
Institutions in the Context of Implementing the CSR Concept and Social Trust

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Abstract:

Purpose: The purpose of considerations undertaken in this paper is to emphasize the importance of public trust in institutions and to draw attention to the important (but often marginalized) relationship between institutions and the implementation of the CSR concept.

Approach/Methodology/Design: The following research methods will be used in the article: wide range review of literature sources, descriptive method and selected methods of descriptive statistics (taxonomic measure of development and measures of correlation).

Findings: The presented analysis shows that the perception of benefits associated with integration with the EU is not conditioned by trust in it as an institution. Importantly, trust in the EU is not affected by respondents' perception of national and regional centers of power.

Practical Implications: Changes in economies that took place recently caused the need for an interdisciplinary approach to economic research and a new definition of economics as a research field. They also make it necessary to recognize and identify social, economic, technical and cultural issues. The subject matter discussed in the paper refers to issues related to social initiatives such as the concept of corporate social responsibility (CSR) and the importance of institutions in the effective implementation of the CSR idea. The analyzed issues are considered in the cultural and institutional cognitive perspective.

Originality/Value: The article raises an important social problem of public trust in institutions and the impact of institutions on the speed of dissemination of the concept of corporate social responsibility.

Keywords: Institutions, corporate social responsibility, social trust, cultural sphere of management, neoliberal economics, statistical analysis.

JEL classification: A13, B55, C13.

Paper Type: Study research.

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1. Introduction

Contemporary economic theory, both in micro and macro terms, is increasingly attaching to the role of formal and informal institutions and the institutional environment of economic processes. These issues are currently being discussed, not only in the scientific circles, but also among the managerial spheres of politics and economy. It is a reaction to the simplification of the neoclassical approach, which is based on the theory of business optimization; it is methodologically strongly inclined to abstraction, deduction and extensive use of mathematical techniques. It is also a replica of the belief of many economists until recently that neoliberal economics and basis of neoliberal policy pursued will contribute to widening the universal social well-being.

This aspect is emphasized by J.K. Galbraith, who postulates that in the discourse and research not to ignore such issues as institutions associated with economic activity. He believes that the role of governments and their policies should be taken into account more often, because they affect, to a greater or lesser extent, the economic processes and institutions (Galbraith, 2011, p. 20). As a result of the debate on this topic, they created a place for other schools of economic thinking and began to promote the activation of ordoliberalism, new institutional economics, political economics and constitutional economics, as well as patronizing the history of economic thought in recent decades. The wider consideration of the social aspects of management, in turn, began to increase interest in qualitative research methods, characteristic of, among others, behavioral economics and the economics of psychology. Postulates calling for consideration of social factors, elements of other social sciences and philosophical appeals, especially moral philosophy, contributed to the intensification of research from the perspective of liberal egalitarianism. Economists began to focus more not only on qualitative research methods, but also on the state of economics as a subject matter, its research scope, applied procedures, mechanisms of economic activities and on economic culture. Much space was also devoted to issues related to the impact of culture on social behavior, social capital, and the importance of social activities, including such as the implementation of the corporate social responsibility (CSR) idea in business processes as well as the role and impact of institutions on the larger or smaller part of society members on social initiatives.

The purpose of considerations undertaken in this paper is to emphasize the importance of public trust in institutions and to draw attention to the important (but often marginalized) relationship between institutions and the implementation of the CSR concept. Considering the important assumptions of the CSR concept regarding the economy's easement towards society and the integrity and competence of government officials, an attempt was made to answer the question whether perceiving the benefits by citizens of individual EU countries regarding integration is tantamount to trust in institutions in individual Member States and institution, which is the European Union.

2. Formal and Informal Institutions - Definitional Considerations

North (1991) defines institutions as barriers created by people that shape the political, economic and social impacts. According to Commons (1931) institutions influence the individual through restrictions and control. On one hand, institutions are an obstacle, on the other, they enable the activities of individual units. Institutions also influence the scale of conflicts and the behavior of competing. According to the approach proposed by Schumpeter, the institutional structure is created by the family, enterprise and the state (Schumpeter, 1960). Boehlke, in turn, emphasizes that it is worth remembering that the most important factor is people, because institutions as such do not have their goals, while people with their different functions have them (Boehlke, 2010, p. 143).

In the reflections on institutions in economic literature, in addition to proposals for their interpretation, there is also their categorization distinguishing, among others, “formal institutions”, “informal institutions”, “public institutions”, “private institutions”, “inclusive institutions”, “exploiting institutions”, “political institutions”, “economic institutions”, “social institutions” (Borkowska, Klimczak, and Klimczak, 2019, p. 84). Despite the multi-faceted approach to institutions and heterogeneous way of defining them in the literature on the subject, most authors focus their attention mainly on formal and informal institutions. Most often, formal institutions are defined as those that include law, property rights, contracts, regulations, while informal institutions as those that relate to social norms. For example, D. North includes within informal institutions: sanctions, taboos, customs, traditions, holiness, rules of behavior, while formal ones include constitutions, statutes, regulations, and property rights (North, 1991).

