A New Way of Seeing CSR: 
Country Social Responsibility*

Abstract: The highly floated term “country brand” is universally accepted as being extremely important in the development of a country. But what exactly entails the creation of a nation brand? Can the “country brand” term overlap across public policy, export, migration? Or are nation brands a mix of global perceptions of people from different corners of the world, involving concepts such as culture, products, business climate and tourist attractions? All of the above can highly contribute to the creation of a strong nation brand but trying to identify the vectors of country brand positioning and see how they contribute to the development of a credible nation brand can be really difficult. The purpose of this paper is to focus on the relationship between Corporate Social Responsibility and country branding and to show how Corporate Social Responsibility can become part of a country branding strategy. Although CSR is highly associated with the business sector and most of the time does not enjoy a wide positive reaction, it can be a successful model of building a strong country brand. CSR is doing for the business sector what countries are trying to do for their publics: embrace the responsibility for its actions while trying to obtain a positive impact among its publics and all the member of the public sphere in order to increase awareness and to be competitive in a changing market.

Keywords: country branding, corporate social responsibility, brand strategy, country image, social responsible behaviour, corporate sector

1. Corporate social responsibility and country branding: what is the link between the two of them?

Although there is an impressive history associated with the evolution of the concept of corporate social responsibility (CSR), no formal definition has been agreed upon. From the late 60s, when the term was brought in common use, a wide variety of definitions have been given, including quotes that place CSR as a way of “doing well by doing good”, an action that “is about the core

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behaviour of companies and the responsibility for their total impact on the societies in which they operate and not an optional add-on nor an act of philanthropy” (Marsden 2001) or Milton Friedman’s famous statement that “the social responsibility of business is to increase the profits”. This present paper prefers the definition of World Business Council on Sustainable Development which states that “Corporate social responsibility is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life” (WBCSD 2000). Beginning with the year 2000, the year this definition was given, a turning point in supporting CSR initiatives was made: the Commission of the European Communities published a Green Paper called “Promoting a European Framework for Corporate Social Responsibility” and the Johannesburg Declaration and Plan of Implementation of the 2002 World Summit on Sustainable Development encouraged the countries to contribute in creating a human global society and for greater “corporate environmental and social responsibility and accountability” (Aaronson and Reeves 2002).

Nevertheless, the main purpose of this paper is trying to modestly clarify whether social responsibility can stand as a model for creating a country brand or whether the place branding can win some important points on equity and sustainability by using the social responsibility issue into its “formula”. Unfortunately, both equity and sustainability are overused terms that most of the time, in the business sector, are reduced to the ability of identifying a premium price or the capacity of building windmills on the roof of enterprises. The link between CSR and country branding must not be attached ethical or moral labels as this might lead to a limited understanding of them and how they work, either separately or under the same roof.

Anholt and van Gelder claim that the corporations in rich countries need to “give something back” to the world and behave less selfishly than they have in the past. It is essential that the countries learn from the “big brands” and try to make a skill transfer from the business sector in order to act more responsibly, more sustainably and more efficiently than they usually do. Branding is a way of thinking about how an organization aligns its goals and abilities with the demands of its stakeholders. When an organization manages its brand or brands in such a way that they balance stakeholder demands and meet or exceed expectations in doing so, people benefit. The direct approach to branding skills and knowledge transfer is to aid national, regional or local governments to brand themselves. This implies helping them understand the strengths and weaknesses of their territories in terms of natural and human resources, and determining how these can be best applied to tourism, export branding, internal investments, foreign relations and representing culture (Anholt 2003).

