Master’s Thesis

Identifying key notions of corporate responsibility: The perspectives of qualified Finnish corporate executives in Latin American countries and of Latin American employees living in Finland

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The aim of this thesis is to study corporate social responsibility from the perspective of corporate leaders and employees in the context of Latin American countries. The main theories in this thesis are based on the work of Karl Polanyi, Esa Pohjanheimo, Jouko Kuisma, Teuvo Teivainen, Geert Hofstede, Ivan Kolstad, Eduard Freeman, and Milton Friedman. Various articles, corporate websites, courses, and events on corporate social responsibility are utilized in this research. The methodology of this thesis is semi-structured interviews carried out in person or by phone in English and Finnish.

The corporate leaders are represented by three executive leaders who all have extensive living experience in various corporate, cultural, and geographical perspectives in several Latin American countries. The industries captured in this research are 1) the mining industry (Outokumpu) in Chile, 2) the paper and pulp (renewable materials) industries (Stora Enso) in Uruguay and Brazil, and 3) the forestry industry (Enso) in Brazil. The employee perspective is represented by three Venezuelan employees, three Bolivian employees, and one Honduran employee living and working in Finland across various Finnish companies. Seven common key notions of corporate social responsibility (CSR) are found in the interviews both of the executive leaders as well as the employees. Four of the key notions are mutual. The mutual CSR notions among the leadership figures and the employees include i) the experienced level of hierarchy and power distance between employees and supervisors, ii) the level (or lack of) of environmental CSR, iii) the experienced power of the state and the government, and iv) the level of corruption in Latin American countries. The top three shared CSR notions among the executive leaders are related to cultural similarities between Nordic and Latin American countries. All seven shared notions of CSR among the executive leadership figures include 1) similarities between the experienced levels of infrastructure among the Nordic and Latin American countries, 2) similarities in historical and cultural practices between the Nordic and Latin American countries, 3) CSR supporting the collective and individual rights of indigenous populations, 4) erosion of natural resources in Latin America, 5) benefits of local empowerment, 6) the power of the media in Latin American countries, and 7) the level of corruption in Latin American countries. The strongest CSR notions among the employees include 1) excellence of the Finnish healthcare and welfare system, 2) CSR as a profit-seeking activity, 4) differences in social benefits (pension, health insurance, taxation) between Latin America and Finland, 5) a lack of democracy and the power of the government in Latin American countries, 6) the level of corruption in Latin American countries, and 7) a lack of environmental CSR in Latin American countries. The results of the study can be applied from the perspectives of Bolivia and Venezuela from the employee side and from the perspectives of Chile, Uruguay, and Brazil from the executive leaders’ side. The results give us an understanding of the key dimensions of CSR aspects in these specific countries, limited by the roles and context of the interviews. Variance between the countries (and industries) among the executive leaders and the employees exist, but the results are combined into a regional study representing various Latin American countries or the Latin American (LAM) region as a whole.
## Contents

1. **INTRODUCTION** .......................................................................................................................... 3  
   1.1 Development of corporate social responsibility ................................................................. 3  
   1.2 Context and targets of this research ............................................................................... 6  
   1.3 Recent developments and reasons for the rise of CSR programs ........................................ 7  
   1.4 Means and standards for corporate social responsibility .................................................. 9  
   1.5 Previous research on corporate social responsibility ....................................................... 9  

2. **THEORETICAL FRAMEWORK OF CORPORATE SOCIAL RESPONSIBILITY** .................. 13  
   2.1 Ethical theories: Ivar Kolstad and Edward R. Freeman ................................................... 13  
   2.2 Corporate social responsibility and reciprocity: Karl Polanyi .......................................... 15  
   2.3 Values approach: Milton Friedman, Geert Hofstede, and Shalom H. Schwartz ............... 17  

3. **METHODOLOGY** ......................................................................................................................... 23  
   3.1 Face to face interviews in the field – leadership and employee perspectives ..................... 23  
   3.2 Philosophical framework of this research ......................................................................... 26  

4. **RESEARCH RESULTS** ............................................................................................................... 27  
   4.1 Leadership perspective ....................................................................................................... 28  
      4.1.1 Technological and social development in Latin America (economic CSR) .................. 28  
      4.1.2 Historical and cultural practices in Latin America (social CSR) ................................. 33  
      4.1.3 Collective and individual rights of indigenous populations and CSR (social CSR) .... 36  
      4.1.4 Erosion of natural resources (environmental CSR) ............................................... 37  
      4.1.5 Local empowerment (economic and social CSR) .................................................... 40  
      4.1.6 Power of the media, the state, and the non-governmental organizations (social CSR) .. 42  
      4.1.7 Corruption (social and economic CSR) .................................................................... 45  
      4.1.8 Future of corporate responsibility ............................................................................. 46  
   4.2 Employee perspectives .......................................................................................................... 48  
      4.2.1 Excellence of the Finnish Corporate Social Responsibility programs (social CSR) ...... 48  
      4.2.2 Importance and implications of CSR (social CSR) .................................................. 55  
      4.2.3 Is CSR a profit seeking activity? (economic CSR) ..................................................... 59  
      4.2.4 Taxation, pension and health care insurances (Economic CSR) .................................. 60  
      4.2.5 Power of the government in Latin America versus in Finland (social CSR) ............. 60  
      4.2.6 Corruption (social and economic CSR) .................................................................... 62  
      4.2.7 Environmental and value-based CSR (environmental CSR) .................................... 63  
      4.2.8 Future of CSR ........................................................................................................... 64
INTRODUCTION

1.1 Development of corporate social responsibility

This study concentrates on key notions of corporate social responsibility (CSR), comparing the views of executive leaders in Latin American culture and employees originating from Latin America. This study takes into account social, economic, and environmental factors while identifying common (and separate) key notions of CSR held by leaders and employees. The three categories of CSR can be considered people, planet, and profit according to the three P’s of the grounding values of corporate social responsibility. This study utilizes the theoretical background of the value and cultural approach developed by Geert Hofstede, the economic and political theories of Karl Polanyi, and the economic and ethical dilemmas of CSR as discussed by Milton Friedman (1970), Ivar Kolstad (2007) and Eduard Freeman ([1984] 2010). The key theme driving this study is an analysis of the variance between the ideas of the employees and the executives regarding the understanding and implementation of CSR in Finland and in Latin American countries. A considerable number of studies on corporate social responsibility have been conducted over the past decades, and the topic of CSR continues to increase in relevance, becoming a vital topic in the long-term development of international companies. Corporate social responsibility has been successfully implemented in numerous corporations. However, great potential for further development can be identified. It has become not only a natural but an essential part of values, strategy, and leadership as well as an inseparable element of risk management, competitive advantage, and return on investment in the corporate and public environments. Furthermore, it requires monetary and capital investments in multiple corporate functions such as strategic planning, human resources, public relations, and other leadership functions. Increasing pressure from various external factors like climate change, population growth, economic development, and demands for transparency caused by conscious consumers and citizens concerned about the global environment will force organizations to focus on sustainability rather than solely on financial benefits.

One of the aspects of corporate social responsibility and sustainability performance is the corporate focus on how the enterprise interacts with its supply chain, stakeholders, and the environment and society at large, optimizing resource allocation while creating long-term value (Lynch et al 2014). Corporate social responsibility reports (including sustainability reports) can be issued in a variety of formats disclosing material on social and environmental issues, the company’s vulnerability to the climate change, corporate governance structure, the tracking of emissions and waste, the number of environmental accidents, effective supply chain management, and employee and community involvement in the company’s CSR strategy (Lynch et al 2014).
The Global Reporting Initiative (GRI) has defined the need for sustainable business as follows: “the goal of sustainable development is to meet the needs of the present without compromising the ability of future generations to meet their own needs. This contrast creates one of the most pressing dilemmas for the 21st century” (GRI 2017).

Socially responsible investment (SRI) and green bond markets have gained popularity among investors as well as politicians as ESG (environmental, social, governance) investments have increased in monetary value and profits since first being launched in 2007 by the World Bank and the European Investment Bank, especially after 2013. In Europe, France and Poland have released green government bonds for international corporations. The appeal is not so much a result of the market value of such green bonds, which is currently estimated at 200 billion dollars, but of the growth rate, as the market has doubled in total value over the past four years (Schauman 2017).

There are various ethical, political, and economic theories related to corporate social responsibility. One of the fundamental theories was published in the economic political field. Karl Polanyi ([1944] 2009) published The Great Transformation in 1944, arguing that the nature of human being is not built on seeking profit but on reciprocal exchange and relationships. Howard Bowen followed up on these ideas in 1953, stating that companies should pursue policies desirable in terms of societal values: “it refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Bowen 1953:6). In 1962, Milton Friedman turned the spotlight to shareholders and claimed that the only responsibility of the company is to make a profit (Friedman, 1970). Prakash Sethi (1975) looked at modern society and proposed that every firm should take a stand on issues of public interest including cultural awareness, and Donna Wood (1991) declared that social responsibility must be present in all decisions and actions implemented, and that these must be congruent with the defined principles, processes, and policies of a company.

Archie B. Carroll has created a logical pyramid of corporate social responsibility by stating that although philanthropic contributions are highly desired, they are actually less important than the three other categories of corporate social responsibility. Companies must look beyond the most obvious and simplistic approaches to good corporate citizenship (Carroll 1991:42).
The European Union has defined corporate social responsibility (CSR) as “actions by companies over and above their legal obligations towards society and the environment” (European Union 2018). Many of the European Union regulations, at least on the public side, are based on the legacy framework with official declarations of articles. The European Union is estimated to save between 50 and 80 billion euros in public procurement by implementing non-corruptive practices (17%) and by reducing passive waste in bureaucracy and non-competitiveness (83%) (Andrecka 2017). Pressure, at least within the European Union, has been increasing since the beginning of 2017 for all organizations employing over 500 persons to produce sustainability reports as part of their annual statements or as standalone CSR reports. Based on the Finnish Business and Society (FIBS) network, corporate social responsibility is targeted to increase the innovative
leading edge of corporations, to minimize risks, to enable sustainable growth, and to secure business requirements in the long term through activities related to corporate social responsibility (FIBS 2017, see also Kuisma 2015:42).

According to internationally accepted tradition, corporate social responsibility is often represented by triple bottom line (TBL) activities – economic, social, and environmental targets – or simply by the so-called triple ‘P’ – people, planet, and profit. All three elements of social, environmental, and economic aspects must be present to achieve sustainability in the long term. These same elements of equity in traditional economic theories come across in Polanyi’s ([1944] 2009) theory, represented by the concepts of humans, land, and money.

Are the activities of corporate social responsibility just greenwashing and window dressing, as claimed by the critiques of CSR programs? The dilemma of corporate social responsibility becomes complicated when corporations operate across national borders. Who will be responsible for making sure the land is taken care of or roads are built appropriately in cases of international mergers or global investments? How are factories operating internationally held to the same standards that consumers expect on another continent where different sets of parameters, values, laws, and regulations are present? What is the value of human rights in international operations and how can social responsibility implemented by business operators be measured and followed up on? These questions are difficult to answer. This research will investigate the perspectives of employees as well as of key leadership figures on the meaning of corporate social responsibility in the context of Latin American countries.

1.2 Context and targets of this research

The research question in this study concerns how corporate social responsibility is embedded in organizations through the leaderships’ actions and how employees view CSR. This study samples employees and executive leaders who have connections to Latin American countries. The perspectives of employees as well as leadership are encompassed in this research. The results collected from the employees originating from Latin America were based mainly on face-to-face interviews in the field to understand cultural differences in the adaptation and deployment of corporate social responsibility in Finland versus in Latin America. Interviews with the leadership figures were conducted by face-to-face interviews in the field. The executive leaders provide a perspective on CSR activities and targets to be implemented that can be compared to that of the leadership.

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1 Finnish Business and Society ry (FIBS) was named as the single non-profit network for corporate responsibility in Finland (Kuisma 2015:42). FIBS has organizations with all sizes and from all industries, nearly 250 organizations in total at the end of 2014. FIBS is partnered with CSR Europe and World Business Council for Sustainable Development (WBCSD) which makes FIBS the 6th largest network of CSR industry in Europe (Kuisma 2015:42).
employees. These two perspectives provide a more in-depth understanding of the dilemma of CSR in this study.

The geographical context of this study from the employee perspective is Bolivia, Venezuela, and Honduras and from the leadership perspective is Chile, Uruguay, and Brazil. Finland is integrated into this study as all the interviewed employees and leaders are Finnish citizens at the time of this study. Interviews with employees and executive leaders of the same country were not conducted in this study. Therefore, using these six countries as specific case examples, this study provides an overview of general aspects of corporate social responsibility in Finland and Latin America in the corporate environment.

The corporate context of this study is the internal organizational or even individual focus of corporate social responsibility programs. The external focus will be touched upon in the research results, as these elements are inseparable from one another. This study will emphasize internal dynamics of an enterprise (including the measurement of democracy) rather than external corporate power relations to society. Naturally, these two aspects cannot be separated entirely.