According to B. Fiedor, division into formal and informal institutions is conditioned by the criterion of the manner of creation. Formal institutions are established, enrolled and imposed on communities to abide by. Informal, on the other hand, create themselves, and as a result of actions and their repetition, they become established in the social consciousness (Fiedor, 2015). In turn, H. Zboroń emphasizes another aspect. He emphasizes that in building formal and informal institutions, an important factor (identifiable as endogenous) conditioning the economic processes and their nature, is culture, and in particular, social institutions that determine cultural (therefore local and cultural variables) framework of activities carried out in economic practice (Zboroń, 2009, p. 244).

Review of the literature on the subject and analysis of the positions of authors dealing with issues related to the definition of institutions shows that especially informal institutions are very difficult to clearly define and more accurately determine their impact on society. It results not so much from a different way of shaping them in a given community, the adopted system of values, repetitive behaviors, established norms, ways of their implementation, drawing consequences, communication or acceptance of given behaviors, but also the place (region, state, continent) of arising.

Certainly, however, informal institutions, due to the passing of norms of conduct from generation to generation, despite the progressive evolution taking place under the influence of technological changes, new trends and fashions coming from outside, are firmly embedded in social awareness and long-lasting. These attributes of informal institutions are emphasized in the descriptive definitions of D. North and O.E. Williamson. According to D. North, informal institutions have significant impact on the behavior of individuals by strengthening their social awareness. In the long-term development of generally accepted rules, usually unwritten, the patterns of behavior are firmly rooted, which are usually deeply rooted in the culture of given societies (North, 1990, p. 3).

Also, E.E. Williamson points out that the characteristic of informal institutions is that they do not change overnight. In this case, the natural consequence is the continuity of accepted standards of conduct. He emphasizes that changes in informal institutions are long-term and can last from 100 to 1000 years (Williamson, 2000). J.R. Commons indicates the rank of informal institutions stating that they often show greater efficiency and facilitate adaptation to new situations, and as a result, become unwritten standards (Commons, 1969, pp. 140-141). It is worth paying attention to the scope of influence of informal institutions in comparison with formal ones. It indicates that informal institutions encompass a broader range of people's activities, because wherever a legal norm does not work, there is certainly a social custom, and that informal rules are closely related to the culture.

Review of the institution's interpretation shows that the definitions formulated by selected authors are relatively convergent, although they differ in the degree of detail. Most authors indicate that the feature that characterizes informal institutions are unwritten rules and principles passed down from generation to generation in which the society stands. Many also emphasize that shared value systems, customary norms and tradition determine the socio-economic development, as well as that formal institutions without social approval would not be respected. Lack of acceptance, in turn, would not serve measures leading to institutional balance, which creates favorable conditions for socio-economic development.

3. Institutions and the Concept of Corporate Social Responsibility

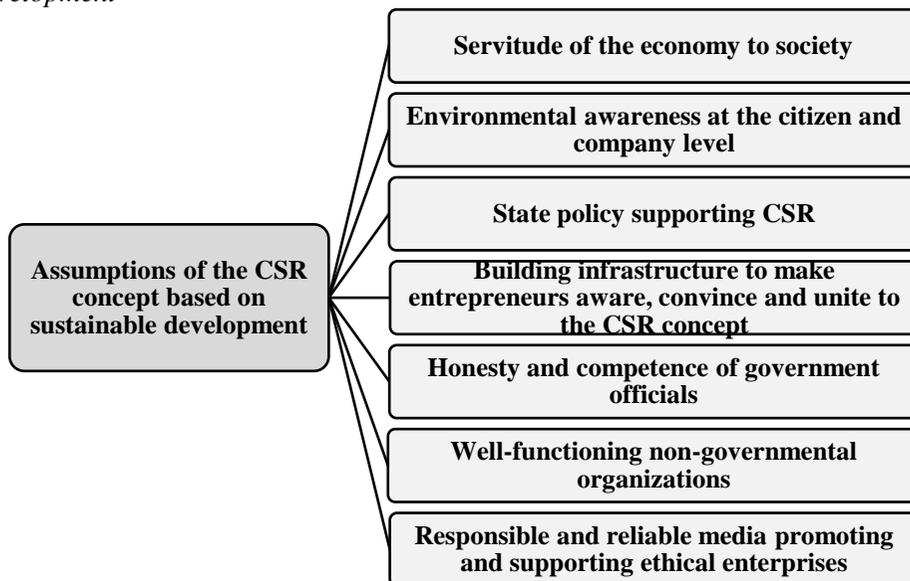
In modern societies of liberal democracy, one can see a significant increase in people's standard of living, and, on the other hand, insufficient progress in the moral, ethical and social sphere. One of the important reasons is the economic determinism that still exists, focusing on market-free logic and morality. This, in turn, shows how strong and resistant classic orthodoxy is.