In an increasingly complex and tightly-linked world, not only companies but also countries are engaged in competition at every level. Globalization is turning the world into a gigantic supermarket where countries compete to stimulate exports, attract tourism, foreign direct investments and immigration
(Anholt 2002). Governments are turning to branding techniques to differentiate their country on the global stage in order to establish a competitive edge over rival countries in the belief that a strong country brand can contribute to the country’s sustainable development (Jaffe and Nebenzahl 2001; Kleppe and Mossberg 2006). Place branding is the management of place image through strategic innovation and coordinated economic, commercial, social, cultural, and government policy. Competitive identity is the term to describe the synthesis of brand management with public diplomacy and with trade, investments, tourism and export promotion (Anholt 2007). It is clear that countries, cities and regions behave most of the time like brands: they try to differentiate themselves from their competitors based on their special meaning and attachment given by consumers, they are associated with certain qualities and characteristics and they are perceived in several ways by several people. But above all, just like in the case of brands, those perceptions are mostly influenced by the way countries behave; it is not only about what they do but also about how they do, how they act. Brand identity is critical for generalization of desirable characteristics projected by supplier’s perspective. It explains the expectations of a supplier about how a brand should be perceived by its target market. Defining a target market is crucial because some aspects of a destination may seem positive to one segment while ineffective to another (Fan 2006). This is why countries should begin relating to social responsibility as a common frame of reference in which each country has something to offer in order to build that human global society Johannesburg Declaration referred to; in this way, the target market will notice that countries not only seek to win “country consumers” but they are willing to give something back, they are willing to ask themselves: what can I do for the world?

Consumers are generally offered various destination choices that provide similar features in terms of accommodation, scenery and/or friendly people. Therefore, it is not enough for a destination to be included in an evoked set; instead the destination needs to be unique and differential to be selected as a final decision. From this perspective, the concept of destination branding is critical for a destination to be identified and differentiated from alternatives in the minds of the target market (Qu, Kim and Im 2010). Social responsibility can play a major role in making that difference that will convince the consumer to chose a certain place in order to visit it, relocate or invest there. The perception of a country determines the way the world sees it and treats it, and the more enlightened and expert a government is about branding and “reputation management”, the better it will be able to use these effects to its advantage. (Anholt and van Gelder 2003).

2. When countries “behave” socially responsible

As Dowell stated, “firms that adopt a strict international environmental standard have a higher market value than those firms that apply less strict or
weakly enforced host country standards” (Dowell 2000). The same issue can be transferred to the country branding field. There are several countries that can stand as a good example of successful nation branding, taken into consideration the social responsibility aspect.

A very good example to start with is the case of Sweden. The website www.sweden.se, the official gateway to Sweden as the Swedish Government Offices names the site, emphasizes the importance that Sweden gives to social corporate responsibility and promotes their “fair, honest and transparent” way of acting in economic, politics and social level through all their communication channels:

“Swedish business has a reputation for being fair, honest and transparent. Corporate social responsibility (CSR) is a core aspect of doing business in Sweden, which is why the environment, gender equality, human rights and anti-corruption are central issues for many companies here. Sweden was the first country to require sustainability reports from state-owned companies — just one example of how seriously Swedish society takes CSR. And it is more than just a heritage: AccountAbility’s 2007 Responsible Competitiveness Index (RCI) ranked Sweden as the country that is doing most to increase its business competitiveness through responsible business practices. Working in Sweden is an opportunity to do responsible business that can change society and the environment for the better. Sweden remains one of the most egalitarian countries in terms of income distribution, and has one of the world’s lowest levels of poverty. It is no surprise that Sweden consistently appears near the top of the Human Development Index, which ranks countries according to life expectancy, education and standard of living.”

The Swedish trade council helps Swedish corporations to grow internationally in order to promote the brand image of Sweden. Sweden is almost universally admired, and its brand image boasts a rare combination of stable and responsible governance, honest and trustworthy people, successful cultural exports, a prime location for investment, and yet isn’t seen as boring or predictable, but young and dynamic (Berg 2007). According to Swedish Trade Council, for the well-being of people and better environment, “Swedish government helps its corporations to launch new environmental technologies; this Environmental Technology works with the companies in the fields of waste management, recycling, renewable energy, air pollution control and wastewater and sewage treatment. Special projects are carried out within the framework of the Sustainable City concept to present all-round Swedish solutions for the sustainable urban development”. Thereby, what Sweden is presenting to the world is not a brand made through design and advertising, is a way of behaving, a sort of comportment that brings added value to the human global society by offering not only a country brand model example but a country that is social responsible and consider this sort of responsibility as the most valuable asset of the country.
Not only Sweden, but also Swedish famous brands “breathe” social responsibility and not only through their large CSR campaigns, but through their vision and their insights; Ikea says that they are trying to “create a better everyday life for the many people”. Their business idea supports this vision by offering a wide range of well-designed, functional home furnishing products “at prices so low that as many people as possible will be able to afford them”; Volvo wants that “by 2020, nobody shall be seriously injured or killed, not only in a Volvo vehicle but also people in other vehicles and pedestrians”; H&M stands for “affordable luxury to the people” and “fashion and quality at the best price”.