Corporate social responsibility (CSR) and corporate responsibility and sustainability will be used as synonyms in this study. Both terms have been widely used in previous research and by the media, and they present a more neutral and quantifiable terminology than the terms “business ethics” or “business morals”.

An abundance of previous studies have been completed on CSR and related communication, investment, and other topics. However, more focus on corporate social responsibility in the context of Latin American cultures would be expected taking into account the amount of research made for example on the historical investments made by the paper and pulp industry in Uruguay in 2007.

1.3 Recent developments and reasons for the rise of CSR programs

Teivo Teivainen (2013:18) states that the recent rise in CSR programs is due to ever-increasing transparency requirements in economic power relations. Teivainen (2013) gives examples such as the World Trade Organization (WTO) and the WTO meeting in 1999, the rise of activist unions, and the World Social Forum criticizing corporations since 2001. Consequently, the rise of CSR can be seen due to the rapid adaptation of the corporate environment to turn the criticism into “harmless corporate social responsibility speech” (Teivainen 2013:18). Increasing CSR needs have resulted in the creation of consultancy companies providing extensive CSR reporting. As proposed by Teivainen (2013), all these activities may have prevented further increases in the criticism of CSR programs.
Milton Friedman wrote one of the most famous critiques of CSR in 1970. Therefore, the phenomenon of CSR has existed for some time. However, public challenges by activists has considerably accelerated CSR programs (Teivainen 2013:19). A question remains, what has caused this rise in critical speech and activist unions. According to Teivainen (2013:19), economic development has taken new forms and is increasingly challenging to identify, for example, in the traditional political environment.

Corporate social responsibility entails difficult questions about power relations and the entitlements of power (Teivainen 2013:19). These concepts will be further explored in Section 2 of this study. Some CSR programs advocate increasing democracy among employees as suggested by employment unions, but criticism exists, according to Teivainen (2013:19-20).

Although the economic power of an enterprise is hard to measure, enterprises have an increasing impact on society and the environment at large. The economic requirements of the enterprises versus the more societal values given from the society or from the government in general need to be defined, and this is the dilemma currently in the public discussion (Teivainen 2013:29). The key area of debate is the impact of CSR on society due to its visibility in media headlines. This could be, for example, environmental impact, lobbying, or government elections. Funding is an important element of managing external public affairs and social impact. A long-term trend has been that with smart economic calculations, companies can benefit from industrial development with activities that were previously categorized as “charity” (Teivainen 2013:32). While evaluating the difference between “now” and “in the future”, the value of the stakeholder return on investment will be affected by the future predictions, which in turn will affect the stock price and current activities (Teivainen 2013:32-33), as will be discussed in Section 2 of this study.²

Latin American countries have faced changes from violent instability in the political sphere and from military-led organizations in favour of republican systems of government. As claimed by Holden and Villars (2013:15), features of Latin American politics such as lawlessness, militarism, personalism, and dictatorship thrived in the 20th century with authoritarian and dictatorial governments. This provides an interesting linkage for studies in leadership and the rise of CSR connected to the rise of newly formed democratic nations where individual rights are no longer rejected but an escape from a colonial past is continuing. It provides a glimpse into the

² For example, Kesko Corporation, one of the largest retailer in Finland, implemented CSR in founding their recycling activities, developing the ISO 14001 standard and optimizing Kesko’s energy consumption (Kuisma 2015:9). Thereafter, the development continued in the area of environmental reporting in 1997 followed by establishment of responsible procurement and of corporate values (Kuisma 2015:9). Furthermore, local food production and eco-labelling together with origin labelling was raised to the top of Kesko’s Public Affairs and marketing activities (Tolvanen 2017). In today’s environment, the pace for development is much faster due to the systematic leadership, measurement and reporting of CSR together with the improved connection from daily operations towards the immediate leadership (Kuisma 2015:9).
Attainability of democracy as a long-term development. Teivainen (2013:32-35) asks if we are able to increase sustainability with small changes that can lead to a completely new way of sustainable business development. Teivainen (2013:44) notes that one signal of the change in the visibility of CSR is the spread of interest groups. Previously, CSR had been managed mainly by commercial teams, but more and more interest groups have arisen in political and legal studies. The fine equilibrium of economic and political development involves balancing free-market capitalism and the rule of law in the interest of new liberal states.

1.4 Means and standards for corporate social responsibility

A few fundamental initiatives have been launched in relation to the universal human rights that most of multinational companies have acknowledged and are bound to. First, the International Declaration of Human Rights by the United Nations is a milestone document for all nations and was translated into 500 languages in 1948. Second, the International Labour Office (ILO) released the Principles Concerning Multinational Enterprises and Social Policy in 1977 (updated in 2001) and the Fundamental Principles and Rights at Work in 1998. These declarations can be explained by two principles. The first is that businesses should support and respect the protection of internationally proclaimed human rights and the second is that businesses should make sure they are not complicit in the abuse of human rights. Corporations should uphold freedom of association and recognize the right of collective bargaining. Furthermore, corporations should uphold the elimination of all forms of forced and compulsory labour. Finally, corporations should uphold the effective abolition of child labour and eliminate discrimination in regards to employment and occupation.

On the topics of the environment and sustainable development, the United Nations launched the Rio Declaration on Environment and Development in 1992. This declaration is currently under revision to take into account issues like a circular economy. In practice, corporations should take a precautionary approach to environmental challenges and undertake initiatives to promote greater environmental responsibility with a “polluters will pay” ideology. Furthermore, corporations are encouraged to develop and use environmentally friendly technologies. United Nations has a leading role in setting these global principles for all humans and corporations. On top of these standards and declarations, corporations are required to work against corruption in all its forms, including extortion and bribery.

1.5 Previous research on corporate social responsibility

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3 UN Global Compact was released in 2000 and further updated in 2004. Few years later, International Standard for Social Responsibility, ISO26000, was established in 2010. Social Accountability 8000 (SA8000) Global Reporting Initiative was created in 1997 together with ISO 14001, to serve the social responsibility, accounting and auditing practices as well as environmental standardization.
Markus Kröger published a doctoral dissertation called *The Politics of Pulp Investment and the Brazilian Landless Movement (MST)* at the Department of Political and Economic Studies of the University of Helsinki in 2010. Kröger (2010:62) emphasizes the requirement for risk assessment due to the landless movement’s grievances arising from socio-economic and environmental concerns about industrial tree plantation expansion. In his publication, Kröger (2010:18) touches upon CSR as a corporate mechanism: “Corporate social responsibility (CSR) on the other hand, is a corporate mechanism that can be used in conflict remediation, which can connect corporations and contenders directly, without the active remediation within the state”.

Jouko Kuisma (2015) published a comprehensive book on CSR called *Mainetta ja Tulosta, Yritysvastuun Johtamisen Lyhyt Oppimäärä* based on his extensive experience with establishing CSR at Kesko Corporation starting in the 1990s. The book covers the values, strategy, and principles involved in setting up a CSR strategy, including stakeholder analysis and the Global Reporting Initiative (GRI) for any corporation.\(^4\) In addition, Kuisma (2015) covers the various human resources metrics paramount for the CSR success.\(^5\) One clarification raised by Kuisma is the use of fixed-term employment as describing the development pace as well as the traditional ways of organizations to offer employment rather than the level of CSR (Kuisma 2015:132).\(^6\) On the contrary, employee turnover is a classic denominator for any corporate (GRI-recommended) metrics (Kuisma, 2015:126-133).\(^7\) Further suggestions on preventive CSR activities raised by the interviewed employees will be discussed in Section 4.

\(^4\) Global Reporting Initiative (GRI) is an international, independent organization supporting business, government and other organizations to understand and communicate the impact of business-critical sustainability issues such as climate change, human rights, corruption and many others. GRI produces one of the most widely used and trusted standards on sustainability, the GRI Standards, enabling organizations to measure and understand their most critical impacts on the environment, society and economy. Thousands of reporters in over 90 countries are using GRI standards for their reporting. GRI is partnered with OECD, UN Global Compact, UNEP and ISO as a strategic partner. GRI is in an advisor role for governments, stock exchanges and market regulators in the policy development. Of the world’s largest 250 corporation, 93% report on their sustainability performance and 82% use GRI standards while reporting. GRI Sustainability Disclosure Database collects all sustainability reports in the acknowledgement of GRI available for the public (GRI 2017).

\(^5\) One key metric raised in Jouko Kuisma’s book (2015:130) was job satisfaction. Despite job satisfaction is not established in the Global Reporting Initiative (GRI) reporting requirements, it is recommended to be measured as part of the employee turnover in GRI reporting (Kuisma 2015:130). Several research institutes providing studies on the effects of job satisfaction and the related positive employee branding exist (Kuisma 2015:140).

\(^6\) According to Julkisten ja Hyvinvointialojen Liitto (JHL), only 4% of their members have a fixed term employment based on their own will (Julkisten ja Hyvinvointialojen Liitto 2018).\(^6\) Municipalities have reported 21% of their members under fixed term employment in 2017 in Finland (Kuntatyönantajat 2018, cited also by Kuisma 2015:132).

\(^7\) As calculated by the Ministry of Social Affairs and Health, Finland, the cost of sick leaves is 3.4 billion euros (or 1600 euros per employee) yearly in Finland, (Rissanen and Kaseva, Ministry of Social Affairs and Health, Department for Occupational Safety and Health 2014, cited also by Kuisma 2015:133). “Työturvallisuuslaki” (738/2002) obligates the employer to verify the risks in the working environment. Sari-Seppi Laitinen, CEO of Lähi-Tapiola, confirms that the cost of work related accidents are 780 million euros whereas the cost of early retirement is eight billion euros (Kuisma 2015:133), totaling up for 25 billion euros lost in income in the working age population (Kuisma 2015:133).
Hanna-Riitta Kurittu (2008) wrote a master’s thesis entitled Corporate Social Responsibility Built on a Stakeholder Dialogue at the Department of Political Science of the University of Helsinki based on a discourse analysis on Metsä Botnia Ab’s pulp factory in Fray Bentos, Uruguay. In her master’s thesis, Kurittu analyses the concept of socially constructed corporate social responsibility in a discourse between the stakeholders and the corporation. Kurittu touches upon the political crises that occurred between Finland and Argentina during the Finnish factory investment in Uruguay. The conclusion of her research is that the notion of CSR differs between the corporation and the stakeholders due to different understandings of the theoretical framework of the meaning of CSR.

Jussi Pakkasvirta has studied and published several books on the Latin American cultural environment as well as on the paper and pulp industry in Latin American countries. In his book Pulp and Fiction, Tarinoita Globalisaatiosta ja Sellutehtaasta, he covers perspectives on the pulp and paper industries in Finland and in Latin America. In his book, Pakkasvirta (2008:182) highlights the cultural and societal research and understanding of foreign investment. Furthermore, according to Pakkasvirta (2008:182), the special national characteristics, power relations, and history of nationalism are important to examine.

Johanna Pohjola (2008) researched the symbolic meaning and the social character of Argentina’s national mate drink in her master’s thesis Poné la Pava – Laita Pannu Tulelle – Mate-drink as a symbol in Argentina at the Department of Political Science at the University of Helsinki. In her master’s thesis, Pohjola studies the discourse on the mate drink. In addition, the role of the mate drink among the opponents of the Finnish Metsä-Botnia factory investment case is analysed. Pohjola (2008) states that in a political level, the socially constructed model represented by the mate drink represents a political ideal for democracy, where the citizens own the power. The conclusion of her research is that the mate drink is a central key symbol in Argentina. In Pohjola’s (2008) research, the mate drink represents cultural and historic continuity and provides a symbolic form that reinforces a national sense of community. Pohjola’s research relates to this study as part of the analysis of Metsä Botnia factory investment in Uruguay. Furthermore, one of the executives interviewed in this study was part of Metsä Botnia at the time of Pohjola’s research.

Pauliina Toivonen (2005) studied S-Group and the effect of a retail company on corporate social responsibility in her master’s thesis at the facility of Economics and Corporate Finance at the University of Tampere in 2005. Toivonen balances the requirements of sustainable environmental development with the increasing consumption of consumer goods and the public evaluation of acceptable ethical behaviour in a commercially operating corporation. Toivonen notes, similar to Teivainen, that the rise of the CSR programs is strongly linked to both an increasing lack of trust towards those in power (corporations) and the ever-increasing
standards of living and the poorness as two extremes. The research is based on analysing CSR reports and the publicly retrievable information. In her conclusion, Toivonen says the key target of the S-Group and the cooperative structure is to bring economic benefits and services to its owners and customers. Furthermore, since Kesko had 17% international owners at the time of the research, Toivonen says Kesko is utilizing CSR reporting as part of their marketing activities. Toivonen (2005:86) concludes that the success of a corporation today is equivalent to its economic success, referring to the theory of Milton Friedman.8

Päivi Vahterikko-Mejía has published a doctoral dissertation called Cultural Differences in Ibero-Nordic Communication, Perceptions on Finnish and Colombian Negotiators. In her dissertation, Vahterikko-Mejía (2001:3) argues that “national culture influences negotiators’ behaviour, communication, negotiation, perceptions and expectations in their business relations”.9 This study utilizes the same four cultural dimensions (power distance, collectivism versus individualism, femininity versus masculinity, and uncertainty avoidance) compiled by Hofstede (2010), as identified by Vahterikko-Mejía in her research. In addition, as put forth by Vahterikko-Mejía (2001:20), Finns and Columbians differ in the low and in the high contexts of communication styles.10 Additional dimension covered by Vahterikko-Mejía (2001:36) is universalism versus particularism, based on Trompenaars’ (1997) model where Finns tend to utilize universalism (where the same rules apply for all) and Colombians tend to use particularism (where each person has individualized rules).