Criticism of the existing state of economics, including mainly marginalizing the economic - social economy - ethics relationships, has become an incentive to undertake in-depth research and reflection on moral norms regulating the economic life. As a result, more attention was paid not only to social issues, but also to social

culture, and informal institutions, especially their impact on the scope and depth of civic and social initiatives. It should be noted that these issues often come back with great intensity especially during the great political changes and economic crises. Relatively extensive literature on this subject that has been created in recent years is a consequence of political and crisis turbulence at the turn of 2007 and 2008.

Market mechanisms cannot always influence the decisions of business entities, prevent from negative influences and mitigate conflicts. In principle, it can be said that the CSR concept is the answer to market imperfection (the “invisible hand”) that caused a number of pejorative effects and threats in the form of crises, uncertainty and distrust. This concept refers primarily to the creation of civil society, social awareness and sensitivity, applicable norms and values, and social expectations. Figure 1 presents assumptions of the CSR concept in connection with sustainable development, which in recent years has become a priority problem due to the advanced degradation of the natural environment (Platonova *et al.*, 2017).

Figure 1. Model of the CSR concept assumptions in association with sustainable development



Source: Own elaboration.

A positive example of the implementation of the CSR concept can be the Scandinavian countries, where the implementation of this idea is very advanced and is based mainly on sustainable development and such assumptions as (Wolska, 2015):

- servitude of the economy to society,
- instilling ecological awareness at the citizen and company level,
- state policy supporting the concept of corporate social responsibility,

- building infrastructure to make entrepreneurs aware, convince and unite to the idea of corporate social responsibility,
- integrity and competence of government officials,
- well-functioning non-governmental organizations,
- responsible and reliable media promoting and supporting ethical enterprises.

According to A. Lewicka-Strzałecka, corporate social responsibility is the responsibility of a special type of system created by market players, their relationships and institutions educated in this process. The lack of one main management center in this system, controlled by market forces, means that its responsibility consists of the responsibility of individual enterprises (Lewicka-Strzałecka, 2006, p. 17). It can therefore be concluded that CSR is primarily based on a foundation of responsibility. This responsibility consists (to put it simply) of consciously building community relations.

Questions about the impact and effectiveness of the CSR concept on socio-economic relations are often asked and do not lose their relevance. Trying to answer them, first of all, it should be emphasized that companies, besides the state and society, are one of the basic pillars of socio-economic life. As one of the most important components of the market economy, they have a great impact on the environment - partners, individuals, social groups. In the era of advancing world-view evolution of societies, and furthermore, the loss of significance of many existing values, enterprises implementing the CSR concept have great opportunities and chances to soften this trend and even fulfill a culture-forming mission (Biryukov and Romanenko, 2017). The more that the basic premise for implementing the CSR concept is ethical action, which means not only respecting the rights of all concerned, but also guaranteeing cultivated values by society. However, as G. Krzyminiewska notes, in order to have a long-term impact on the environment, enterprises must consciously and intentionally shape the system of values that will allow them to gain acceptance and support from the environment (Krzyminiewska, 2004, p. 150).

It is increasingly emphasized that management is a dependent system that is subject not only to economic but also to non-economic impacts in the form of socially sanctioned norms and rules defining culturally important goals and permitted ways of achieving them. Problems related to the influence of culture on economic phenomena and processes are widely discussed. An issue often considered is not the question about the links between culture and the economy, but about how this issue is reflected in the area of social sciences, in particular economic ones (Savina, 2016). H. Zboroń, when performing a critical analysis of the way, in which economic culture is understood in the texts of economists, states that it is contextually understood, and therefore considered an external environment of economic practice. This approach to economic culture is based on object-oriented beliefs in economics regarding both the economy and the unit participating in the practice of producing, exchanging and consuming goods and services. According to this author, it is desirable to present an alternative, non-contextual approach to economic culture as a direct regulator of

economic activities. The explanation of differences between these approaches determines the nature of the reality of social (economic) practice and resolves the issue of its cognitive accessibility (Zboroń, 2018).

In terms of the CSR concept, the cultural sphere of management lies in the fact that “its participants move from the thoughtlessly adopted and used spontaneously and exclusively instrumentally (“tool”) neoliberal management pattern (the idea of homo oeconomicus, the order to maximize profits of the company and shareholders as well as satisfaction and benefits of consumers) to the mental (cultural) pattern. This type of transition is possible due to the rejection of an object-realistic attitude in favor of an attitude of cultural constructivism, i.e. a situation in which certain patterns of thinking and behavior are perceived in the form of historically and locally (or in the area of) cultural creations” (Pogonowska, 2018). As a supplement to this point of view, it is worth adding that such an attitude shapes a critical and emancipatory attitude towards the state of social practices, which assumes the possibility of questioning them and leads to attitudes expressing the desire to change the world.