Sweden’s attempts to promote itself as a socially responsible country brand were highly rewarded by the position that its national brand has in the Country Brand Index 2011- 2012: number 7 from 113 countries ranked from all over the world (CBI 2011). Sweden is with three positions higher than last year and, as is stated in the research study, it leads by example in social responsibility. Sweden has enjoyed one of the sharpest increases in overall strength over the past two years, now dominating both the Quality of Life and Value System dimensions and second only to Switzerland in Good for Business. This is in the context of Sweden’s 6.4% annual growth in the first quarter of 2011, falling unemployment and public debt below 40% of GDP—the reverse of most of its counterparts in the top ten. Part of this economic success relates to Sweden’s established manufacturing base, as well as strong exported brands across multiple categories. Being number one at the “value system” item, Sweden is a very good model of systems that uphold the rule of law while guaranteeing civil rights and individual liberties to their citizens. Environmentalism and a focus on sustainability play a huge role in brand strength. This year’s rising stars in the Value System category share significant improvements not only in the environmental friendliness attribute but also on political freedom, tolerance, freedom of speech. (CBI 2011)

Sweden’s great ascension was largely caused by the socially responsible behaviour it adopted. It is not attributes related to heritage, culture or tourism that got Sweden in the top positions. The items on which it scored very well were “quality of life”, “value system”, “good for the business”.

Another example of successful “nation branding” raised through social responsibility is offered by Japan. While 50 years ago the country of Nippon was scattered by war, nowadays it is listed as one of the richest members of the Organization for Economic Co-operation and Development (OECD). Japan gained its position in OECD not only by producing world-beating brand names, famous electronics, motor vehicles and information technology but also by showing a constant interest and investing in people’s quality of life, increased interest on the quality of the exported product and constant concern for the sustainability of the businesses.

In 1960, The Republic of Korea had the same gross national product as Cameroon. Today, South Korea is the 15th largest economy in the world. The
impressive growth of The Republic of Korea has a beautiful and stately story but what matters for the present article is how this imposing economical growth influenced the South Korea’s country brand. The truth is that it did not. Although millions of people have been lifted out of poverty and the South Korean gave an example to the planet which is worth following, The Republic of Korea scored little in terms of country brand. South Korea soon realized that it was not enough to be a good example in order to have a good image and a strong brand in the world, you also have to “give something in return” to mankind and contribute to that human global society. The Republic of Korea made it clear that they understand the terms of social responsibility and country branding. They not only started a “social responsibility campaign” that included actions such as donating big amounts of money to poor countries that found themselves in difficult situations but they even added a motto to the country, “Benefit broadly the human world”. In other words, South Korea’s social responsibility helped the country have a say in the field of country branding.

Singapore offers another example of the importance of the link between country branding and social responsibility. Ranked number 16 in the Country Brand Index 2011-2012, Singapore has started its development in early 1960s and has faced a fast grown, in the 1990s gaining the title of “The learning nation”, guided by the slogan teach less, learn more!”. Singapore’s social responsibility is an investment in its people and their education. As it can be seen on the Singapore National Education Master Plan, the idea of “Thinking schools, Learning nation” aimed to develop creative thinking skills, lifelong learning passion and nationalistic commitment in the young. In other words, “The learning nation” made learning a national culture, encouraging creativity and innovation at every level of society, which went beyond schools and educational institutions. Nowadays, the challenge for Singapore is encouraging its people to apply creatively all their learning while in terms of nation branding, the country became successful by learning how to benefit from its socially responsible actions and how to think outside the box while doing well within the box.