Kent Wilska (2002) published doctoral dissertation called Host Country Determinants of Foreign Direct Investment in Latin America at the Turku School of Economics and Business. In his research, the reasons for foreign direct investment (FDI) of Finnish companies in Latin American countries are analysed. His publication results describe factors such as market size, transport infrastructure, distribution systems, competition, capital flows and access to intermediate goods, availability of land and natural resources, production-related infrastructure, labour, political and social stability, and cultural distance as those that are important in selecting host countries for foreign direct investment. His dissertation includes companies such as Outokumpu, Stora Enso, and Nokia, among others.

8 “Suhteellisuudentajun säilyttämiseksi on hyvä lopuksi todeta, että yrityksen menestys tänä päivänä on yhtä kuin taloudellinen menestys” (Toivonen 2005:86).
9 Vahterikko-Mejía (2001:12) brought up the differences in culturally bound negotiation, and communication styles between Colombian and Finnish negotiators: “the Finns communicate more explicitly, verbally and rather directly, whereas Colombians read each situation, and the communication is indirect. Colombian negotiators in general operate in collective, hierarchical, masculine and uncertainty avoiding context. On the contrary, Finnish negotiators behave according to the individualist, little hierarchical, feminine, and little uncertainty avoiding cultural system”.
10 In her research, Vahterikko-Mejía (2001:20) concludes that the negotiators communicating with the low context communication style will need more of background and explicit information from reading, television, and from their advisors. The negotiators with high context communication style will trust their wide network of family, friends, colleagues, and clients. Therefore, Vahterikko-Mejía (2001: 162) confirms Finns target to quickly conclude the business agreement, whereas Colombians want to establish the excellent relationship first, which in turn will translate in to a good business agreement.
THEORETICAL FRAMEWORK OF CORPORATE SOCIAL RESPONSIBILITY

2.1 Ethical theories: Ivar Kolstad and Edward R. Freeman

In empirical studies, a mostly positive relationship of CSR on profitability has been identified (Kolstad 2007, Griffin and Mahon 1997, Hillman and Keim 2001, Orlitzky et al. 2003). However, neutral and even negative effects have been reported. It has been claimed that the amount of data has been insufficient to make a comprehensive analysis, with limited or omitted control variables used to study methodological challenges. One critique has been the heterogeneity of the companies surveyed. Kolstad (2007:144) says, “the correct way of approaching the issue of CSR is to first ask what a company is responsible for and then implement these responsibilities, whether they increase profits or not. And in some cases, they will certainly cut into the bottom line. This does not mean that corporations should abandon profit maximization altogether”. If a corporation is able to increase their operational profit levels by acting in an ethical way, surely it must be beneficial to the common good in the society. On the contrary, when a negative aspect of the company’s image regarding CSR has been identified, the resulted loss affecting company’s public relations will be manifold compared to the amount invested in CSR. This represents a challenge to procurers, as it is not sufficient to merely include CSR provisions or a note on the United Nations Global Compact as a reference. Instead, they must verify how to monitor, prove, and actively recover in case of misconduct. Promising to end a contract due to a violation of UNGC principles may sound good, but will that promise be acted upon if a violation actually occurs? The effects of CSR have also been researched in relation to consumer-related goods (McWilliams and Siegel 2000). Based on the research, consumer-oriented products have more tangible requirements for reputation, reliability, and quality under the discipline of CSR. Companies that are considered consumer-oriented are often the ones that actively support sustainability. These companies are perceived as more reliable and their products have higher ratings for quality, especially in the food industries. Consumer–oriented products may also have intangible attributes of reputation and quality in studies of the effects of sustainability (McWilliams and Siegel 2000).

Previous studies point to evidence that many customers give high ratings for the attributes of CSR. Therefore, an increase in activities related to sustainability in the corporate environment has been observed during the last decades (McWilliams and Siegel 2000).

Kolstad, almost forty years after Friedman, brings up the need for corporations to have a wider set of objectives than just pursuing profit to be good corporate citizens. There are differences in how corporations promote CSR. Some companies may see CSR only as a “profit-making machine” whereby increasing investments in CSR will enhance profits and shareholder returns as the fulfilment of CSR objectives. There is a clear line between
fully absorbed and embedded CSR versus companies that stick CSR on top of the corporate activities as a marketing layer. When we look, for example, at Unilever and their previous Chief Executive Officer Paul Polman, it is clear that Polman demonstrates a new generation of corporate social responsibility. Unilever, an international consumer brand with 2 billion consumers, has announced the target of replacing all their packages with renewable (reusable, recyclable, or compostable) packaging by year 2025 to accelerate the progress of the circular economy.\textsuperscript{11} It is estimated that by 2050, there will be more plastic than fish by weight in our oceans (Polman 2017). In the case that the state is unsuccessful in taking steps in the right environmental direction, environmental protection will require CSR in the agendas of corporations, with leaders similar to Polman.

Kolstad (2007:138) claims that “unlimited profit maximization cannot be defended by any reasonable ethical theory”. First, Kolstad states that it is overly simplistic to expect an employee or a manager to simply be bound to shareholder profits. This subject has been raised in public discussion and will be discussed in Section 4 of this study. A greater purpose and reason for work needs to be present. When it comes to taxation and the right to exercise taxation, Kolstad points out that the question is not about solving the complex equation of the financial taxation dilemma but rather about giving a share of the profit of corporations for the common benefit, and it is the responsibility of the corporation to define the appropriate level. The division of labour has its imperfections according to Kolstad, especially in the developing countries where governments do not want to take their share of responsibility for the division of labour. Furthermore, Kolstad argues (2007:143), “the neo-Friedmanian position that CSR policies should only be used to further shareholder returns is ethically indefensible”.

Corporate social responsibility and profits do not always go together, as no evidence of corporations always benefiting from CSR has been presented, says Kolstad. An initial boost of the corporate image has more benefit than actually sustaining CSR. If corporations knew how to best fund schools and infrastructure, we could leave the execution to enterprises, says Kolstad (2007:143). From an ethical theory perspective, Kolstad fulfils the description of consequentialism.\textsuperscript{12}

\textsuperscript{11} According to Unilever (2017), since the discovery of plastic over 110 years ago, plastic served its purpose of the most lightweight and durable materials in the world. The current level of 300 million tons of plastic pollution produced every year ending up in the sea is threatening the ecosystem with five Asian countries identified covering 60% of the sources (Unilever 2017). As stated by Unilever and Ellen MacArthur Foundation, just 14% of the plastic packaging used globally makes its way to recycling plant (Unilever 2017). 40% ends up in landfill and 30% in fragile ecosystems (Unilever 2017). Currently Unilever says that they have 70% of their packages renewable.

\textsuperscript{12} “Consequentialism, as its name suggests, is the view that normative properties depend only on consequences. This general approach can be applied at different levels to different normative properties of different kinds of things, but the most prominent example is consequentialism about the moral rightness of acts, which holds that whether an act is morally right depends only on the consequences of that act or of something related to that act, such as the motive behind the act or a general rule requiring acts of the same kind” (Stanford Encyclopedia of Philosophy 2018).
Edward R. Freeman developed the stakeholder theory, which is important to separate from the ownership theory created by Milton Friedman. Edward Freeman ([1984] 2010) demands that the shareholders or stakeholders of a company shall be central. There are a multitude of stakeholders whose demands on the corporation must be fulfilled, from employees to clients, to investors and society. The clients will need to access the products or services at the right price at an acceptable level of quality and safety including the possibility of reporting defects. Stakeholders are entitled to receive profits on their investment as well as to have transparency of the operations. Employees need a decent salary and benefits as well as education and safe employment conditions, and finally, society requires adherence to laws, charity for those in need of support, and protection of the environment.

2.2 Corporate social responsibility and reciprocity: Karl Polanyi

Karl Polanyi ([1944] 2009) was an economist in political history and in anthropology, originally a doctor of law, and interested in the continuity of society and how to reproduce the conditions for society to be sustained. This included a passion for demonstrating an analysis of how wealth is redistributed. Polanyi’s ([1944] 2009) Great Transformation was written during World War II, and by the time his classical theory was published in 1944, Polanyi had gathered vast influence not only in his home country of Hungary, but also in Austria, Russia, London, and the United States and Canada (preamble of Polanyi [1944] 2009).

In his classical theory, Polanyi shows through scenes of history (during the years 1700–1944) how the market itself has been present as long as intellectual cultures have existed, however, before the great transformation, their role was marginal (preamble of Polanyi [1944] 2009). Before the market’s breakthrough, there were three key principles: 1) reciprocity, 2) redistribution, and 3) house holding, according to Polanyi’s ([1944] 2009) theory. Reciprocity in this context is defined by the allocation of work between groups that are distinctively different from one another, and the reciprocal trade or exchange between these groups. Based on this theory, the target of exchange was not to maximize profit, but to benefit all parties involved and to sustain the cohesive relationships between the groups and their members (Polanyi [1944] 2009: 93-111). The specific research results of Polanyi refer to Western-Melanesian families studied by Bronislav Malinowski. A similar setup appears as soon as a demand for the division of work between gender, age, caste, or other categories emerges where humans require each other’s work results (Polanyi [1944] 2009:100).

In Polanyi’s theory, redistribution refers to an exchange where the wealth is being accumulated to a distinct group or to a particular sector in the society. Polanyi (Polanyi [1944] 2009:106) mentions an example of building the pyramids as gravestones for the memorials of pharaohs in Egypt. In general, the same model of
redistribution can be extended to the modern Western societies. According to Polanyi ([1944] 2009:107), Western society has a more efficient taxation system and related redistribution methods compared to examples of the “old world”.

The concept of house holding refers to ancient Greece and the traditional production methods for household needs. These could be for example baking, knitting, gardening, or fishing, to name a few. As stated by Polanyi ([1944] 2009:108-111), despite the simplistic overview, house holding has had a significant effect on living conditions.

The ways that different societies have met the basic needs of society have varied considerably. According to Polanyi, all societies have used one or a combination of the above-mentioned three key principles to secure their existence. Attaining profit was not a particular goal in the factors that secured production and its redistribution. In Polanyi’s theory, manners, law, religion, and superstition secured individual obesiance to common behavioural rules guaranteeing individuals’ positions as part of the economic system. The Great Transformation refers to the changing of this status quo (Polanyi [1944] 2009). When the self-regulating market society was formed in civilization, attaining profit became the apparent motive. This had not been commonly acknowledged in the history of the human tribe and had never previously been the single justification for any behaviour (Polanyi [1944] 2009:93-111). All economic systems are based on reciprocity, redistribution, or house holding, or a combination of these fundamentals, says Polanyi ([1944] 2009:110-111).

Based on Polanyi’s model, three “imaginative goods” – work, land, and equity – enable markets as a grounding principle on which a new society can be established. This created a dilemma between traditional economic theories and Polanyi, as these three ingredients were not measurable goods in traditional economic theories. (Polanyi [1944] 2009:135). To Polanyi, work is a human activity, land is mother earth, and the means of exchange is money. To establish a market society, all these imaginative goods are required to secure prices to be established as measured by the market mechanism: namely, salaries for work, interest for land, and interest for money, as defined by Polanyi. In Polanyi’s model, this unrestricted market society will always collapse upon its own contradictions – it is impossible for it to survive. For this reason, Polanyi defines free market society as a special and temporary formation after the 1500s, which flourished during the mid-1800s in the United Kingdom and until the end of the 1920s in Europe (Polanyi [1944] 2009:75). Polanyi defined four different factors at play during this period. The first factor was during 1815-1914 when Polanyi ([1944] 2009:33) noted the system of international power equilibrium prevents wars between the major states. The second factor for Polanyi ([1944] 2009:33) was the international commitment to gold (which eventually expired during 1931-1936). The third factor for Polanyi ([1944] 2009:33) was a liberal state, which
interventions to the operations of market economy were sought to keep at minimum level. The fourth factor was the system of self-regulating markets that encounters the factors of production. The last one was the result of the three previous factors and the main factor for the market economy; started in the United Kingdom once the regulations on free movement of work were removed in 1795 and later in 1834 when the elements of minimum salary (Speenhamland-model) and social security regulations were abolished and the income was left to be led by market forces as stated by Polanyi ([1944] 2009:145-154).