4. Social Trust in EU and National Institutions in the Context of Cultural Changes in the Light of Empirical Research

Social and cultural changes seem inevitable. These trends should be considered an important element affecting the behavior of enterprises. The social cultural context is of great importance in shaping the foundations of economic organizations. It also directly affects the quality of informal institutions. Distinguishing features such as social justice, cooperation, kindness, bond, integrity, honor and decency are key. To take root of these qualities, one needs strong democratic institutions in the media, courts, parliament and a strong civic tradition, in which local communities, their institutions and organizations play a key role. This is particularly important in the context of post-socialist countries, which have been largely devalued by such institutions and organizations. In most of them, after 1989, efforts were made to quickly overcome the development gap, both in the economic and institutional sphere, formed between post-socialist economies and the economies of highly developed countries.

The introduction of new EU institutions, i.e., external institutions, has not been fully accepted (Faina *et al.*, 2002). There were social oppositions. Although changes were expected, many of the solutions introduced were not in line with the ideas and expectations of the society. The research conducted by the authors of this paper is an attempt to answer whether perception of benefits by citizens of individual EU countries regarding integration is synonymous with trust in EU institutions. For this purpose, a study (European Parliament, 2019a) was used, which includes research results on the feelings of citizens of the Member States regarding the benefits of EU membership and trust in the EU, political parties, representatives of local authorities, government and parliament by country¹. Respondents could agree on the following opinions:

- O1: The EU contributes to democracy in (*OUR COUNTRY*);
- O2: The EU contributes to maintaining peace and strengthening security;
- O3: The EU contributes to economic growth in (*OUR COUNTRY*);
- O4: Membership of the EU improves co-operation between (*OUR COUNTRY*) and the other countries of the EU;
- O5: Membership of the EU improves co-operation between (*OUR COUNTRY*) and countries outside the EU;
- O6: (*NATIONALITY*) people have an important influence in decisions made at EU level;
- O7: The EU gives (*NATIONALITY*) people a stronger say in the world;
- O8: The EU improves (*NATIONALITY*) people's standard of living;
- O9: The EU helps (*OUR COUNTRY*) in the fight against terrorism;
- O10: The EU helps (*OUR COUNTRY*) to tackle climate change;
- O11: The EU brings (*NATIONALITY*) people new work opportunities;
- O12: You are generally in favor of the EU (*SPONTANEOUS*);
- O13: Other (*SPONTANEOUS*).

Information on the distribution of respondents' opinions selected from the citizens of the Member States regarding the benefits of membership by country is presented in Table 1.

To determine the attitude of individual citizens to the EU membership using information on the first 12 opinions (Table 1), a synthetic measure was built. Due to the fact that the respondents could select more than one answer, and also because of the need to limit the range of the measure obtained, the zeroed unitarization method was used. For this purpose, the following initial data has been transformed (Kukuła, 2000):

$$z_{ij} = \frac{x_{ij} - \min_i x_{ij}}{\max_i x_{ij} - \min_i x_{ij}}, \max_i x_{ij} \neq \min_i x_{ij} \quad (1)$$

Value of the synthetic measure for each country is calculated as the arithmetic mean of the values of the normalized features:

$$z_i = \frac{1}{k} \sum_{j=1}^k z_{ij} \quad (2)$$

Due to construction of the synthetic measure based on the values of standardized features, its value is in the range of [0, 1].

Table 1. Distribution of opinions of the Member States citizens regarding benefits of membership by country

