrated by Uadiale and Fagbemi [42] on the basis on quoted Nigerian firms, finding positive significant relationship between CSR and financial performance measures, namely Return on Assets (ROA) and Return on Equity (ROE). Similarly, positive relationship between the variables was documented by Akben-Selcuk [43] on a sample of non-financial public firms in Turkey. In Chinese context, Chen and Wang [44] reported that CSR activities in current year can have positive effect on firm's financial performance in the next reporting period. Direct benefits from CSR include reputation, lower employee turnover and higher employee satisfaction, thereby improving overall financial performance [45].

Criticism on CSR

Despite opportunities which CSR opens to business and socio-economic issues it addresses, evidence regarding its impact on developing countries is inconclusive. The main unanswered question remains is whether CSR can actually contribute to development? Mainstream CSR practices were criticized for overemphasis on corporate reputation, which distracts the focus from actual problems falling under the scope of CSR [46]. In addition, CSR can lead to bias towards the interests of firm's primary stakeholders, overlooking other social groups that can also be indirectly impacted by firm's operations [47]. Newell's [48] argument that "CSR can work, for some people, in some places, on some issues, some of the time", supports the view that applying one model of CSR is not appropriate in global outlook.

Classical critique by Friedman [49] that business is responsible only for maximizing profits of shareholders, with social matters left to the hands of government, is under question in the case of developing countries due to their weak institutional framework that is not able to resolve all acute social issues. On the other hand, argument that involvement of firms in the activities unrelated to business can result in the dilution of its main business objective [50], can be applied to firms in both developing and developed countries.

Built on these contrasting views regarding the value of CSR to developing nations, this study proposes the framework for CSR in developing countries to enhance the understanding of CSR to such countries in general, and review motives and limitations of its implementation argued in previous literature. Next, this study tests the application of this framework on transitional economy, Kazakhstan. But prior to creating the framework, this study discusses CSR in developing countries through the prism of Carroll's CSR pyramid in the section that follows.

Carroll's CSR Pyramid in Developing Country

Society's expectations from organizations are commonly viewed by applying Carroll's [51] pyramid which is comprised of the four responsibility layers imposed on firm by society: economic, legal, ethical, and philanthropic. Economic responsibility is a foundation of the pyramid and represents a baseline requirement from a business to be able to sustain itself by generating profits, creating workplaces, and producing goods and services the society needs and desires [52]. Going to the second layer, firms are constrained by various laws and regulations which reflect society's view of fair business. Thus, firms are expected to operate in consistency with government's legal requirements, comply with laws and regulations at all levels of authority, fulfil legal obligations to other stakeholders and provide goods and services which meet legal requirements. On the third level of the pyramid, society expects business to demonstrate ethical behaviour even if formal regulation is absent. In this way, firms voluntarily undertake ethical activities, guided by the principles of morality and justice while conducting their business affairs. Finally, top of the pyramid is held by philanthropic layer which represents expectation from the firm to make community contribution on voluntarily or discretionally basis. Firms are expected to act as a good citizen, like individuals.

When applying Carroll's pyramid to the context of developing countries, some modifications are needed. In particular, Visser [4] suggested different order of the layers in the pyramid, still putting economic responsibilities the bottom, followed by philanthropy, legal and ethical dimensions. Economic contribution was named as a main requirement from firm by society in developing countries, where it has special relevance due to country's facing different economic challenges, such as poverty or unemployment. In contrast to the classical pyramid, philanthropic rather than legal layer goes after economic one. Author argued that in developing countries, philanthropic tradition is strong in nature and in many ways is expected as a norm. In addition, firms are motivated to engage in philanthropy to contribute to the well-being of society where they conduct business. Legal responsibility was given lower priority than the one in original pyramid, due to the argument that in developing countries, legal environment lacks regulation and enforcement and control mechanisms to ensure good business conduct. Finally, ethical responsibilities were put at the top of the pyramid, reflecting weak ethical environment for business operations, including corruption and lack of transparency present in developing economies.

Motives of CSR in Developing Countries

The following section presents the discussion of the forces that can explain CSR initiation in developing countries found in prior literature, including religion, historical background, local governments, and globalization.