Based on Polanyi’s model, prices, offerings, and demands cannot be dictated or regulated in the market economy ([1944] 2009:131). A market economy means giving up all political direction that is based on manners, morals, or religion in the factories operated under the market economy (Polanyi [1944] 2009). This is why the market economy will instantly, while emerging, produce counter forces as a self-defence of society against making the market economy universal (Polanyi [1944] 2009:141). Suppression of labour under pure market forces has led to salaries below bare minimum income levels and physical and moral degradation of the workforce, according to Polanyi ([1944] 2009:142-154). Self-defence mechanisms of society have included labour unions, Owenism, Chartism, philanthropy, cooperative systems, and political labour movements, followed by governmental laws, including social laws to protect the production system, work, and the continuity of societal processes to protect society from a complete collapse (Polanyi [1944] 2009). The present examples are embedded in the United Nations Global Compact as well as in other international declarations.\textsuperscript{13}

Polanyi claims that the separation between the state and the economy is false as the state has always existed prior to economics (Polanyi [1944] 2009:324).\textsuperscript{14}

2.3 Values approach: Milton Friedman, Geert Hofstede, and Shalom H. Schwartz

Milton Friedman states that the duty of a corporation is to pursue increasing economic profit, which in return will augment the welfare of the state. It is then the responsibility of the state to evenly distribute this income

\textsuperscript{13} Three phases were identified when the land was brought to the market mechanisms: the first phase was to commercialize land, the second phase was food and raw materials production, and the third phase was selling the overproduction to overseas and colonialized states (Polanyi [1944] 2009:292-294). Market economies were said to have institutionalized labor, land, and equity as the grounding forces of economy, however, as a counter production they emerged the self-defense of the society (Polanyi [1944] 2009:221-226). Polanyi identified market economy to originally start from the United Kingdom where it has continued to spread in to Europe, USA, and colonialized countries during 1800s. The weaker the position of the nation was in the global market society, the weaker were the self-defending mechanisms, and the more catastrophic were the effects to the people and the land of such a nation (Polanyi [1944] 2009).

\textsuperscript{14} Liberals faced a defeat in 1920s when the whole market economy collapsed. This became evident in various forms, of which the first was the raise of fascism (raise of Nazi in Germany) leading to World War II (Polanyi [1944] 2009:373-390). Polanyi notes that this was not due to militarism or nationalism, but namely populist resolution to the economic crises where the differentiation between politics, and economics was not removed (Polanyi [1944] 2009:391). According to Polanyi ([1944] 2009:227-250), the second interventional mechanisms of the state was the raise of socialism.
among and between the citizens. “A corporation is an artificial person and, in this sense, may have artificial responsibilities, but the ‘business’ as a whole cannot be said to have responsibilities” (Friedman 1970:1). Based on this theory, if a corporation is not able to operate profitably, there is no benefit to be shared back to the state. Therefore, the only raison d’être must be to produce a maximum profit.

In addition, if other elements were added to a company’s service offerings, like an increase in social wellbeing, the reduction of pollution, and the hiring of disabled personnel, this would result a price increase to the end customers. “In each of these cases, the corporate executive would be spending someone else's money for a general social interest. His actions in accord with his ‘social responsibility’ reduce returns to stockholders; he is spending their money” (Friedman 1970:175). This in return will lead to inflation and higher taxation along with a decreasing value of the stock price and ultimately declining benefits to the state’s citizens. The individual employees of the company are able to act in a socially responsible way, however, this individual responsibility is not to be confused with the operations of a business corporation. Friedman questions the motivation of a corporation that starts investing in social programs, whereas individuals are entitled to invest their own free time for such a cause.  

Friedman claims these activities are “window dressing” or, when specifically related to environmentalism, “greenwashing” as there is no grounds for corporations to have a moral mission. Friedman claims that individuals (or in this case corporations) are not able to obtain education on how to best fight poverty or inflation, and are even more incapable of defining the values of shareholders and customers in paying for these activities. As Friedman (1970:178-179) says: “whether blameworthy or not, the use of the cloak of social responsibility, and the nonsense spoken in its name by influential and prestigious businessmen, does clearly harm the foundations of a free society. There is one and only one social responsibility of business – to use it resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”.  

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15 From ethical theory perspective, this follows the theoretical principles of John Stuart Mill (1868), and the utilitarian ethics. The reasoning of the moral principles in the utilitarian view was that the benefit of the society, and the state only would benefit the individual. There needs to be a specific benefit as an outcome of any activity and only this can produce efficiency and happiness. In addition, based on the utilitarian principles, it is only the state that can objectively decide how to evenly spread the received income and benefits: “we have established elaborate constitutional, parliamentary and judicial provisions to control these functions, to assure that taxes are imposed so far as possible in accordance with the preferences and desires of the public”, since American Revolution (Friedman 1970:174-175). Therefore, it is not up to the individuals or in this case corporations and market forces to decide how to overcome poverty, pollution and inequality as a principle as this is functional only via political institutions, and requires election process to be appropriately nominated in the name of state operations.

16 The ‘friedmanian’ point of view imitates the concept of Adam Smith’s ([1776] 2015) invisible hand where attaining profit is re-arranging the limited resources efficiently and the economy does best while individuals pursue their own welfare in the free market. The aforementioned can be testified to be true, when the society is in balance, and the state is operational by modern standards and is capable of functioning perfectly from every angle of its establishment.
This logic starts to crack when there are obstacles for the state to achieve optimal performance. In these cases, as in the examples of some developing countries, there are challenges with the basic concept of democracy, attempts to remove corruption, equality, and even the provision of adequate health care within these states. At the end, there is no other solution other than to engage with and nominate business corporations to contribute their fair shares and actively promote the welfare of the state. Examples are private healthcare and wellbeing programs provided by employers; the circular economy; new systems and innovations to remove waste, pollution, and excess consumption of energy; and other social programs offered by corporations. In today’s world, this has already become the new norm – businesses taking a more active role in the growth of the society and the economy. Corporations have taken a giant leap since the 1970s, when Milton Friedman first presented the concept of the “duties of a corporation”. A clear need for private operators to support the welfare as well as the basic human rights of the state exists today. A single corporation rarely possesses the resources to audit overseas operations across its vendor base. Therefore international CSR networks, such as the Business Social Compliance Initiative (BSCI) operating with Foreign Trade Association in Brussels are indispensable. The BSCI had over 1,300 member organizations and 20,000 audited organizations in their database by the end of 2014 (Kuisma 2015:183).

Esa Pohjanheimo concludes that recent research outcomes reached by behaviourists, especially by social psychologist Shalom H. Schwartz, who has completed a global research on values, capture both universal and individual characters to explain cultural differences as well as individual and group behavioural variances. Schwartz (also cited by Pohjanheimo 2012:140) states that values underline the judgements of an individual or of a group regarding the targets worth pursuing as well as the approved or recommended means to achieve these targets. Pohjanheimo states that values are the key determinants for any decision-making, behaviours, and appraisals of actions. The discussion of values in leadership functions has become more prevalent within the discussion of organizational culture from the 1980s to the 1990s (Pohjanheimo 2012). Values are stagnant, changing extremely slowly in parallel to changes in an individual or group. Values can be organized by, for example, subscribeship or priority (Rescher [1969] 1982:14, cited also by Pohjanheimo 2012:141). In his doctoral dissertation, Pohjanheimo found changes in individualistic values in all age and gender groups in one municipal area over the decade of his research (Pohjanheimo 2012:141). In addition, the dissertation revealed a large separation between value preferences in the same age group. Therefore, instead of a harmonized value base, there is an increasing amount of segmentation that can occur, for example, in differences between

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17 One way of classification as described by Rescher ([1969] 1982:14), is to reference the value to the appropriate group of objects: for example, thing values (purity, speed), environmental values (beauty), individual values (intelligence), group values (respect), or societal values (equality).
expectations of work among the younger generation. The segmentation of values within age groups or the polarization of values will lead to an organization where employees have very different constructions of values and motivation within their reference groups, regardless of state boundaries. Pohjanheimo (2012:141) posits that this will require leadership systems as well as individual team leaders to respond to increasingly separated expectations. In order to support the larger picture, leaders will need to be able to provide individual career paths and development opportunities that might be costly for their organizations in the short term (for example, part-time work or internal transfers within the organization) but worthwhile in the long term (Pohjanheimo 2012:142-143). When there are changes in the value spectrum nationwide, these changes are very slow. This has been shown by Martti Puohiniemi (2006) in his book Täsmälämän ja Uusyhteisöllisyyden Aika, where Puohiniemi (Puohiniemi 2006:49, cited also by Pohjanheimo 2012:143) claims the great transformation in values has already started and has been seen in Finnish values, approaches, and behaviours since the 1960s. In his dissertation, Puohiniemi shows that the changes in Finnish values are stagnant and the leading values – goodwill and security – have remained unchanged from 1991 to 2005 (Puohiniemi 2006:56). One aspect of the value transformation is the digital transformation wherein the world is divided into people using or not using digital technology. Pohjanheimo further divides changes in values into subgroups using Nicholas Rescher’s example ([1969] 1982:111-114) cited also by Pohjanheimo 2012:144-146) on changes in values as follows: 1) value acquisition and abandonment; 2) changes in value distribution (for example environmental or leadership-related values); 3) changes in value emphasis and de-emphasis; 4) value rescaling in a hierarchy, 5) value redeployment – for example, corporate social responsibility that can relate to adherence to tax obligations and youth employment or older generation employment programs; and 6) value re-standardization (for example changes in leadership from obeying the law to listening to employees). As defined by Schwartz ([1992] 2011 cited also by Pohjanheimo 2012:147), all values are universal, but they are individually prioritized. In the opinion of Pohjanheimo (2012:147), other studies have shown there are various cultural values that are unknown to other cultures. The outcome of cultural differences in value-based studies is characterized by two principles: 1) a sense of community versus individualism and 2) hierarchy versus equality (Schwartz [1992] 2011, Inglehart 1997, cited also by Pohjanheimo 2012:152). Pohjanheimo (2012:152) states that traditions, unity and safety described by Schwartz ([1992] 2011) represent the sense of community.18

Geert Hofstede, who started his career as an engineer from Delft Technical University, continued his studies in the field of social psychology and published a doctoral dissertation on cultural differences, which later

18 Stated by Pohjanheimo (2012:152-153), individualism (as initially described by Hofstede ([1991] 2010) is represented by a culture where the connections between individuals are weak and each person is expected to take care of themselves whereas community is represented by a strong link between the family and other groups who are expected to be loyal and take care of each other.
resulted in a well-known publication on cultural differences including a notion of organizational culture and leadership. During his employment at IBM, Geert Hofstede founded and managed the IBM personnel department. The grounding principle of Hofstede’s theory is the sense of community and individualism. His research and publication were completed decades ago, and some criticize the validity of the research, but no publication has yet been with released with a comparably extensive background. Numerous international citations have been made of Hofstede’s publication on cultural differences, such as Trompenaars and Hampden-Turner (1997) and Richard Lewis ([1996] 2006). The publication by Hofstede covers over 70 countries. The most individualistic cultures were the United States, Australia, Great Britain, and Canada (Hofstede [1991] 2010:95-97). The least individualistic countries included most of the Latin American countries including Panama, Ecuador, and Guatemala, along with the Asian countries (Hofstede [1991] 2010:95-97). Finland was in position 22 – slightly on the individualist side, but less individualistic than the other Nordic countries (Hofstede [1991] 2010:95-97, cited also by Pohjanheimo 2012:153). Whereas in individualistic countries a person is expected to take care of him or herself, in more communal countries the individual is primarily a part of the family and community. As summarized by Pohjanheimo (2012), at the very minimum, international practices must be considered in the context of local culture, and awareness of such differences is required in recognizing and gaining appreciation of local cultural environments. One example could be to support youth employment and education programs, whereby a corporation shows it is enhancing collaboration within the community and creating reciprocal loyalty (Pohjanheimo 2012:154).

Often economic growth (related to individualism) comes at the cost of decreasing communal values. Only time will show if the need for increasing communal values will continue rising (Pohjanheimo 2012:154). The differences in individualistic and communal values have become less pronounced in Finnish society as various cultural backgrounds are embedded in the country (Pohjanheimo 2012:154).

The second dimension of Pohjanheimo’s (2012) research was the reduction of hierarchy and a move towards greater equality in economic growth, similar to the model created by Schwartz ([1992] 2011) and Inglehart (1997). The size of the population will naturally affect the amount of hierarchy, as will the historical conditions. In the case of a growing organization, hierarchy and bureaucracy tend to increase at the cost of agility (Pohjanheimo 2012:155). The hierarchy dimension is represented by values related to power, whereas egalitarianism is represented by universal values in the Schwartz ([1992] 2011) model. Hofstede’s power

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19 This dimension came up when interviewing Tapani Järvinen, the Honorary Chairman of Finnish–Latin American Trade Association, where Tapani Järvinen pointed out the metallurgic studies provided for the local Chilean employees when establishing Outotec in Chile. Finland, and other western countries represent individualistic culture, where value of independency is high (Pohjanheimo, Schwartz model). One central supporting nominator for independency is economic growth (Pohjanheimo). This element arises in the discussions where the right of western society invading in to the Latin American countries (among other), is being questioned.
distance represents the cultural hierarchy level, where for example, Finland (among other Nordic countries) is situated among the least hierarchical cultures – again, in opposition to Latin American and Asian cultures. Finland had the position number of 68 out of 76 countries in the dimension of hierarchy as measured by Hofstede (Hofstede [1991] 2010:57-59). Therefore, this emphasises the requirements on multicultural leadership (Pohjanheimo 2012:155). This element must be considered in the encounters between Finland and Latin American countries, as shown in Section 4 – Research Results.