| Country | KOD | O1 | O2 | O3 | O4 | O5 | O6 | O7 | O8 | O9 | O10 | O11 | O12 | O13 | lack of knowledge |
|----------------|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|-------------------|
| Austria | AT | 0.15 | 0.35 | 0.32 | 0.34 | 0.27 | 0.15 | 0.28 | 0.20 | 0.11 | 0.16 | 0.28 | 0.01 | 0.03 | 0.01 |
| Belgium | BE | 0.00 | 0.32 | 0.28 | 0.38 | 0.26 | 0.13 | 0.27 | 0.13 | 0.19 | 0.18 | 0.28 | 0.01 | 0.00 | 0.01 |
| Bulgaria | BG | 0.19 | 0.22 | 0.24 | 0.36 | 0.18 | 0.08 | 0.21 | 0.16 | 0.12 | 0.04 | 0.53 | 0.00 | 0.00 | 0.00 |
| Cyprus | CY | 0.19 | 0.47 | 0.32 | 0.25 | 0.13 | 0.09 | 0.27 | 0.28 | 0.07 | 0.15 | 0.35 | 0.00 | 0.01 | 0.00 |
| Czech Republic | CZ | 0.14 | 0.33 | 0.32 | 0.29 | 0.11 | 0.05 | 0.20 | 0.30 | 0.11 | 0.09 | 0.51 | 0.02 | 0.02 | 0.00 |
| Germany | DE | 0.15 | 0.48 | 0.36 | 0.41 | 0.24 | 0.10 | 0.18 | 0.16 | 0.11 | 0.16 | 0.21 | 0.01 | 0.01 | 0.00 |
| Denmark | DK | 0.1 | 0.41 | 0.29 | 0.53 | 0.22 | 0.09 | 0.30 | 0.10 | 0.21 | 0.26 | 0.15 | 0.04 | 0.02 | 0.01 |
| Estonia | EE | 0.08 | 0.30 | 0.46 | 0.32 | 0.17 | 0.02 | 0.11 | 0.31 | 0.06 | 0.05 | 0.55 | 0.01 | 0.02 | 0.04 |
| Greece | EL | 0.17 | 0.52 | 0.20 | 0.37 | 0.21 | 0.12 | 0.33 | 0.19 | 0.10 | 0.11 | 0.18 | 0.01 | 0.03 | 0.01 |
| Spain | ES | 0.14 | 0.24 | 0.34 | 0.27 | 0.20 | 0.10 | 0.16 | 0.21 | 0.16 | 0.12 | 0.33 | 0.01 | 0.01 | 0.02 |
| Finland | FI | 0.03 | 0.36 | 0.22 | 0.56 | 0.31 | 0.08 | 0.19 | 0.14 | 0.10 | 0.17 | 0.49 | 0.00 | 0.02 | 0.01 |
| France | FR | 0.08 | 0.38 | 0.19 | 0.35 | 0.17 | 0.16 | 0.34 | 0.10 | 0.24 | 0.15 | 0.25 | 0.01 | 0.02 | 0.02 |
| Croatia | HR | 0.19 | 0.25 | 0.29 | 0.24 | 0.15 | 0.10 | 0.22 | 0.27 | 0.11 | 0.09 | 0.52 | 0.00 | 0.00 | 0.01 |
| Hungary | HU | 0.15 | 0.35 | 0.32 | 0.34 | 0.27 | 0.15 | 0.28 | 0.20 | 0.11 | 0.16 | 0.28 | 0.01 | 0.03 | 0.01 |
| Ireland | IE | 0.14 | 0.15 | 0.47 | 0.21 | 0.17 | 0.10 | 0.27 | 0.39 | 0.09 | 0.15 | 0.43 | 0.00 | 0.01 | 0.01 |
| Italy | IT | 0.21 | 0.33 | 0.2 | 0.32 | 0.22 | 0.12 | 0.31 | 0.13 | 0.18 | 0.16 | 0.30 | 0.00 | 0.00 | 0.00 |
| Lithuania | LT | 0.13 | 0.30 | 0.39 | 0.24 | 0.11 | 0.05 | 0.17 | 0.38 | 0.05 | 0.06 | 0.46 | 0.00 | 0.02 | 0.01 |
| Luxemburg | LU | 0.11 | 0.28 | 0.42 | 0.36 | 0.21 | 0.14 | 0.26 | 0.21 | 0.09 | 0.07 | 0.26 | 0.01 | 0.01 | 0.02 |
| Latvia | LV | 0.10 | 0.34 | 0.35 | 0.33 | 0.18 | 0.03 | 0.11 | 0.25 | 0.06 | 0.04 | 0.52 | 0.01 | 0.02 | 0.02 |
| Malta | MT | 0.12 | 0.12 | 0.38 | 0.21 | 0.14 | 0.14 | 0.30 | 0.38 | 0.05 | 0.14 | 0.54 | 0.00 | 0.07 | 0.02 |
| Netherlands | NL | 0.03 | 0.46 | 0.46 | 0.70 | 0.32 | 0.04 | 0.08 | 0.10 | 0.20 | 0.20 | 0.13 | 0.02 | 0.01 | 0.00 |
| Poland | PL | 0.17 | 0.20 | 0.33 | 0.21 | 0.16 | 0.10 | 0.14 | 0.34 | 0.08 | 0.11 | 0.39 | 0.00 | 0.01 | 0.05 |
| Portugal | PT | 0.14 | 0.21 | 0.31 | 0.35 | 0.15 | 0.11 | 0.39 | 0.21 | 0.08 | 0.08 | 0.43 | 0.01 | 0.04 | 0.01 |
| Romania | RO | 0.23 | 0.22 | 0.26 | 0.24 | 0.18 | 0.12 | 0.18 | 0.24 | 0.11 | 0.10 | 0.42 | 0.01 | 0.00 | 0.02 |
| Sweden | SE | 0.03 | 0.49 | 0.30 | 0.62 | 0.19 | 0.16 | 0.17 | 0.05 | 0.16 | 0.20 | 0.38 | 0.01 | 0.01 | 0.01 |
| Slovenia | SI | 0.17 | 0.31 | 0.40 | 0.28 | 0.15 | 0.05 | 0.11 | 0.25 | 0.05 | 0.12 | 0.44 | 0.02 | 0.02 | 0.02 |
| Slovakia | SK | 0.15 | 0.25 | 0.27 | 0.24 | 0.16 | 0.10 | 0.22 | 0.24 | 0.11 | 0.11 | 0.39 | 0.00 | 0.01 | 0.03 |
| Great Britain | UK | 0.11 | 0.30 | 0.33 | 0.3 | 0.21 | 0.11 | 0.26 | 0.21 | 0.20 | 0.14 | 0.34 | 0.01 | 0.01 | 0.03 |

Source: own elaboration based on (European Parliament, 2019a).