Religion

While CSR term originates from the West, the tradition for charity, altruism and community involvement is not a novel one for developing countries, though the applied philanthropic approach is less systematic. Religion was named among major motivators of this longstanding philanthropic tradition [53]. Indeed, Buddhism, Hinduism, Christianity, and Islam religions, which are widespread in developing world, are based on a notion that people uphold responsibilities to others, in this sense having an alignment with principles of CSR. Particularly, by advocating interconnection between everything in life, religion discourages people's negative social and environmental impacts [54]. In addition, religion is argued to result in a lower risk undertaken by people, and thereby, more socially conscious practices [55]. The religious atmosphere in the region imposes an effect on firm's social behaviour as well, despite religion beliefs of individual manager, due to the preference of organizations to align with social norms of local community [56]. Caring about the environment also presents an important aspect of most religious doctrines, consistently with CSR. The idea of ecological balance has long been addressed in religions, outpacing the emergence of government's environmental regulations [57].

Prior works examining impact of religion on social responsibility mostly demonstrated the support of the positive impact of religious aspect on CSR in developing countries. For example, India, despite having lowest gross national product among a sample of Asian countries examined by the study by Chapple and Moon [58], had the most developed CSR, which was attributed to philanthropic doctrines coming from Hinduism. In Latin America, region's Catholic background was argued to serve as a main driver of altruism and solidarity in private sector [59]. In particular, in Brazil, strong Catholic tradition led to creation of Christian Association of Business Executives, which made significant contribution to raising country's social consciousness [60]. Consistently, Su [61] showed the importance of religious atmosphere based on China, with higher CSR levels observed in more religious areas, which author explained by firm's less selfish behaviour and higher care about other stakeholders. Cross-country analysis conducted by Williams et al. [62] agreed that religion plays an important role in shaping attitudes towards CSR, however, authors demonstrated high variation in these attitudes among religions. They also raised a concern that people tend to exhibit different attitudes towards others depending on their religious background.

Historical Heritage

While religious component is strong enough to encourage social consciousness in many developing countries, in some other developing regions where weaker link between business and religion is traced, historical rather than religious background can explain more regarding the country's state of CSR. For example, in South Africa, apartheid past resulted in a raise of active civil society, which encouraged social justice and adoption of CSR practices in post-apartheid era [63]. However, in sub-Saharan African countries, where civil society lacks power, state of CSR is poor and requires external support [64].

Post-socialist developing countries which experienced the transition from socialism to capitalism also present an interesting case for CSR discussion. This paradigm shift was not an easy one both for people and the economies, with the effects of "socialist heritage" still echoed today. During socialism, firms did not bear responsibility for sustainable and efficient production, however, they accomplished many functions which benefited society, such as education, medicine, and sports. With privatization led by transfer to market economy, this social burden was taken away. However, the legacy of central planning and perception of firms as social entrepreneurs is still echoed in the present, motivating firms to continue undertaking social initiatives [65].

Government

Government should play an important role in enforcing and motivating of CSR, as well as creating enabling environment by incorporating CSR principles and practices in government institutions themselves [66]. However, environment which encourages CSR in developing countries is either lacking, inefficient or underdeveloped [67]. Many developing countries face with the problem of weak governance system and corruption, discussed in later section of this review, which undermines government's power to fulfil need for various social services, such as building infrastructure, improving education and healthcare. In addition, they include countries with strong dependence on natural resources, such as oil and gas, which cause governments' over-spending due to overreliance on resource richness, and neglect of non-mineral sectors of the economy, combined with widespread corruption and social inequality [68]. For example, it is argued that in Azerbaijan polit-

ical system is organized in such a manner which encourages short-term gains and rents, rather than country's long-term development [69]. In Mexico, the adoption of neo-liberal policies also hindered CSR practices [70].

CSR in developing countries can act as an alternative to government and have relevance by fulfilling government gaps in provision of social services [2]. This could be accomplished by the means of privatization, welfare reform or citizenship improvement [15]. In Latin America, private firms, despite the absence of governmental rewards, such as tax breaks, engage in community investment activities to create safe society base where they can operate more effectively [59].

Globalization

Globalization accompanied with expansion of international operations, put firms' sustainability practices under the spotlight. Multinational firms are feeling greater pressure from stakeholders, such as international organizations, non-governmental organizations, and civil society, to rethink their attitudes to CSR in developing countries where they conduct business. As a result, vertically integrated firms are introducing similar social and environmental standards in both developed and developing economies, or in case of dependency on suppliers from developing economies, firms are accounted to be responsible for their suppliers' social and environmental behaviour [71]. Though, CSR initiatives by multinational firms in developing countries are mainly implemented on a micro-level, via provision of basic services which host country's government is not able to offer. This could be driven by the relative benefit of micro-level activities to both firm itself and host country, and unwillingness of firms to engage in macro-level initiatives, such as tackling corruption, to the discontent of local authorities. However, the focus to macro-level CSR activities should be shifted, calling for greater contribution towards social and economic development of the host country of operations [69].