The third dimension in Hofstede’s ([1991] 2010) cultural model is masculinity and femininity. Masculinity means the separation of male and female roles. Venezuela and Mexico, for example, are rated very high, and Finland (among other Nordic countries) is rated very low in this category (Hofstede [1991] 2010: 141-143). In a culture where femininity is rated as high, the difference between the genders is not high. This raises the value of equality in the case of a small power distance between the genders (Pohjanheimo 2012:155-157). In Northern European countries, we can clearly see this small power distance leaning towards more feminine values, as measured by the share of women working, leadership practices, and labour laws in the Nordic countries. A recurring challenge is how to get more women into corporate board positions, and decisions about minimum numbers of female board members, which are still fairly low in Finland (Pohjanheimo 2012:156). Egalitarianism might be valued in Finland, but there needs to be evidence for the realization of these values in daily manners and processes (Pohjanheimo 2012:156). In order for Finland to succeed in leadership, personal values will need to match those of organizations and their personnel. Not everyone has to share the same opinion, but being aware of one’s values will reduce the number of conflicts (Pohjanheimo 2012:157).

The fourth dimension in Hofstede’s ([1991] 2010) cultural model is coping with uncertainty. This means how irritating or threatening those of different nations experience unclear or uncertain situations. Whereas Finland is high on the continuum of accepting uncertainty (position 50 out of 76), the other Nordic countries are even further on the index of accepting uncertainty (Hofstede [1991] 2010: 192-194). Most of the Latin American countries, especially Uruguay, are among the least accepting of uncertainty, along with Greece, Portugal, and Guatemala (Hofstede [1991] 2010: 192-194). Sweden and Denmark are some of the best countries at coping with uncertainty, along with Singapore and Jamaica (Hofstede [1991] 2010:192-194), cited also by Pohjanheimo 2012:157). Pohjanheimo (2012:158) assumes that this dimension might relate to the Finnish mentality of finding quick and practical resolutions to challenges (‘halki-poikki ja pinoon’), in which Finns want and are effective at executing prompt solutions instead of relying on collective decision-making and pondering between various options. Leadership has a key role in bringing certainty and clarity, which fosters trust among teams under uncertain conditions (Pohjanheimo 2012:158).
Ninety-three countries are included in the fifth dimension of Hofstede’s ([1991] 2010) model, where long versus short-term orientation is measured. South Korea, Taiwan, China, and Japan are highest in long-term orientation (Hofstede [1991] 2010:255-258). Long-term orientation has the qualities of valuing slow development and individual adaptation to conditions and targets. Finland is situated in the middle of the spectrum (position 51). This indicates that Finns are capable of waiting for results longer than, for example, countries such as the United States or the United Kingdom (Hofstede [1991] 2010:255-258, also cited by Pohjanheimo 2012:159). Finland benefit from this position in international business in cases where Finland is able to relate to cultures valuing both the long- and short-term (Pohjanheimo 2012:159-160).

Pohjanheimo said that “it needs to be remembered it is always the individuals over the cultures who collaborate” (Pohjanheimo 2012:160). Individuals with short-term views focusing on quick wins always exist. When a leadership team communicates long- and short-term perspectives, it is important for employees to understand the focus, which in turn creates employee commitment (Pohjanheimo 2012:160-161).

As stated by the LRN Program Effectiveness Index Report (MarketWatch Nasdaq Inc. 2017), of the top quintile of companies with ethical cultures, 90% have integrated their companies' core values into their codes of conduct.20

METHODOLOGY

3.1 Face to face interviews in the field – leadership and employee perspectives

The research question in this study is how corporate social responsibility is embedded in organizations through the leadership actions and how employees view CSR. This research will focus on two aspects of corporate social responsibility in Latin American countries. First, this study will examine CSR as deployed by the leadership figures in the contexts of their current (and previous) working and living conditions in Latin American countries. Second, this study will examine the understanding of CSR by the employees originating from the Latin American countries. This study will examine how the employees in question adapt and implement corporate social responsibility through their employment in Finland, bearing in mind their cultural

20 Yet, a majority of the middle managers did not know they are accountable for implementing ethics and compliance programs. As testified in the report and later on in this study by the interviewed executive leaders, it does require a strong will power from the leadership and managing directors of the companies to push forward corporate responsibility as well as ethical behaviors.
relationships to their home countries. The target of this research is to understand similarities as well as discrepancies between the reality and visions of the leadership versus the views of the employees on CSR.

The strategy of this research is descriptive research on the field. This research utilizes the theoretical framework as a tool to understand the viewpoints of the interviewees. This research is completed mainly by face-to-face interviews, capturing simultaneously the views of the executive leaders as well as the employee perspectives through participant interviews and observation as described in Section 1 of this research.\(^{21}\) The selected leadership figures have vast experience in working and leading teams in Latin American countries, whereas all the interviewed employees have origins in Latin American countries.\(^{22}\) The hypothesis of this research is more of a working hypothesis due to the descriptive strategy of the research. The hypothesis of this research expects that variations in the level of understanding of ethical and value-based CSR exist due to differences in the educational and biographic backgrounds of the interviewees.

Three interviewed leaders represent the executive leadership perspective, and seven employees and three supervisors represent the employee perspective. The interviewed employees consist of a mixture of both anonymous and named participants, whereas the leadership figures are all named participants. Two-thirds of the employees preferred to remain anonymous. The majority of the interviews were conducted as face-to-face semi-structured discussions except for two interviews, which were conducted virtually by phone with a similar semi-structured discussion method. The period of the interviews ranged from February 2017 to July 2017 (see Bibliography). Since the interviews were semi-structured interview with some pre-selected and shared questions, the discussion has been based on a free discussion flow (see Appendix 1 – Interview Questionnaire) following the structure of the pre-set questions. The interviews focused on two perspectives: 1) the perspective of the executive leaders, who originated from Finland but have had a considerable effect on corporate social responsibility operations through their leadership roles in Latin American countries, and 2) the perspective of the employees, who originated from Latin American countries and currently live in Finland (see Appendix 2 and Appendix 3 for biographies of the interviewees). Some of the corporate leadership figures and employees requested and were given the opportunity to review the pre-written questions before the discussion was conducted. However, the discussions were typically much more elaborate than the lists of pre-set questions. The more profound discussion permitted flexibility for key perspectives to arise in connection with the

\(^{21}\) Field work and participant observation used instead of qualitative interviews (Hirsjärvi et al 2007).

\(^{22}\) Until the beginning of 1970s Finland was not popular among Latin Americans to immigrate, except for the students who met early in the international study period, and were married prior of entering to Finland (Seppänen 1998:189-190). The same example realized by two examples in this research by the Venezuelan employees. Especially in 1970s due to the military coup, two hundred well-educated Chileans immigrated with their families to Finland. The effects of this intercultural encounter are testified through increased international business relations between Chile and Finland (see Pakkasvirta and Aronen 1998).
The interviewees’ cultural and social backgrounds. The employee interviews lasted approximately one hour each, whereas the executive interviews typically lasted about one and a half hours each. All of the interviews were transcribed in detail, but the detailed transcriptions were not included in this report due to the length of the transcriptions. All of the interviews with the employees were recorded for transcription, and the interviews with the executive leaders recorded based on the interviewer’s memory right after the interview.\footnote{Exception was the interview with Mrs. Seppäläinen, which was recorded.}

The sample size of the interviewed subjects all together was 13 people. The interviewed subjects captured a variety of cultural and social backgrounds, such as different ages and genders and a variety of corporate positions. The country-specific experiences of the executive leaders varied from Chile to Uruguay and Brazil; therefore, the research conclusion takes into account the variance between these leadership experiences in various Latin American countries. Through this, a wider overall perspective on leadership experience is established in relation to different Latin American countries.

This research received strong support from Turun Osuuskauppa (TOK), where the Chief Executive Officer of TOK, including their human resources gave support in finding participants and facilitating interviews with the Latin American employees employed by Turun Osuuskauppa. Since the employees represent all different functions of the organization as well as different nationalities, the answers are based more on personal rather than corporate views of corporate social responsibility. The supervisors of the interviewed employees of Turun Osuuskauppa were present in all of the interviews. The supervisors did not affect this study’s results other than by providing a necessary perspective of the employee background and history for the research. The rest of the interviewed people outside of the Turun Osuuskauppa organization were selected on an individual basis and are not connected to each other.

Information on executive leadership perspectives on CSR and experiences of Latin American cultures have been sought from the Finnish-Latin American Chamber of Commerce, namely from Mr. Tapani Järvinen and Mrs. Kirsi Seppäläinen. In addition, Mr. Juha Korppi-Tommola provided valuable insight on the leadership perspective.

The employee perspective relates to three Latin American countries, based on the home countries of the interviewed employees. Three interviewees were from Bolivia, three interviewees were from Venezuela, and one interviewee was from Honduras. In addition, three interviews are included of those in supervisor roles at the company Turun Osuuskauppa.
The interviewees from Venezuela included two female employees and one male employee – all residents in Finland and all employed by various companies in Finland. Interviewees from Bolivia included two women – a mother and a daughter of the same family – employed by the same company and one Bolivian man employed by another company.24

All interviews were conducted in Finnish except for two interviews that were held in English. Each interview lasted from one hour to one and a half hours. The age of the interviewed persons varied from 20 to 50 years. All the interviewees had been living in Finland for several years, with residencies ranging from 7 to 36 years (see Bibliography, Interviews).25

All three of the interviewed supervisors were Finnish – the supervisor of the two Bolivian women, the supervisor of the Venezuelan man, and the supervisor of the Honduran woman.26 The interview of the Honduran woman is included in the research analysis to enable a holistic Latin American employee perspective.

3.2 Philosophical framework of this research
The ontology of this research is based on individual human understandings of CSR. These understandings are further based on individual experiences as well as on the social and demographic backgrounds of the individuals. Therefore, face-to-face individual interviews in the field were selected as the best methodology with which to gain an in-depth understanding of the viewpoints of each of the interviewees. Similarities were sought by collecting mutual notions identified in each interview. The mutual key notions were arranged in a table to verify the commonalities (see Appendix 4).

The teleology of this research was to discover key notions of CSR among the leaders as well as the employees, including aspects of social, economic, and environmental CSR. The target of this study was to use these

24 All of the family members of the interviewed employees are currently living in Bolivia and in Venezuela. The Bolivian daughter's husband lives in Bolivia and they connect via Skype with the children regularly. The other interviewed persons, the two Venezuelan women, found husband from Finland, or were living as a single-family member (the Bolivian mother and the Bolivian man and the Venezuelan man).

25 The employment positions within the interviewed Latin American employees varied considerably (cook in a restaurant, service personnel in a cafeteria, customer service representative at a hotel, service person at the airport, Marketing Manager, and owner of a Montessori day care). The cook, the customer service person at a hotel, and the cafeteria personnel formed the group of employees of Turun Osuuskauppa. The marketing manager represented an employment through a local small-size Finnish enterprise, and the Montessori day care owner represents her own company.

26 The supervisors, and employees of Turun Osuuskauppa were physically located in the same city, and formed various corporate departments as well as job functions in multiple locations. Furthermore, the Head of Corporate Social Responsibility of Š-Group was approached to be interviewed to compare the leadership, and employee viewpoint in the area of corporate social responsibility, however, unfortunately without success. The supervisors of the other employees originating from Latin American countries outside of Turun Osuuskauppa were not included in this study.
findings in the context of corporations and individuals operating in or together with Latin American countries to identify various sectors of CSR.

The epistemology of this research is to have no previous direct relations between the interviewees and the interviewer. The interviewees were selected solely based on availability and timing of the interviews. The only connection between the interviewer and the interviewed employees was a group of common network members who provided the names and contact details of the selected interviewees.\footnote{The common network members include professional colleagues, a professional mentor, and a family member.} The answers to the research questions were based on values and experiences of the interviewees. Appendix 4 - Key Notions of CSR further explains the logic of this research and how the common notions were identified.

The following Section 4. Research Results identifies the key notions of corporate social responsibility of this study. In addition, the key variance between the executive leaders as well the employees perspectives will be highlighted and discussed in parallel to the theories presented in Section 2. Theoretical Framework of Corporate Social Responsibility.