3. The need of a fresh approach

Since 1996, when the term “nation branding” was coined by the British policy advisor Simon Anholt, several patterns of building a strong and bold country brand were released. Even if they are well reasoned, highly researched, one can not say that any of these models can be universally used and applied as a paradigm or a sort of “formula” of building the brand of a nation. It is obvious that there can not be such a thing of a “suit for all” model but adjusted and customized to each country, social responsibility can be a core pillar in the future of country branding branch. In the following lines I will mention some of the most “popular” models of building a nation brand:
Table 1: Models of building a country brand (Lee 2010)

- The groundwork for the model is laid for how a nation brand can emerge through the association with the tourism brand.
- Success depends on the efficient management of the branding process. Particularly at the beginning of that process, it is important to develop the vision of the brand which is guided by the type of attractions the country offers and wishes to develop.

Gnoth 2002

- Refers to the category flow model as a process connecting nation-branding antecedents, properties and consequences: anticipation derives from the consumers' perceptions and experiences to the nation; complexity and cultural expressiveness comprise elements of the nation-brand construct; it is necessary to engage the full range of stakeholders.

Dinnie 2008

- Antecedents
  - Stereotypes
  - Personal experience

- Properties
  - Complexity
    - Managing diversity
    - Uncorrectability
    - Urban-Rural dichotomy
  - Encapsulation
    - Redefinition
    - Branding
    - Zeitgeist
  - Cultural expressiveness
    - Heritage, Landscape
    - The arts

- Consequences
  - Inclusiveness
  - Exemplars

Tourists expectations

Tourists evaluations

Service experience

Destination's benefits
Hankinson 2004

- Proposes that the model extends the concept of a place brand beyond the narrow focus of a perceptual entity or image to include behavioural and economic dimensions.  
- The place brand is represented by a core brand and four categories of brand relationships (i.e. consumer group, primary service, brand infrastructure and the media).

Anholt & Hildreth 2005

- Argue that most countries send out messages about themselves via a ‘hexagon’ of communication channels and behaviours. The hexagon comprises following actions: the nation’s tourism promotion; the country’s exports; the policy decisions of the country’s government; the way the nation attracts inward investment, foreign talent and companies; the nation’s cultural activities; and the people of the country.

Skinner & Kubacki 2007

- Aim to unravel the complex relationship between nationhood and a place’s brand identity. The model conceptualises how the nation brand identity is created and communicated, taking all the factors of a nation into account and relying on a wide range of moderators and contact points.
An approach based on the concept of “social responsibility” would not diminish the importance of these models, but would add value to them. This sort of “update” is necessary to the branch of nation branding because of the difficulty of sending a clear and well-defined message to the target audience. The messages that are communicated by the nation brand are dispersed over such a nebulous collection of associations and attributes that the intended audience may be left confused, if not slightly bewildered by the nature of that which is being communicated. Even though nation branding has all types of techniques, technologies and media at its disposal, according to Fan (2006), it also faces a number of unique challenges. First, national identity is notoriously
difficult to define. Second, it is about how to develop a core message about a country that can be used by different industry sectors. Third, it needs to consider the time dimension of the nation brand. Finally, in addition to the external international audiences, stakeholders in the branding campaign are important as the internal audience.

In order to be successful, specialists working on a country brand campaign should be aware and always keep in mind that although similar instruments can be applied in the case of creating both a product and a country brand, there are fundamental differences between the two of them. As it can be seen in Table 2, there are many issues that can put a country branding specialist in difficulty. For instance, as the country does not have a well-established control over its image, any third may use the image of the country for his own advantage; in order to emphasize this issue, one example can be given: Giordano, a fashion designer in Hong Kong, has benefited from the use of an Italian name, without any connection with the name’s country of origin, Italy. A country brand exclusivity is very hard to protect as the nation does not hold the monopoly on qualities it wants to be promoted. Thus, the question “who owns the brand and who is responsible for it?” still remains.