For local firms, CSR can be viewed as a way of accessing markets of developed world. For example, the study by Baskin [72] revealed that CSR in Central and Eastern Europe and Asia is highly motivated by gaining competitive advantage on an international arena. In addition, regional firms which are expanding to international operations, are faced with stringent international standards which encourages increased disclosure, including sustainability practices. United Nations (UN) 2030 sustainability agenda [73] which set 17 goals for sustainable development for both developed and developing countries, in many respects address solving problems which are relevant to developing world, such as poverty alleviation, no hunger, improvement of health and well-being, education and eliminating inequality. The initiative is argued to transform the world by calling for action by developed and developing countries in a global collaboration.

Limitations for CSR in Developing Countries

Main holding factors of CSR in developing countries found in prior literature include corruption, weak government enforcement and poor activism of civil society discussed below.

Corruption

Corruption represents one of the crucial factors which hinders undertaking CSR initiatives by firms in developing countries. The high level of corruption undermines firm's desire to establish long-standing relationships with stakeholders other than government officials, as their business continuity heavily depends on the ability to win tenders or licenses rather than customers, employees, or local community. Corruption can have various effects inconsistent with sustainability practices, such as violation of employees' rights and inadequate working conditions, overlooked environmental damage or poor product quality. In addition, resources allocated specifically for ecological and social needs could be misused for private interests. Corruption was named as one of the limitations for CSR practices in the studies of different countries, not only developing, but also developed ones. For example, Poland was characterized by widespread corruption, as indicated by the number of corrupt cases disclosed in the study by Lewicka-Strzalecka [74], though it was also mentioned that increasing persecution is also taking place. In Azerbaijan, corruption reflected in unequal allocation of oil revenues, also was identified as a factor constraining country's social and economic prosperity [69].

Other way round, CSR can be viewed as a tool for mitigating corruption risk. However, positive impact of CSR on corruption was mainly demonstrated in countries with strong institutions, effective regulation and high property and investment protection, which are characteristics of developed, rather than developing regions [75]. Effect of CSR on mitigating corruption in developing countries which do not share these characteristics, is less pronounced [76].

Lack of Regulation and Stakeholder Activism

The role of government in the enforcement of CSR practices cannot be underestimated. In the developed world, the growth of CSR was significantly motivated by legislation, with initial emphasis on responsible business operations, not community contribution [59]. Over time, regulation has been evolving by demanding businesses to operate responsibly in various spheres by the means of acts and reforms. Trade unions and social groups represent one of the main factors which facilitated introduction of changes in social regulation in developed world and formation of responsible business and labour practices. However, in developing countries, regulation of businesses in terms of responsible practices is less commonly observed. For example, in Turkey government focuses on economic, rather than social issues, with firms required to present only a disclosure of CSR activities, without obligation to follow a set of defined principles [77]. In addition, weak stakeholder activism fails to put pressure on governments, which in turn is not eager to impose additional standards at the cost of powerful and wealthy firms. In addition, while consumers in developing countries can exhibit sympathy to environmental issues, their buying decisions are mainly led by price rather than environmental concerns, with avoidance of purchasing environmentally friendly products due to their higher price tag [78].

Thus, review of prior literature helped this study to create general framework which summarizes motives and limitations of CSR initiation and implementation in developing countries, as demonstrated in Figure 1.

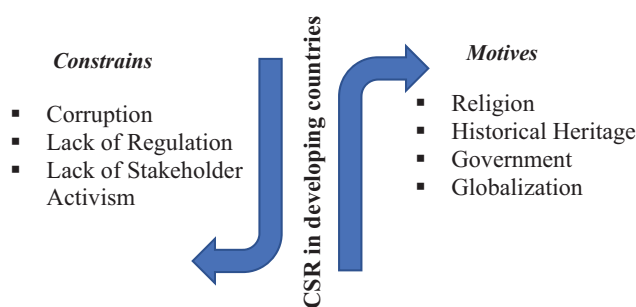


Figure 1 – Framework for CSR in developing countries.
Note – compiled by the authors

CSR in the Context of Kazakhstan

Basis of previous discussion regarding CSR in developing countries helps us to create the ground for the analysis of CSR in the context of Kazakhstan. Though considered a transitional economy rather than developing one, it shares a lot of peculiarities of CSR present in developing countries, as demonstrated below by applying CSR framework proposed by this study.