RESEARCH RESULTS

Seven key notions of corporate responsibility were captured in the interviews with executive leadership figures. Similarly, seven corporate responsibility categories were identified in the Venezuelan and Bolivian employee interviews. Naturally, few of the notions and CSR categories overlap with each other. The results of the employee interviews and the leadership interviews are presented separately, as they present different perspectives despite being based on the same elements and cornerstones of CSR. All of the identified categories and elements of corporate responsibility are subject to the presented theories on CSR, and will be discussed along with the corresponding theoretical aspects in this section.

This study concentrates on Venezuelan, Bolivian, and Honduran employees along with the various perspectives of the corporate leadership figures. The Honduran employee interview has been included in the overall Latin American perspective even though only one Honduran employee was interviewed. The leadership results will be discussed in the next in greater detail in Section 4.1.
4.1 Leadership perspective

One of the three leadership figures interviewed was Mrs. Kirsi Seppäläinen, SVP Communications and Biomaterials at Stora Enso. Mrs. Seppäläinen has been working at Stora Enso for six years and has been previously involved in Latin American countries via Frey Bentos Uruguay when it was owned by Oy Metsä Botnia Ab. The two other executive leadership interviewees were Mr. Tapani Järvinen and Mr. Juha Korppi-Tommola, as previously presented. All the topics raised in connection to the related companies are based on the interviews with the aforementioned persons. The findings are categorized based on the three key dimensions defined under the theory of CSR – economic, social, and environmental.

The leadership perspective captures a larger cluster of Latin American countries than the employee perspective does. It includes Venezuela, Bolivia, and Honduras and enlarges the focus to new countries such as Uruguay, Brazil, and Mexico. This provides a greater perspective for understanding the vast differences between the countries within the Latin American region, including each country’s unique cultural, political, and social characteristics. This leads to a discontinuity in this study as the countries in the employee and the leadership perspectives are not identical, which does not enable a direct comparison between the two perspectives. From this perspective, the research results focus more on the Latin American region in general instead of on specific individual countries. The next sections will discuss in detail the seven key notions embedded in the leadership perspective through the presented CSR theories in Section 2 – Theoretical Framework of Corporate Social Responsibility.

4.1.1 Technological and social development in Latin America (economic CSR)

All three executive leadership figures highlighted the eminent political stability as well as increasing technological and social developments and numerous educational opportunities as corner stones of their local executive experiences in Latin America. Latin America has a history of centralized military organizations as well as individual dictatorships. However, the experiences of the executive leaders were bound to expatriate experiences created by international business where the long-term local perspectives might differ considerably from the experiences of expatriates.

According to Kröger (2014: 216), the importance of the state’s role in a country’s economic development became important in the 1950s. The most important role of the state was providing economic support for major infrastructure investments and centralized production and an increase in domestic production to replace international imports from the 1950s to the 1970s, for example, in developing Brazil, says Kröger (2014: 216). Since then, the developing states have been concentrating on increasing the commonwealth and economic surplus and effectively using human capabilities instead of focusing on industries heavily utilizing natural
resources, says Kröger (2014). The most visible political trend since the 1980s in Latin American countries has been democratically elected governments (Wilska 2002: 83, Holden and Villars 2013:46). For example, Bolivia, Chile, and Uruguay (along with Argentina, Brazil, and Paraguay) were still under military rule in the early 1980s (Wilska 2002: 83). The 1980s marked the seizure of political power by armed forces in almost every Latin American country.\(^{28}\) For example, Wilska (2002: 162) claims that the situation for Outokumpu changed dramatically when the Chileans voted against Pinochet and Outokumpu was able to begin operations in October 1988 in Chile. Another important factor raised by Wilska (2002: 83) has been the return of peace to countries such as Honduras, Nicaragua, El Salvador, and Guatemala since the mid-1990s. Seppänen (2014: 25) confirms that the strongest migration from the countryside to the cities was during the 1990s in Latin America. This made Latin America the most urbanized continent, with 85-90% of the Venezuelan, Chilean, and Uruguayan populations living in cities. Seppänen (2014: 25) claims that state support for urbanization further increased migration. For example, the Bolivian President, Evo Morales, has encouraged farmers from Andean region to migrate to the Amazon area, creating further conflicts with indigenous populations (Seppänen 2014: 25). Furthermore, state intervention on natural resource discourse can be a source of new conflicts and has been a talking point for state politics and politicians since democratic nations evolved, states Kröger (2014: 217). For example, Venezuela and Bolivia have directed the income received from natural resources to further education and social reforms (Kröger 2014). Critical viewpoints are put forth by Holden and Villars (2013:6): “not even today would most scholars consider any of the 19 [Latin American countries] to be fully consolidated democracies, with the possible exceptions of Chile, Costa Rica, and Uruguay”. This view is supported by the World Bank classifications, in which despite Latin America’s higher than average levels of development\(^{29}\) out of all the developing world regions, it stands out as an area of extreme income inequality (Holden and Villars 2013:7). Disparities in the educational policy have been identified within the Latin American region. As reported by Holden and Villars (2013:213) based on the UNESCO report, 14% of the population (36 million people aged of 15 or over) were considered illiterate in 2011 in Latin America. The same report estimates that 110 million Latin Americans did not finish primary school (UNESCO 2011, Holden and Villars 2013:213).

Mr. Korppi-Tommola praised the ease of managing projects in Latin America by the Nordic people, especially the success of the Swedish enterprises having a head start in corporate establishments in Latin America. Similar

\(^{28}\) Only Colombia, Costa Rica, Mexico and Venezuela were periods under of direct military government, or under a civilian chief supported by armed forces, stated by Holden and Villars (2013).

\(^{29}\) Level of development is measured by life expectancy, education, and purchasing power (Holden and Villars 2013:7).
positive aspect was brought up in Vahterikko-Mejia’s doctoral dissertation (2001:162), in which Finns were presented as serious but effective and organized negotiators in Bogota, Colombia.

The positive perception of Finns in Latin America was shared by Seppäläinen\(^{30}\), however, from a different perspective, where Seppäläinen points out that Latin American cultures have a strongly European colonialized background in both culture and religion and therefore possess a similar cultural platform to Europeans, in comparison, for example, to the Chinese cultural approach.\(^{31}\)

What comes to the foreign direct investment, in case of Stora Enso, additional local infrastructure investment projects are avoided, as they will create a vicious circle, says Seppäläinen. This can be seen in the UPM case, where heavy negotiations are currently taking place between UPM and Uruguay, Seppäläinen mentions. Seppäläinen says: “we try to engage and encourage the locals themselves to innovate and be entrepreneurial. We have supported one road project, though. A lot of donations are requested, but we cannot support this as it is not a sustainable development for the local society”. Seppäläinen says that as there is no traditional culture of security in Uruguay, Stora Enso has had to put a lot of effort in training personnel in Uruguay. “It takes a lot of resources to build a culture around a secure environment”, says Seppäläinen.

Järvinen expressed experiencing stable collaboration in Latin American and Finnish partnerships. In the opinion of Järvinen, the countries in Latin America are developed overall, especially countries such as Mexico, Brazil, and Chile. This development is not caused by their size alone but is also due to their stabilized political environments and high levels of educational opportunities.

Political stability has been successfully created in Chile and Uruguay, Järvinen mentions. The state has understood that it will not be to its political benefit to be creating conflicts in the country, and has more strategically started to sustain social development via high levels of education and the removal of corruption. As stated by Holden and Villars (2013), Chile is one of the top performers in political stability and used to be in education as well. “Political liberalization reduced the tolerance of Chileans for the old patrimonial norms”, Holden and Villars stated (2013: 29). On the other hand, the quality of schooling has been reported to be inferior in Argentina, Brazil, Chile, Mexico, and Peru, with the lowest levels of proficiency in literacy, math, and science skills among 15-year-olds in 2003 (Holden and Villars 2013). Latin American universities was still considered as being in crisis at the start of the twenty-first century, according to Holden and Villars (2013).

\(^{30}\) Seppäläinen mentioned, similar to Korppi-Tommola, the good reputational value of Finland especially in Uruguay. In her opinion, Uruguay assimilates the Finnish culture and nation similar to Uruguayans. This consequently supports Hofstede’s ([1991] 2010) model of communal values where Finland has succeeded to represent more communal than individualistic values to Uruguay as the result.

\(^{31}\) Seppäläinen confirms, “the poverty is a serious challenge in Brazil, however Uruguay is much more developed in economic circumstances. The public healthcare and public services work well in both Brazil and Uruguay”. 
The gap in schooling between indigenous and non-indigenous populations is narrowing, according to a study by the World Bank (2004). According to the report, most countries have implemented bilingual education programs, but many of these programs have limited coverage and quality. Despite a region-wide attempt to create stable institutions and democratic government, the outcome is uncertain (Holden and Villars 2013:43). Finnish companies have a competitive advantage in digital and cleantech industries and should better utilize the practically free network of organizations including the Latin American Trade Organization, Finpro, and Team Finland, which only take a minimal membership fee for their operations, says Järvinen. Järvinen highlights Brazil and Mexico as being more materially independent, however, it would be good even for them to maintain healthy trade balances. Järvinen says that “the possibilities in exporting the educational systems from Finland to Latin America are very high and there are high hopes that the export of education will accelerate further business opportunities above charity projects”.32 Järvinen acknowledges how challenging and slow the process will be to improve the educational systems in Latin America. Local universities are already of extremely high quality and collaborate with universities located abroad, for example, in the United States. Järvinen confirms, “local leadership team members in different industry positions have often graduated from universities in the United States or from top universities in Europe. In addition, Finland has a solid and trustworthy reputation in Latin America”. It requires a long, trust-based process to change culture. Järvinen explains that Latin American culture has deep roots in European heritage – there are many German traditions, vocabulary, and names visible in the Chilean media. Järvinen notes that Italian and Spanish influences are clearly visible, local language capabilities are essential, and English is not commonly spoken in the industrial environment.33 Holden and Villars (2013:10) hold the same view: “Although they [Latin American countries] have been politically separate for the better part of a millennium, Spain and Portugal (and their former American territories) nevertheless share a distinctive legacy of ideas, values, and beliefs whose influence can be seen in literature, law, social custom, politics, religion, architecture, and the arts”. According to Seppänen


33 According to Järvinen, “Suomella hyvä ja luotettava maine Latainalaisessa Amerikassa. Paikallinen kulttuuri on tierkkinen, suurin ongelma on ollut hierarkian poistaminen – alaiset eivät uskalla tehdä päätoksiä, koska mikäli he tekevät virheen, he ovat perinteisesti saaneet potkut. Kulttuurin muuttaminen on pitkä luottamusprosessi, täytyy toimia niin kuin on luvannut ja menee ainakin vuosi ennen kuin toiminta saadaan muutettua vahemmän hierarkkiseen suuntaan”.
(2014:22), a majority of German immigrants have settled in the south of Brazil, where traditions of celebrating Octoberfest are maintained.

Related to the trust building in Latin America, Seppäläinen and Järvinen both bring up the importance of physical presence in the local community as a highly appreciated trait in Latin American countries. Local presence gives a message of caring and investing one’s time in the opinion of the locals. Seppäläinen says, “You need to be established locally and you need to be visible”. In the research concluded by Vaahterikko-Mejía (2001), the high-context communication style in Latin America was highlighted, and the power of having networks is very important in Latin America. As pointed out by Seppäläinen, the political environment is a challenge in Brazil – political cycles are very short. However, the political situation is stabilized in Uruguay.34 We have our own standards in Finland, and yet local dialogue is even more important than exporting the Finnish standards. “Positive effects [of CSR actions] need to be communicated to the people for them to learn”, says Seppäläinen.35

Based on Hofstede’s ([1991] 2010) model, this cultural similarity can be related to the sense of collectivism or individualism, where Latin American countries (together with the Asian countries) are the most community-oriented and Finland is slightly on the individualistic side (Hofstede [1991]2010: 95-97, cited also by Vaahterikko-Mejía 2001:29). Finland is far away on the scale of individualism from countries such as the United States, Canada, and the United Kingdom, and less individualistic compared to other Nordic countries (Hofstede [1991] 2010:95-97). Based on this notion, Finland especially can be seen as culturally close to the Latin American way of working via their preference for a communal rather than an individualistic approach.

In relation to the cultural environment, Järvinen admires the political stability and social and educational advancement of Chile. Based on Pohjanheimo, one central supporting factor for independence is economic growth. Furthermore, economic development was found by Pohjanheimo to increase values for individualism. This finding supports the interview results of this study regarding the executive leaders’ perceived improvements on Latin American infrastructural development as well as the on future opportunities of the Finnish companies’ establishments in Latin America. Based on Polanyi’s ([1944] 2009) theory, the executive leaders’ perceptions support Polanyi’s view of the government having a duty to protect the equity, land, and work, giving a concrete example of the government’s attempts to stabilize the economic and political reforms in the above-mentioned countries (Chile, Mexico, and Brazil).

34 Seppäläinen confirms, “CSR is always embedded in the investment decisions of Stora Enso. An external company always makes the pre-study of the foreign establishments very carefully. One needs to be humble when collaborating in Latin American countries, the cultural distinctions need to be taken into account, Seppäläinen highlights.