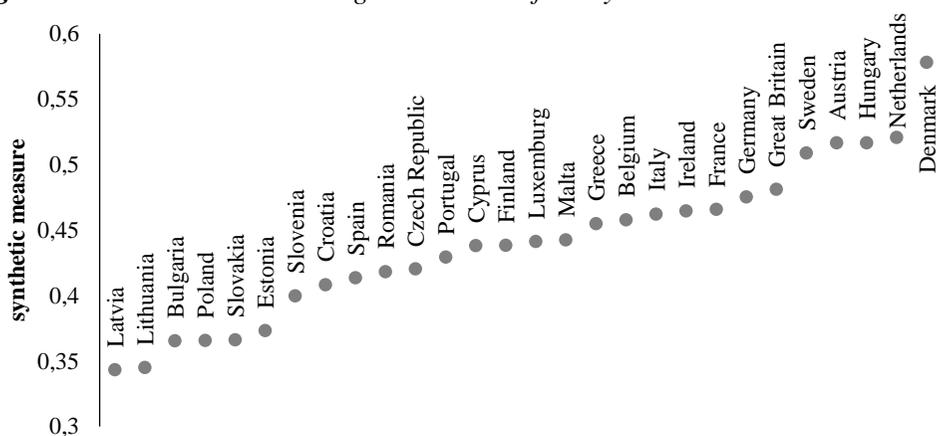
High value of the indicator will indicate that citizens of the Member States recognize the multifaceted benefits associated with integration with the EU, while low value - that the benefits are not perceptible or are understood very narrowly. Table 2 presents the non-decreasingly ordered values of the synthetic measure for each EU country. The spatial diversity of the test results is also shown in Figure 2.

Table 2. Value of synthetic measure by EU countries

| Country | Value | Country | Value |
|-----------------------|-------|---------------|-------|
| Austria | 0.517 | Ireland | 0.465 |
| Belgium | 0.458 | Italy | 0.462 |
| Bulgaria | 0.366 | Lithuania | 0.345 |
| Cyprus | 0.438 | Luxemburg | 0.441 |
| Czech Republic | 0.420 | Latvia | 0.344 |
| Germany | 0.475 | Malta | 0.443 |
| Denmark | 0.578 | Netherlands | 0.521 |
| Estonia | 0.373 | Poland | 0.366 |
| Greece | 0.455 | Portugal | 0.430 |
| Spain | 0.414 | Romania | 0.418 |
| Finland | 0.439 | Sweden | 0.509 |
| France | 0.466 | Slovenia | 0.400 |
| Croatia | 0.408 | Slovakia | 0.366 |
| Hungary | 0.517 | Great Britain | 0.481 |
| mean: 0.440 | | | |
| STD: 0.057 | | | |
| min: 0.344 max: 0.578 | | | |
| range: 0.235 | | | |

Source: Own elaboration.

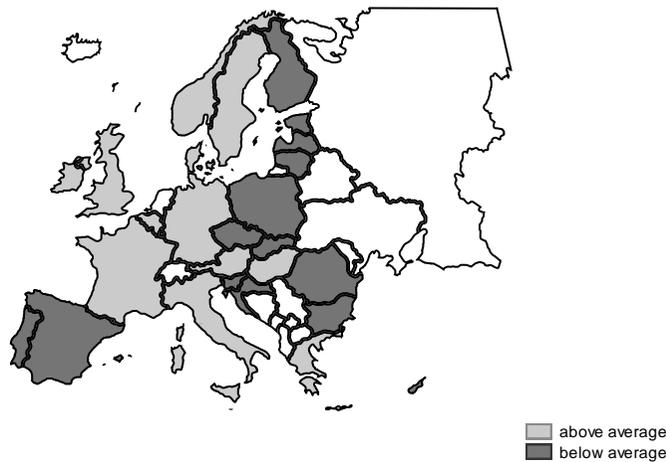
Figure 2. EU countries according to the value of the synthetic measure



Source: Own elaboration.

The highest level of synthetic measure was recorded for Denmark (0.578), which means that citizens of this country believe that European integration is the basis for achieving the multifaceted benefits improving their quality of life. In turn, value of the measure obtained for Latvia (0.344) suggests that residents of this country see only a narrow spectrum of benefits resulting from joining the EU. Using the average value of the synthetic measure (0.440) as the division point in Figure 3, the spatial distribution of two groups of countries is presented.