Motives of CSR in Kazakhstan

Religion

Regarding religion, unlike other developing parts of the world such as India or Latin America, where firm's philanthropical eagerness is highly influenced by religious beliefs, as described in prior sections of this review, in Kazakhstan this effect is less prominent. Kazakhstan presents a country of diverse national backgrounds, with Islam as the most practiced religion, followed by Christianity and other religions. However, religion suppression during times of communism, seriously weakened power of Muslim institutions [79]. Though in recent times, the revival of Muslim practices is witnessed in Central Asia, partly in a response to ineffective government which fails to satisfy social and economic needs of its population [80]. This observation presents an opportunity to investigate whether re-vitalization of religion had any impact on the improvement of the country's overall social well-being.

Historical Heritage

Post-Soviet background of Kazakhstan is echoed in people's attitudes and perceptions of social contribution. Similar to other countries with soviet heritage, Kazakhstan witnessed a variation of CSR, though not

labelled as such. During Soviet times, firms carried not only productive, but also social and political functions, making provision of social assets mandatory. Survey by Crotty [81] based on Russian Federation argued that Soviet legacy still plays an important role in motivating managers to undertake social initiatives in present times. This presents an interesting avenue for further research on whether such motivation is relevant for Kazakhstani firms, given its common background with Russia in terms of centralized economy.

Government

Recent steps undertaken towards more sustainable business practices in Kazakhstan cannot be denied. The strategy for development of the Republic of Kazakhstan “Kazakhstan-2050” Strategy” [82], defined citizens, government and business as three social pillars, cooperation of which is aimed to improve quality of life. According to this model of development, businesses are expected to take more responsibility with regards to social issues, society to increase its civic responsibility and state to ensure minimum social guarantees. In addition, United Nations Agenda for Sustainable Development established a framework for cooperation with Kazakhstan which focus on social, economic, and environmental aspects of global sustainable development [83]. All these efforts are targeted to improve social well-being and increase the role of business in delivering social good.

It is also important to note that several large firms in Kazakhstan are fully or partially owned by government with presence in different vital sectors of the economy. Government involvement implies that in addition to profit generation, social goals should be pursued, putting higher pressure on such firms in terms of public expectations of public goods and services. In the neighbour country, China, which is characterized by strong state involvement and control, CSR was found to be positively associated with state-ownership [84]. Also, firms with government participation were observed to provide higher CSR disclosure [85]. Further research could be conducted based on Kazakhstan to explore attitudes of population in terms of the expectations of social goods and services from state-owned firms, as well as to examine whether firms with state participation pay more attention to CSR initiatives.

Globalization

Since its independence, Kazakhstan has been undergoing through reforms targeted at the improvement of country’s investment climate and attraction of foreign investment. Joining World Trade Organization in 2015, becoming an associated member of the Organization for Economic Co-operation and Development in 2017, opening Astana International Financial Centre in 2018, establishing the Coordination Council for Attracting Foreign Investment in 2018, demonstrate eagerness of Kazakhstan to boost foreign investment and enhance external dialogue. In addition, government has been undertaking privatization projects, including offering institutional investors a stake in country’s largest national firms through initial public offerings. However, issues which hold back inflow of foreign investment still remain, such as corruption, lack of transparency and enforcement mechanisms. In this case, CSR implementation and disclosure by Kazakhstani firms can contribute to improving transparency and attractiveness of local firms to foreign investors.