35 Markus Kröger (2007, 2010:59) claims, “Uruguay lacks an organized and significant landless or indigenous movement, and does not have intercorporate competition for agrarian lands of such intensity as Brazil”.
Based on the interview, Järvinen expects future opportunities to arise in connection to exporting educational systems from Finland to Latin America. Along with the possibilities of exporting these systems, Järvinen highlights the superb quality of local universities both in Chile and in Mexico. Branches of sciences exist where imported knowledge has been required, such as Outotec providing metallurgic studies for the local Chilean employees while establishing the Outotec factory in Chile. The same dimension of communal and individualistic orientation applies to educational reforms. By supporting youth employment and educational programs, corporations will be assimilated and perceived as part of the community. This in return creates reciprocal loyalty (Pohjanheimo 2012).

Seppäläinen agrees on the high quality of public healthcare as well as other public services in Brazil and in Uruguay, where she has had the greatest exposure. Seppäläinen wants Stora Enso to refrain from being directly engaged in local infrastructure projects, for example, highway construction or capital investments sub-venting the local hospital. This approach is due to the efforts to empower and encourage local Latin American employees to be more entrepreneurial. This perspective on infrastructure projects is not about attaining communal reciprocity, as mentioned in Hofstede’s ([1991] 2010) model, but about supporting the nation and its members to be more individualistic and take charge of their own futures. Seppäläinen mentions there are still severe challenges related to poverty, especially in Brazil. The situation in Uruguay is much better currently.

4.1.2 Historical and cultural practices in Latin America (social CSR)

Despite the systematic and reported development of CSR since 1990s, there are no trained public officials or practices for training authorities, nor is there a common will from the state to pursue European “good corporate citizenship”, including high ambitions for environmental sustainability in Latin America, says Korppi-Tommola. Furthermore, he points out a dilemma in relation to the competition between the enterprises, where a company’s target for survival is the Friedmanian pursue of profits. While the group of Europeans were ready to pay a premium for environmentally destructive production, the same principles and morals will not automatically transform into practices in the cultures under development. Furthermore, the search for appropriate accountability remains. Korppi-Tommola provides an example where an international company acquires a new subunit in a developing country or where adequate CSR principles do not reach Latin America. In addition, he gives an example where regular citizen can ponder how much an expensive watch or perfume costs in a store, but the corporations should evaluate how much producing this product has cost society and the environment. The corporations should be held accountable and responsible for preserving the planet for future generations, says Korppi-Tommola. Korppi-Tommola notes, “we are ready to pay for this value add in Europe, for example, by buying a diesel car. The same process does not exist in all countries in the world”.
The same notion was brought up by Vahterikko-Mejía (2001). She found particularism to be high in Latin American (and other Catholic) countries, where it is a custom to operate under individualized rules. All of the given examples relate to cultural values, which have been translated into local legal frameworks and articles and thoroughly established in the European Union. These legal frameworks incorporate various aspects of CSR, and international companies have been required to provide CSR reports on child labour, employee treatment, sustainability of raw materials, and ethical operations since the 1990s.

The aspects of equality and division of power were brought up by Korppi-Tommola in relation to environmental CSR. When Korppi-Tommola was establishing a factory in Brazil, the factory had 750 employees, 20 of which were working in the garden, solely producing fruit for the wealthiest owners. He gave an example in which local employees were farming clean vegetables and fruits for wealthy owners of a factory in Brazil. This example instantly draws a picture of the highly hierarchical relations in Latin America (cited also by Vahterikko-Mejía 2001:29). Unless one is born with the right societal background, they are automatically lower in the social hierarchy and therefore not entitled to the special benefits, like pure and clean vegetables. Seppänen (2014: 33) confirms the challenge of social gaps or social loans in Latin America. Seppänen (2014) says the main challenge is created by structural dichotomy in a society where investments are required simultaneously for both basic healthcare like vaccines and for diseases created by high living standards, such as diabetes. Based on research done by Seppänen (2014: 34), Chile, Uruguay, and Venezuela are rated high in income and social development\(^{36}\), whereas Bolivia and Honduras score the lowest among the Latin American countries compared.

Korppi-Tommola claims that the division of power is concentrated in a few monopolies in the recycling business as well as in factory ownership. He is very concerned about this division of power, where there are issues of overproduction and criminal forces who have taken ownership of waste management. Several scandals have been raised across Europe – Finland included – in which waste has appeared in a place that the laws would never prohibit. The situation in Latin America seems to be even worse. “There are always two sides of the coin. While one party benefits from recycling, the other party loses”, Korppi-Tommola points out, adding how difficult it is to negotiate with states on recycling liabilities.\(^{37}\) Korppi-Tommola brings up an

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\(^{36}\) Measurement on Income and social development based on Gross Domestic Product per capita in 2009 (Seppänen 2014: 34).

important topic regarding how products should be produced in order to be recyclable from the beginning. He discloses an example where polyethylene was replaced by aluminium, which is easier to separate out in the recycling process. This leads into a larger key concept of CSR: “the discipline requires everyone to support the same cause. The European Union has a policy – you pollute you pay”. The challenge arises when it is necessary to follow up and reliably measure these activities. An example was seen in Volkswagen and its systematic emission scam, Korppi-Tommola says. Another challenge lies in media and communications – media brings out only one side of the truth. For example, in the forestry industry, there are major debates surrounding the exploitation of the land, but the complete picture and truth is not apparent. In addition, it is much more profitable to steal teak from the rainforest, and this cannot be prevented, argues Korppi-Tommola.

Seppäläinen points out the vast difference in values regarding security in Uruguay versus in Finland. Based on her experience, there are no cultural values of security in Uruguay, and therefore Stora Enso has ended up investing enormous amount of resources to build and maintain security systems and operations in Uruguay. This refers to Polanyi’s ([1944] 2009) concept of the state’s ability to stabilize work, land, and equity, which resonates with the challenges brought up by Seppäläinen previously.

Järvinen shares the same perception on the lack of values in security in Latin America and confirms his opinion that Finland has a trustworthy reputation in Latin America. Järvinen brings up practical challenges related to hierarchy and power distance. Based on his experience, the biggest challenge in Latin America for him has been removing hierarchical differences, especially in the context of managers and employees. The employees are afraid to make any decisions without a manager’s approval. This power distance was very disruptive for him, despite the European heritage in Latin America. Järvinen has noted the vast impact of Spanish, Italian, and German traditions, as well as the influence of European languages in the Latin American environment.


39 The theories of Hofstede ([1991] 2010) as well as Schwartz ([1992] 2011) found out the measurement of power distance and hierarchy versus equality, respectively. In this example, the power is divided to few creating a highly unequal position. Based on the studies made by Hofstede ([1991] 2010) and Schwartz, the size of the population has a natural effect on the amount of hierarchy. Hierarchy includes high power distance, which was captured in the employee perspective of this research as well. In Polanyi’s ([1944] 2009) theory, there is a grounding theory of the economic re-distribution, which refers to the same aspect of high power distance or concentration of the wealth to only a few. This is further highlighted in the interview of Seppäläinen, where stressed the importance of engaging the local people and their own initiative in all decision making and actions to achieve long term sustainability instead of the “Europeans trying to figure out what works best in their (Latin American) culture” (Kirsi Seppäläinen).
The importance of engaging locals was pointed out by all the interviewed leadership executives, with the strongest views voiced by Seppäläinen, who said “the local personnel should be engaged when making any decisions in Latin America to enable long term solutions instead of one-off charity projects”. This refers to the cultural differences of empowerment and collectivistic culture explained by Hofstede (Hofstede [1991] 2010, cited also by Vahterikko-Mejía 2001:29), where collective actions are prioritized over individual efforts. In addition, the theory of high-context communication styles in Latin American countries put forth by Vahterikko-Mejía (Vahterikko-Mejía 2001:20) can be applied to the view of Seppäläinen.

4.1.3 Collective and individual rights of indigenous populations and CSR (social CSR)

Indigenous populations are often used in the headlines when the media criticizes larger organizations and their establishment in the third world countries. Even the definition of indigenous is not self-evident and can be based on both somatic and cultural criteria. The ownership of land and landless people has been an especially challenging topic for Stora Enso in Brazil, the largest country in Latin America (and the fifth largest in the world). In Brazil, land ownership is not clearly structured, and indigenous populations are present in the Bahia factory area. Stora Enso has tried to collaborate with the government on this critical topic continuously. Furthermore, Stora Enso has taken an educational role in teaching people how to manage the land as property, since this is a new topic for many landless people, says Seppäläinen. In the opinion of Seppäläinen, the situation is much clearer when the ownership of land is defined and documents of the land ownership exist, as in Uruguay.

Cooperating on and managing projects in Latin America is easy for Nordic nations, as Nordics are not trying to “conquer the land”, but to respect local culture, says Korppi-Tommola.40 According to Korppi-Tommola, public media gives an extremely narrow view of Finnish forestry companies acquiring land in Latin American countries.41 As defined by Holden and Villars (2013: 12), the magnitude of the Native American population at the time of European conquest is an enormously contentious subject, and estimates range from 7.5 million to more than 80 million. The rise of the ideology of “indigenismo” romanticized Latin American indigenous culture by glorifying them as the true founders of the nation in the early 20th century, claim Holden and Villars (2013: 308). In 1957, the ILO Convention on Indigenous and Tribal Populations was ratified by most Latin American countries. This convention supported the social, economic, and cultural integration of indigenous peoples into the states.

40 According to Korppi-Tommola, “hehän ovat valloittajakansaa, miksi Latinalaisessa Amerikassa puhutaan Espanjaan, vaikka se ei ole heidän pohjimmaita äidinkielsä? Pohjoiseurooppalaisten on helppo tehdä projekteja Latinalaisessa Amerikassa, koska emme yritä valloittaa maita vaan kunnioitamme paikallista tapaa tehdä asioita. Erityisesti ruotsalaisilla on paljon projekteja Brasilissa”.

41 Indigenous movement did not appear in the interview with Järvinen.
The topic of land ownership along with the status of indigenous populations is clearly politically sensitive as well as challenging, and represents an area requiring multiple research studies (Pakkasvirta 2008, cited also by Kröger 2010). According to Holden and Villars (2013), the most successful indigenous movement can be recognized in Bolivia, where Evo Morales, the son of Aymara Indians, was selected as the first fully indigenous president of Bolivia. This marks radical social change achieved by indigenous-rights movements all over Latin America since the 1980s (Holden and Villars 2013).

Many of the social reforms concerning landless people are centred on requesting new agro-economical ways of production to sustain natural resources, such as agroforestry, says Kröger (2014: 221). As Kröger (2014: 225) concludes, the main challenges are created by the actions of the inside elite and the powerful ideologies of imperialism and colonialism that existed previously in developing countries. Nygren (2014: 196) mentions the complex role of indigenous movements and claimed their portrayal in the media to be too simplistic, with the media always defending new industrial projects in Latin America. New eco-labels and certificates have not improved the situation, as consumers cannot verify the economic, social, and environmental conditions of the points of origin in a reliable way. Despite the ILO accord, ambiguity and disregard for the rule of law exists today, as confirmed by Holden and Villars (2013:320).

From theoretical perspective, the situation can be related to Polanyi’s ([1944] 2009) theory on ownership of land, and how this has been an unavoidable path of the market economy taking space from initially reciprocal tribes. As the free market economy will not survive, requirements exist for the state to protect the land and encourage sustainable development to prevent its complete collapse under strong market forces, argues Polanyi.

4.1.4 Erosion of natural resources (environmental CSR)
After the discussion with Järvinen, it became very clear that Chile is completely dependent on energy imports, with evidence materializing quickly in the mining industry. In addition, Chileans easily assimilate their country with Finland on energy causes, as Finland is similarly reliant on imported energy from neighbouring countries. As stated by Järvinen, “mines are typically in deserted locations, such as the Atacama Desert or the Andes in Peru, and the water is run from the mountains to pools where it can be consumed. In case this source of water ends and no new resources become available, it will be very expensive to buy energy to clean the salted seawater, to pay the premium for the imported gas, and to pump the water to the mines which are several kilometres in height”. The countries in Latin America are typically low production value-add countries, notes Järvinen. As explained by Järvinen: “Outokumpu had its own technology in Chile where 99.99% pure copper

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42 According to Holden and Villars (2013:314), 62% of Bolivians identify themselves as Indians.
was produced, and which was the largest copper mine of those times. There is a big mining industry in Chile, but typically these mines are producing basic raw materials for the distilleries and the raw materials are not refined”.

Korppi-Tommola voiced the same environmental resource concerns in Chile. In addition to the concern of renewable or sufficient energy production, the recycling systems also need reform, which requires a strong will. Latin American countries have the will to change, but recycled products should be more cost-effective to create motivation to move in this direction, clarifies Korppi-Tommola. According to Korppi-Tommola, there are three targets in the recycling industry: “1) reduce consumption, 2) recycle bottles, and 3) recycle the rest of the materials”. The recycling economy is a massive operating system, and one company cannot work wonders, he cautions. Furthermore, Korppi-Tommola highlights the power of legacy systems and the role of the state. In relation to the role of the state, Korppi-Tommola mentions an example of Patagonia owning and preserving large areas of rain forest across Chile.