Figure 3. Spatial distribution of countries according to the value of synthetic measure



Source: Own elaboration.

The information contained in Figure 3 shows that more benefits from integration (group I) are seen above all by citizens of the “old Union” as well as Hungary and Malta, i.e. countries that were included in the 2004 enlargement. In turn, within group II, we can include citizens of most “new” EU countries, as well as Spain, Portugal and Finland, i.e. countries constituting the external borders of the EU.

The question is whether perceiving the benefits of integration is tantamount to trust in the EU institutions. To verify this thesis, the results of research presented in the study of the European Parliament (2019b) regarding the issue of trust in the EU and its institutions, political parties, local authorities, government and parliament, were used. Table 3 presents information on the percentage of respondents declaring confidence in these institutions.

Table 3. *Percentage of respondents, who trust the EU, political parties, representatives of local authorities, government and parliament by country*

| Country | Trust in: | | | | |
|----------------|-----------|-------------------|-------------------|------------|------------|
| | UE | political parties | local authorities | government | parliament |
| Austria | 0.42 | 0.41 | 0.70 | 0.56 | 0.59 |
| Belgium | 0.41 | 0.21 | 0.58 | 0.34 | 0.36 |
| Bulgaria | 0.52 | 0.13 | 0.32 | 0.24 | 0.14 |
| Cyprus | 0.43 | 0.09 | 0.36 | 0.25 | 0.20 |
| Czech Republic | 0.27 | 0.15 | 0.54 | 0.37 | 0.20 |
| Germany | 0.40 | 0.28 | 0.70 | 0.46 | 0.49 |
| Denmark | 0.59 | 0.37 | 0.76 | 0.54 | 0.61 |
| Estonia | 0.50 | 0.19 | 0.59 | 0.48 | 0.40 |
| Greece | 0.27 | 0.07 | 0.29 | 0.16 | 0.20 |
| Spain | 0.31 | 0.07 | 0.29 | 0.14 | 0.13 |
| Finland | 0.53 | 0.29 | 0.72 | 0.46 | 0.61 |
| France | 0.30 | 0.09 | 0.58 | 0.22 | 0.25 |
| Croatia | 0.35 | 0.13 | 0.23 | 0.14 | 0.15 |
| Hungary | 0.39 | 0.25 | 0.57 | 0.44 | 0.39 |
| Ireland | 0.48 | 0.21 | 0.51 | 0.34 | 0.33 |
| Italy | 0.32 | 0.21 | 0.36 | 0.28 | 0.29 |
| Lithuania | 0.63 | 0.15 | 0.53 | 0.36 | 0.20 |
| Luxemburg | 0.44 | 0.31 | 0.67 | 0.70 | 0.54 |
| Latvia | 0.46 | 0.08 | 0.46 | 0.28 | 0.21 |
| Malta | 0.44 | 0.26 | 0.44 | 0.51 | 0.46 |
| Netherlands | 0.53 | 0.45 | 0.70 | 0.61 | 0.63 |
| Poland | 0.41 | 0.17 | 0.45 | 0.31 | 0.24 |
| Portugal | 0.45 | 0.18 | 0.48 | 0.38 | 0.32 |
| Romania | 0.51 | 0.18 | 0.38 | 0.18 | 0.17 |
| Sweden | 0.56 | 0.42 | 0.77 | 0.62 | 0.73 |
| Slovenia | 0.36 | 0.10 | 0.38 | 0.27 | 0.22 |
| Slovakia | 0.41 | 0.15 | 0.44 | 0.26 | 0.24 |
| Great Britain | 0.26 | 0.12 | 0.47 | 0.25 | 0.22 |

Source: *Own elaboration based on (European Parliament, 2019b).*

The highest confidence in the EU and its institutions was recorded in Lithuania (0.63), while the lowest in the United Kingdom (0.26). For political parties, the highest level of trust was recorded for Dutch citizens (0.45), while the lowest for the inhabitants of Greece (0.07) and Spain (0.07). The highest level of trust in local authorities and the parliament was recorded in Sweden - 0.77 and 0.73, respectively. In turn, the lowest for the above categories for Croatia (0.23) and Spain (0.13), respectively. In the case of the government, the highest level of trust was recorded for Luxembourg citizens (0.7), while the lowest for Croatia (0.14).

Using the information contained in Table 3 to check the strength and direction of the relationship, Pearson's linear correlation coefficients between these categories were calculated, and previously obtained values of the synthetic measure. Results in the form of a correlation matrix are presented in Table 4.