Table 2: Comparison between nation branding and product branding

<table>
<thead>
<tr>
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<th>Nation brand</th>
<th>Product brand</th>
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<tbody>
<tr>
<td>Offer</td>
<td>Nothing on offer</td>
<td>A product or service on offer</td>
</tr>
<tr>
<td>Attributes</td>
<td>Difficult to define</td>
<td>Well defined</td>
</tr>
<tr>
<td>Benefits</td>
<td>Purely emotional</td>
<td>Functional and emotional</td>
</tr>
<tr>
<td>Image</td>
<td>Complicated, various, vague</td>
<td>Simple, clear</td>
</tr>
<tr>
<td>Association</td>
<td>Secondary, numerous and diverse</td>
<td>Primary and secondary, relatively fewer and more specific</td>
</tr>
<tr>
<td>Purpose</td>
<td>To promote national image</td>
<td>To help sales and develop relationships</td>
</tr>
<tr>
<td>Ownership</td>
<td>Unclear, multiple stakeholders</td>
<td>Sole owner</td>
</tr>
<tr>
<td>Audience</td>
<td>Diverse, hard to define</td>
<td>Targeted segment</td>
</tr>
</tbody>
</table>

Country branding is a huge responsibility. A nation’s branding is not only design and advertising. It’s not only imagery. It’s a program where every member of the nation is involved, more or less. Responsibilities start with the government’s conduit, and it is the government who should have the initiative. And the brand should be created both as image and as other means of perception –
such as tone of voice – and this is why a design agency is not enough. You also need consulting in PR and political sciences as well as input from various areas, such as public opinion, internal and international press, political analysts, and so on (Ursache 2005). Social responsibility offers the ways to attain economical, social and environmental benefits at the same time. It is Government obligation and responsibility to encourage the development of CSR and should ensure that fiscal and regulatory structure supports the corporate social responsibility. In branding of country, Government can work in partnership with public and private organizations in order to convert CSR theory and principle into social and environmental investment. It is essential to highlight and address the importance of social and environmental responsibility so that corporate social responsibility becomes an integral part of daily normal practice for all types of public and private organizations, and for national as well international operations.

4. Who is actually acting responsibly?

The correlation between countries that have produced strong brands and those that are strong brands themselves is undeniable yet the direction of causation is unclear. Has the nation brand emerged as a result of the success of a national industry, being simply rooted in economic patterns of shifting comparative advantage and specialisation across the world, or has the intangible benefits of the nation brand been the initiator of a country’s success? The more consistent and planned the effort that a country’s government and private sector put into developing both, the more likely these two effects are to build upon each other and create a powerful and seamless whole. In order to survive in competitive international markets, corporations must get to grasp with the social and environmental issues alongside economic concerns (Meacher 2002).

Although the perspective has changed over time (table 3), countries and corporations are under enormous pressure to build or rebuild people trust and stay competitive in a global world; it is important to know the responsibilities of the governments and the role of the corporations and how they both can contribute to play their roles through social action. Governments have a distinct role in the society through the provision of certain services such as providing health and education, wealth redistribution, environmental sustainability and as guarantor of life security of people. But when governments fail to accomplish their vital role, corporations may play their part to fill this gap with their voluntarily CSR initiatives. And even though there are limits that restrict the companies to implement their CSR activities, businesses have always played a key role in the social and economical development of the communities.
Table 3: The dynamics of product-country images (Papadopoulos 1993)