Limitations for CSR in Kazakhstan

Corruption

Corruption is another challenge that hinders development of CSR in Kazakhstan. The land of this country is full of natural resources, including oil reserves. However, Kazakhstan is also a country which fell under resource curse, a paradox when countries rich with natural resources are lagging behind in terms of economic development, political stability and economic prosperity [86]. In Kazakhstan, incomes from natural resources are managed by a sovereign wealth fund, the National Fund of the Republic of Kazakhstan. However, its establishment and the way it functions represent an example of low transparency of the whole system of revenue allocation from exports of raw materials [87]. Like in Azerbaijan mentioned in prior sections of this review, population discontent is felt regarding unfairness of resource allocation and inconsistent standards of living in an oil-rich country. According to opinion poll conducted in 2010, 63 % of the Kazakhstani population agreed that spending of National Fund is inefficient [88]. Standards of living of many households in the regions of West of Kazakhstan, where production of 70 % of the country’s oil takes place, are far below average [89]. One of the striking examples of people’s discontent are protests in Zhanaozen in 2011, which were driven by labor conflict based on dissatisfaction with the level of wage by employees of the subsidiaries of the national state-owned company, KazMunaiGas (KMG).

Lack of Regulation

Weak control mechanisms also do not contribute to the widespread application of CSR practices in Kazakhstan. The disclosure of CSR practices is more voluntary in nature. Though, big national firms such as National Atomic Company Kazatomprom JSC and KMG publish sustainability reports in accordance with global standards for sustainability reporting, disclosing main principles and actions undertaken [90]. This presents an opportunity for further research of whether CSR contributions claimed by national giants are actually felt by general population. In addition, firms lack government incentives in terms of favorable tax treatment which could enchain charitable activities by the organizations. For the purposes tax or audit avoidance, firms choose not to include charitable contributions as part of their budgets [91].

Lack of stakeholder activism

Zhanaozen conflict noted previously, demonstrated low power of independent labor unions as they were neglected by state oil firms, who recognized only official Federation of Labor Unions of Kazakhstan. The latter was untrusted by strikers due to its tendency to support government side [89]. The lack of inefficient mechanisms which could have resolved labor conflict, led to the raise of informal trade unions and escalation of protest moods [87].

RESEARCH RESULTS (CONCLUSION)

This systematic review presented the framework for the analysis of CSR in developing countries by presenting discussion of main factors which shape their face of CSR. In particular, this study demonstrated that such factors as corruption, weak stakeholder activism and lack of government controls present common limitations for undertaking CSR initiatives in developing countries quoted in prior literature. In particular, corruption undermines willingness of firms to develop relationships with different groups of stakeholders, due to their dependency on the decisions of government officials, which in turn can be influenced through bribes. In addition, it can lead to misallocation of resources, inadequate working conditions and violation of workers' rights. The power of stakeholders, such as trade unions, is also weak in developing countries, and fails to enforce government to undertake initiatives targeted at social well-being. In addition, control and monitoring of CSR practices by government lacks established mechanisms.

On the other hand, existing studies reported that religious traditions, historical trends, globalization, stakeholders' pressures and evolving awareness of CSR benefits for the society are the main drivers of CSR studies. In addition, by undertaking CSR initiatives, firms can achieve such benefits as improving overall social well-being, creating competitive advantage improving financials. The study also sheds lights on CSR role and importance for Kazakhstan.

By undertaking CSR practices, at least the following benefits could be achieved by firms. Firstly, CSR can be utilized as a win-win strategy when by improving overall social well-being, firms create better social environment where it can operate and sell its products and services. Secondly, firms can create competitive advantage through CSR, as well as improved reputation. Finally, there is an evidence that CSR reflects positively on firms' financial results, though this result is inconclusive, due to different findings presented by various authors.

Having defined factors which are relevant in discussion of CSR in the context of developing countries, the suggested framework was applied to the context of transitional economy, Kazakhstan. This review argues that a lot of characteristics inherent to CSR in developing countries can also be found in Kazakhstan. This country faces the limitations of corruption, weak power of stakeholder groups and undeveloped government controls which hinder undertaking of CSR by firms. Though, major national firms present sustainability reports and overall country's development, including social well-being, are addressed in the strategy of future development, including the assistance of international organizations.

Still, CSR in Kazakhstan is only gaining popularity and understanding, suggesting opportunities for further research. Specifically, it is suggested to conduct an up-to-date opinion poll among population and firms regarding their view of CSR in Kazakhstan. In addition, it would be interesting to analyse social activities undertaken by different Kazakhstani firms and evaluate the awareness of population regarding these initiatives, as well as perceived importance of CSR contribution to overall standards of living. Does society perceive

this contribution enough and fair in the country where spending of incomes from natural resources is not that transparent? Due to limited research on CSR in Kazakhstan, there are a lot of unanswered questions for further consideration.