Table 4. Assessments of Pearson's linear correlation coefficients between the value of synesthetic measure and trust in: EU, political parties, local authorities, government and parliament

| | synesthetic measure | UE | political parties | local authorities | government | parliament |
|---------------------|---------------------|--------|-------------------|-------------------|------------|------------|
| synesthetic measure | 1.000 | -0.005 | 0.664 | 0.549 | 0.474 | 0.656 |
| UE | -0.005 | 1.000 | 0.507 | 0.459 | 0.496 | 0.466 |
| political parties | 0.664 | 0.507 | 1.000 | 0.799 | 0.875 | 0.933 |
| local authorities | 0.549 | 0.459 | 0.799 | 1.000 | 0.849 | 0.872 |
| government | 0.474 | 0.496 | 0.875 | 0.849 | 1.000 | 0.904 |
| parliament | 0.656 | 0.466 | 0.933 | 0.872 | 0.904 | 1.000 |

Source: Own elaboration.

The analysis shows that the perception of benefits associated with integration with the EU is not conditioned by trust in itself and its institutions. Importantly, trust in the EU is not affected by respondents' perception of national and regional centers of power. This means that the citizens of the Member States are aware of differences in the decisions taken by the EU institutions and state authorities.

In the countries of Central and Eastern Europe, in which transformation processes occurred, involving the transition from a centrally controlled economy to a market economy, the market economy was associated primarily with prosperity, not personal responsibility for one's own life and success. This irrationality is explained by the research above. D. North presented a thesis that may confirm the conclusions drawn by the authors of this paper that the basis of human choices is not rationality, but beliefs, mental models and institutions. No one knows the "reality" of the political and economic system, but people create their own ideas of this "reality" and beliefs that include both a positive model of how the system works and a normative model of how it should work (North, 2005, p. 2). The false belief that the introduction of institutions adopted from other countries due to their efficient functioning will accelerate the institutional balance in each country, is very harmful socially.

Such action leads to unsuccessful attempts to implement solutions foreign to the given culture. An example is the CSR concept, long ignored by the post-socialist community. For decades in these countries, the concept of CSR was primarily in the sphere of intellectual disputes led by economists, philosophers, sociologists and representatives of other social sciences; rarely, however, by representatives of state institutions and practitioners. Informal rules firmly rooted in a given culture cause the rejection of these influx rules given in advance by society. Therefore, far-reaching caution against apotheosis of the institution is recommended, since the idealization of institutions may be retrospective, but it can also take the form of prospective idealization. In the second case, it concerns ideas about institutions replacing previously functioning institutions. Prospective idealization applies especially to institutions taken from other social systems. It is a kind of idealization of someone

else's reality, which most often results from somebody's own problems (Ratajczak, 2017).

5. Concluding Remarks

Research on the impact of CSR on socio-economic conditions should be combined and based on such issues as: the importance of culture and history, a new theory of knowledge, giving up the positive and normative knowledge dichotomy, as well as institutions that through created cultural system, directly affect the effectiveness of assumptions included in the CSR concept. Creation of conditions enabling the development of the corporate social responsibility concept is perfectly in line with the convention of the state and its institutions being involved in the dissemination of this idea.

Practice has shown the need to reflect on the importance of the axiological domain in the course of building social awareness, market order and finally the competitive advantage of the state. As Tomasz Dołęgowski notes, besides the importance of corporate social responsibility, also "contemporary rankings of international competitiveness recognize the role of institutional factors (including, but not exclusively ethical) in the process of shaping the competitive advantage by the enterprise, region and country)" (Dołęgowski, 2006, p. 116).

It is worth emphasizing that the scope and scale of the disturbed socio-economic balance has also been reflected in social discontent. As a result, various circles of practitioners and theoreticians began to emphasize the need to incorporate the idea of corporate social responsibility into economic reality. However, directions of solutions, although discussed with great intensity, have so far remained mainly in the sphere of polemics. The most worrying, however, is that state institutions, due to many revealed irregularities, have lost significantly in public trust. The consequence is a lack of faith in the possibility of reaching a consensus among many economists and practitioners.

First of all, there is a lack of certainty that state institutions, when engaging in the dissemination and normalization of the idea of corporate social responsibility, which by definition consists in the voluntary implementation of its canons by economic entities, will not be formalized by the state institutions and covered by detailed legal regulations. The message of this initiative would then be destroyed.

Therefore, the issues concerning the need to undergo systemic changes, especially to indicate their grounds, state and future of capitalism, including determination of the extent of interference of its institutions in socio-economic life, have been so widely discussed in recent years. In reality, however, the socio-economic problem is that it is difficult to see boundaries of reforming the society and the economy. These problems are associated with the conviction that institutional conditions for economic development and skepticism about formalism and modeling in economics need to be studied.

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Notes:

- ⁱ *Since 1973, in order to assess the perception of the EU by the inhabitants of the Member States, as well as to study various socially important phenomena, European institutions have commissioned regular (twice a year) opinion polls called the Eurobarometer. One-thousand citizens are surveyed (in the case of Luxembourg 500, Great Britain 1300 by the end of 2019) using a specially prepared survey.*