<table>
<thead>
<tr>
<th>Between 1970s and early of 1980s</th>
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<tbody>
<tr>
<td>- National governments began to pay more attention to “rules of origin” legislation and to enforce it more carefully, as a means of protecting domestic producers;</td>
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<tr>
<td>- Both the governments and producer groups became more proactive in domestic promotions of native industry, developing promotional campaigns such as “Crafted with pride in the USA” or “Think Canadian”;</td>
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<tr>
<td>- Companies began to be more discriminating about the use of origin identifiers, giving the emphasis on a place’s unique characteristics.</td>
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<tr>
<td>Since 1980s</td>
</tr>
<tr>
<td>- Governments are becoming more proactive and systematic in promoting their image abroad through joint foreign-promotion campaigns;</td>
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<tr>
<td>- Origins and their images have come under intense scrutiny in the context of trade blocs;</td>
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<tr>
<td>- Globalization of business has brought on an intense debate about the merits and continuing relevance of national origin identifiers.</td>
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Returning to the case of Sweden, the question “who is branding who?” remains one of great interest. As outlined previously, Sweden is not only a good example of a strong brand build through social responsible actions but also a country that delivered well-known brands, as IKEA, Volvo, Absolut or Saab, famous for their CSR campaigns. Did the policies pursued by Sweden in the field inspired brands’ socially responsible attitude or did the corporations’ strong CSR campaigns empowered Sweden with the title of a proactive country in terms of responsibility? One can endlessly debate whether the commercial brands have done more to build the country brand or vice versa, and which came first, but the reality appears to be that the two are inextricably linked: the brands help to build the country’s image and the country’s image helps to build the brands. All the same, there are countries that have built product brands with the deliberate intention of helping the brand of their country to grow but the results were not as expected; when they created Skype, the people from Estonia wanted to give the world a proof of development and highly creative potential and change the image of an outdated, ex-communist country into an ingenious, small nation with plenty to offer. Unfortunately for Estonia, a study made by Anderson Analytics in 2010 indicates the fact that more than 95% of the people living in United States of America, their main marketplace, think that Skype is a brand born and developed in Canada. The same happened to Finland and Nokia. How is Nokia’s socially responsible behaviour helping the Finnish brand when according to the same study mentioned above, more than 90% of the Americans believe that Nokia is a Japanese brand?
5. Concluding remarks

In contemporary management science, brand management is about working on the context of action (Arvidsson 2006). As Keller mentioned, a nation brand is a “living system”, and a nationbrand building process must involve an inclusive brand behaviour to make the nation-brand system alive, which enables to build a fully actionable model on sustainable competitiveness which also implies social responsibility. For the “system” to be functional it has to involve strategic and holistic decisions and should take into consideration the dynamics of integrating input-process-output of nation branding.

CSR is now one of the vital parts of business model of any company, not only beneficial for the company itself but also creating a good impact on society, environment and country at large. To implement CSR in any country, collaboration and initiative from governments is very necessary for the private sector. Social responsibility can have an important role in the branding strategy of a country by focusing on the factors which are important in country’s brand strategy. Some of the countries already managed to integrate the social responsibility field into its country branding strategy while others, even if they are showing interest in this matter, do not consider it as being a part of country’s branding strategy and do not picture the impact on the whole country at large but only in narrow communities. Sweden is one of the successful cases in creating a strong brand through social responsibility due to the fact that this nation embedded this concept in the national culture but also because it is working so hard to communicate this to its stakeholders. Another aspect of the success obtained by the Swedes is the close link between companies and the Government; the companies communicate with the Government while planning their corporate social responsibility programs so that it can be aligned with government’s country branding strategy and also the Government communicate their plans with corporate sector and help them to plan and implement their CSR campaigns.

A country brand image should reflect its own country personality; this is what can differentiate and position the brands. Just like in the case of products, country brands should have their own identity, built and well-founded, managed to overcome any cultural, social or economic context by creating emotional stimuli that succeed to form the most enjoyable experiences. Adding social responsibility to a country’s behaviour will definitely change the way that country is perceived. For instance, 2012 is a year that brings many opportunities to some countries for building or improving their national brand, depending on the way they will “behave” and what they have to give to the world: The United Kingdom has the opportunity to offer one of the most expected sportive competition and the way they are going to provide “this gift” will help UK to improve its “score” on the country brand chapter. Poland and Ukraine are in the position of highlighting their culture, tourism and people but all the benefits will be direct proportional with the experience they will offer at European Football
Championship. The United States of America will be in sight due to the presidential election while in Europe, countries such as Greece, Ireland, Italy or Portugal could face declining in terms of country branding due to the economic challenges they have to overcome. Also, the Arab Spring and the recent political changes might be a good opportunity for the country from North Africa and Middle East to give an example not only in terms of mobilization and empowerment but they could also bring out strengths and abilities in domains as tourism, culture or heritage. The way these countries are going to share the opportunities they are given to the rest of the world will surely remodel the country brands ranking and will have long lasting effects.

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