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ДАМЫП ЖАТҚАН ЕЛДЕР ҮШІН КОРПОРАТИВТІ ӘЛЕУМЕТТІК ЖАУАПКЕРШІЛІК КЕСІБІН ДАМУ: ҚАЗАҚСТАН МЫСАЛЫНДА

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АНДАТПА

Зерттеудің мақсаты. Осы жүйелі шолудың мақсаты дамушы экономикалардағы корпоративті әлеуметтік жауапкершілікті (КӘЖ) талдауға қолданылатын жалпы негіздерді жасау болып табылады. Бұл негіз Қазақстан сияқты өтпелі экономикаға қолданылады.

Әдіснамасы. Бұл зерттеу дамушы елдердегі КӘЖ туралы қолданыстағы әдебиеттерге жүйелік шолу болып табылады, осы елдердегі КӘЖ-нің келбетін қалыптастыратын ұқсастықтарды, қиындықтар мен мүмкіндіктерді көрсетеді.

Зерттеудің бірегейлігі / құндылығы. Біз бар зерттеулердің көпшілігінде КӘЖ зерттеулерін жүргізуде кездесетін кедергілер туралы айтылғанын және сыбайлас жемқорлық, мүдделі тараптардың әлсіз белсенділігі және негізгі кедергілер ретінде мемлекеттік бақылаудың болмауы сияқты факторларды құжатталғанын анықтадық. Екінші жағынан, қолданыстағы зерттеулер діни дәстүрлер, тарихи тенденциялар, жаһандану, мүдделі тараптардың қысымы және КӘЖ-нің қоғамға тигізетін пайдасы туралы хабардар болу КӘЖ зерттеулерінің негізгі драйвері болып табылады деп хабарлады. Сонымен қатар, КӘЖ бастамаларын қолдана отырып, фирмалар жалпы әлеуметтік әл-ауқатты жақсарту, қаржылық жағдайды жақсарту үшін бәсекеге қабілетті артықшылықтар жасау сияқты артықшылықтарға қол жеткізе алады. Зерттеу сонымен қатар КӘЖ-нің Қазақстан үшін маңызы мен маңыздылығы туралы түсінік береді.

Зерттеу нәтижелері. Дамыған елдерге және шектеулі зерттеулерге бағытталған қолданыстағы зерттеулердің көпшілігі әлсіз институционалды ортамен сипатталатын және әр түрлі әлеуметтік-экономикалық факторларға ие дамушы елдердің контекстінде жүргізілуде.

Түйін сөздер: КӘЖ, қоғам, қоғамдастық, үлес, дамушы елдер, Қазақстан.

**РАЗРАБОТКА РАМКИ КОРПОРАТИВНОЙ СОЦИАЛЬНОЙ
ОТВЕТСТВЕННОСТИ ДЛЯ РАЗВИВАЮЩИХСЯ СТРАН НА ПРИМЕРЕ
КАЗАХСТАНА**

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АННОТАЦИЯ

Цель исследования. Целью этого систематического обзора является разработка общей рамки, которая применима для анализа корпоративной социальной ответственности (КСО) в развивающихся странах. Эта структура в дальнейшем применяется к переходной экономике на примере Казахстана.

Методология. Это исследование представляет собой систематический обзор существующей литературы по КСО в развивающихся странах, подчеркивая сходства, проблемы и возможности, которые формируют лицо КСО в этих странах.

Результаты исследования. Мы определили, что в большинстве существующих исследований упоминались препятствия на пути проведения исследования КСО и задокументированы такие факторы, как коррупция, слабая активность заинтересованных сторон и отсутствие государственного контроля в качестве основных препятствий. С другой стороны, существующие исследования показали, что религиозные традиции, историческое наследие, глобализация, давление заинтересованных сторон и растущее понимание преимуществ КСО для общества являются основными движущими силами исследований КСО.

Оригинальность / ценность исследования. Большинство существующих исследований направлено на развитые страны, и ограниченное количество исследований проводится в контексте развивающихся стран, которые характеризуются слабой институциональной средой и имеют другие социально-экономические факторы. Исследование добавляет ценность существующей литературе по КСО, развивая структуру, которая обобщает сходства, проблемы и возможности практик КСО в контексте развивающихся стран. В этом исследовании также разъясняется применимость концепции для стран с переходной экономикой, таких как Казахстан.

Ключевые слова. КСО, общество, сообщество, вклад, развивающиеся страны, Казахстан.

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