Currently a key topic for Stora Enso is the scarcity of water: how to maintain the required water levels with the required cleanliness across their tree plantations. The environment is rapidly changing, and rainwater is not equally spread across seasons, months, and locations, explains Seppäläinen. There are some seasons with heavy rainfall followed by long dry periods. Therefore, Stora Enso has started to plant some new eucalyptus trees that are harder in unpredictable weather conditions. In addition, Stora Enso is planting some rare species that once disappeared due to the sawmill industry expansion in the 1950s, according to Seppäläinen. Stora Enso is trying to enlarge these new plantations so that there will be large forestry areas where various animals can survive. Seppäläinen brings up sustainability challenges in relation to the environment, including scarcity of water, that have occurred due to changing weather conditions, and the sustainable development of land by planting new breeds of eucalyptus trees among other new breeds. Many of the customers of Stora Enso represent consumer brands. Therefore, strictly following their customers’ CSR rules is paramount for Stora Enso. As pulp is an intermediate product included in many consumer products, such as diapers and toilet paper, the clients of Stora Enso are highly aware of all CSR topics, points out Seppäläinen. Seppäläinen mentions Stora Enso having nine selected key CSR areas, including a shareholder analysis according to industry principles, and focusing on this prior to deciding on new CSR principles on a yearly basis.

Seppäläinen was the only one to bring up the recent CSR reporting requirements, which relate naturally to her role as vice president of communications. The lawyers could argue that CSR reporting is predominantly on a voluntary basis and no sanctions will follow even non-legitimate activities other than brand defects, as the legacy framework behind private operators is lacking. The effects of potential brand damage are hard to pre-evaluate and have the potential to lead to long-term reputational issues with uncalculated effects. Seppäläinen
highlights how important the overall measurement of the final effects of CSR is. This measurement includes the benefits as well as the challenges or negative effects to the local society. Stora Enso is required to measure the pollution caused by their industrial traffic and track their truck drivers with GPS applications. In addition, the trees need to be planted in a sustainable way to maintain the biodiversity of the environment, supporting the continuous development of the environment.

Seppäläinen points out that collaboration with competitors is highly restricted due to the European competition law. Seppäläinen prefers the current voluntary model of CSR reporting, which gives corporations the flexibility on the means to report CSR, and yet provides certain level of standardization with GRI reporting. The standardization brings benefits for the investors as well as for the shareholders who are trying to measure various forestry companies against each other. Corporate social responsibility reporting creates objective comparison grounds and develops the GRI models, confirms Seppäläinen. An external auditor can be appointed if required. The corporate customers request their own format of sustainability reporting, says Seppäläinen.

In the opinion of Korppi-Tommola, there is no free market economy in environmental business as there is no primary competition existing in this environmentally weighed category. For example, few private operators in Finland collect recycled materials. Similar to Polanyi ([1944] 2009), Korppi-Tommola is calling for strong political will from the decision-makers of the political parties rather than politicians leaving these topics for the citizens to resolve themselves. Furthermore, he is demanding that the corporations in the earlier examples manage their shares of sustainable production. He is well aware of the scarcity of water and energy. For example, in Chile, the local factories have caused increased usage of brown coil. Monetary motivation is hard to create in the case of sustainable operations, with recycling costing more than the cost of not recycling. Korppi-Tommola’s view is getting close to the Polanyi’s ([1944] 2009) theory of state intervention and the protection of land. In addition, he is looking for political power as well as the intense engagement of top management and admits that power is concentrated on a few, similarly to Polanyi’s ([1944] 2009) notion of the re-distribution of power. Korppi-Tommola mentions Chile succeeding in the preservation of the rain forests through strong political power established by Patagonia succeeding in acquiring large forest areas across Chile and preserving them. As mentioned previously, however, Polanyi does not present a model on

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43 Korppi-Tommola gave a striking example of how the United States has completely the opposite approach and attitude to the waste management than the European Union. The United States declares there is enough land for the waste whereas the European Union is setting increasingly stringent regulations to protect the land from the human. The United States wanted to withdraw from the Paris Agreement shortly after the interview.
how to define an appropriate relationship between the state and corporations or how to equally distribute power.

4.1.5 Local empowerment (economic and social CSR)
The forestry industry is seen as more of an agriculture business when it comes to plantations on a local basis. Stora Enso operates both in Uruguay and in Brazil, sharing 50/50 ownership with local partners (Arauco and Fibria respectively), through which they have gained more locally assimilated brand images in the respective countries. Furthermore, the local Latin American entities collaborate directly with the local government institutions. Usually, new initiatives are fairly well-planned prior to government discussion by the local boards, and dialogue has already started well before an actual decision will be presented by the local companies (Fibria or Arauco), confirms Seppäläinen. In the opinion of Seppäläinen, the Stora Enso factories are seen as local operators as a result of the current partnership set-up.

Stora Enso’s target is to source all materials locally in Latin America. Stora Enso’s supply code of conduct is valid for all its vendors even though some of the requirements may cause challenges due the smaller size or restricted resourcing capabilities of the vendors. Stora Enso supports the auditing team in Latin America from Finland, however, local entities audit the local vendors independently as well. All the local personnel at Stora Enso factories are trained. Welders are required to be trained prior to starting the building process of a local factory as the forestry equipment maintenance personnel are not available to be hired through the local employment market in Latin America.

The importance of local community involvement is self-evident to Stora Enso. Stora Enso desires to be seen as a local operator via their partner establishment, convey a message of caring and investing in the local environment, and adapt as an inseparable part of the local community. The landless people are a challenging topic in Brazil, where land ownership is not clearly structured. In Uruguay, land ownership is explicitly defined with existing ownership documents, Seppäläinen says. Stora Enso is careful when selecting work areas to avoid indigenous populations, Seppäläinen claims. However, indigenous populations are present and indigenous people live in Bahia near Stora Enso’s Veracel factory in Brazil. On the other hand, Seppäläinen notes that Stora Enso educates local personnel when the ownership of land changes, as the new landowners will require knowledge on how to preserve the land. Stora Enso is involved in ongoing settlement activity with the local

44 In Hofstede’s ([1991] 2010) model, Stora Enso is transferring away from the individualistic values when it comes to CSR and environmental projects (opposite to the infrastructure projects). A lot of media attention and critics have been raised against Stora Enso on the land ownership and indigenous populations. Finding the absolute truth would require an empirical research in the operating countries including interviews with the indigenous peoples as well as with the government authorities. Seppäläinen confirms that corporate social responsibility is always embedded in their investment decisions. Seppäläinen highlights the need for humbleness when operating in Latin America, respecting the local values, cultural distinctions and most importantly, the dialogue with the local personnel.
Brazilian government. Seppäläinen confirms: “intense collaboration is required with the indigenous populations.

In addition, Seppäläinen gave an example related to Uruguay and its people’s view of land: “the Uruguayan view of the ‘soul’ of forestry is a flat meadow, whereas the Finnish equivalent is full forest. This might cause differences in perspectives. The Uruguayan person sees the eucalyptus plants for the first time in life whereas the Finnish concentrate on the lack of trees, connecting this immediately with actions of forestry companies”. Again, Seppäläinen strongly supports Hofstede’s ([1991] 2010) model for communal values as one driver of the key cultural differences. In addition, Vaahterikko-Mejía (2001:37) brings up in her research the differences in perception, saying that “the way to perceive one’s environment as acceptable in one culture is different in another culture”. Based on Nygren (2014), studies on Latin American indigenous populations have changed considerably since the 1990s. The new studies question the previous status quo of indigenous hunters and collectors dependent solely on natural forests. Evidence exists that many indigenous people have practiced intensive farming of bananas, corn, and manioc, says Nygren (2014). Based on Nygren (2014: 194), the main cause of environmental problems is the unequal division of wealth in Latin America. As Nygren (2014: 195) points out, for example, 1% of the population owns 46% of the arable land in Brazil.

At Outokumpu, a similar approach to local education is a standard requirement. In the factory-building phase, there were approximately forty expatriates in Chile, but this number was quickly reduced when the factory started operations. Based on Järvinen, the local employees were easy to source, not only from Chile but also from Peru, Bolivia and from other neighbouring Latin American countries. The consideration of labour was said to have no effect on Outokumpu FDI, based on Wilska’s (2002:160) doctoral dissertation. According to Wilska (2002:160), the most significant factor in investment decisions was the market size of the Chilean mining sector. Based on Wilska’s doctoral dissertation, the mining sector encompasses half of Chilean exports, and Outokumpu wanted to beat their competition. Järvinen confirms that business development in Bolivia, Brazil, and Mexico seemed especially promising.

The local sourcing process of Outokumpu for materials and services did not come up in Järvinen’s interview. Wilska (2002:160) says that the material input from the host country was not important and the key products were imported from Finland. The most significant determinant factors for the Outokumpu’s investment decision in Chile were the natural resources, namely copper, as well as the low import tariffs (Wilska 2002:160-161).

Hofstede’s ([1991] 2010) communal values together with their economic benefits are brought up in the local sourcing targets of Stora Enso. Stora Enso’s CSR Report (Stora Enso 2016) shows 137 million euros worth of
locally sourced materials at the Veracel factory in Brazil. In addition, Stora Enso (Stora Enso 2016) reports 20 million euros of tax payments and 15 million euros remuneration for Veracel employees in 2016. Furthermore, Stora Enso (Stora Enso 2016) has identified 96 partner farmers in the Forest Producer Programme, 136 honey producers, and 71 partner farmers with certified tree plantations on Stora Enso’s land. Respectively, 162 local suppliers are in collaboration with Stora Enso (Stora Enso 2016) at the Montes del Plata factory in Uruguay.

In addition, all of the welders and factory maintenance personnel were hired and trained locally both at Stora Enso and Outokumpu, enhancing the local employment and economic growth. Related to the local employment, severe challenges have been experienced both by Stora Enso and by Outokumpu while collaborating with local employment unions. In the opinion of Järvinen, it is a necessity to have employment unions to prevent strikes caused by activists. However, Seppäläinen points out that Stora Enso’s factory was completed two years late due to the power of employment unions in Latin America. Seppäläinen mentions that some of the unions retained strong political power but do not have the will to find a resolution in conflict situations. She does not mention any other details, as the topic seems to be sensitive still today.

Järvinen brings up the necessity of the existence of employment unions. At the beginning, Outokumpu did not have its own employment union available and organized. A group of employee representatives was present at each leadership team meeting, excluding the board meetings. This worked well at the beginning. Later though, an increasing number of challenges started to appear. Local activists were on strike and ceased deliveries on the main road or started physical protests by throwing rocks at vehicles while deliveries were transported. Järvinen highlights that due to collaboration with the unions, an open dialogue to prevent these types of activities was more easily achieved.

Communal values brought up by Hofstede ([1991] 2010) lay the scene in these situations, where the culture “getting up to the barricades” is more common and people are more ready to defend their community in Latin America. Seppäläinen gives an example of a striking contrast where Finnish citizens quietly collect an address (by signing a cause in the internet pages when they want to protest a factory location decision) whereas the Latin Americans are right on top of the road to loudly block the roads to express their opinions. The people of Latin America seem to follow Polanyi’s ([1944] 2009) perspective of being very clear on wanting to protect the environment, their land, their rights, and their society, and wanting to resist the power imbalance in which international companies evade local states.

4.1.6 Power of the media, the state, and the non-governmental organizations (social CSR)

The power of the media was mentioned in all of the leadership executive interviews. The media was presented as having immense power over the citizens in Latin America by both Järvinen and Seppäläinen. Seppäläinen
critiqued the Finnish media – as she saw it, the majority of media conflicts are raised in Finland without equivalent headlines raised locally in Latin America. Seppäläinen says, “A considerable number of ‘surprises’ come from the Finnish media in cases where the local Latin American media is not aware of the critical tone raised by Finnish students or other researchers, creating a big public discussion – for example, Markus Kröger in Finland”, Seppäläinen notes. Seldom do these critiques provide any resolution or suggested improvements along with their criticisms on international forestry industry practice. This shows the delicate relationship between the enterprises, researchers, and the media. The suggested solutions might be so far away from the industry practices that they go almost unnoticed. For example, in a book by Pakkasvirta (2008:128), a solution has been offered as follows: “uniting the local traditions and industrial practices in 2000: intercultural encounters, power relations, but also cultural sensitivity, the ‘cultural responsibility’ of the enterprises. Deeper understanding and recognition of the relationship between humans and the enterprises should be in the company CSR policies. This cultural sensitivity across the country borders in Argentina was forgotten in the case of Fray Bentos”.

Markus Kröger (2010:70) claims that “the pulp conflict cases are symptoms of the wider clash between agribusiness and the agroecology phenomena”. Kröger (2010:69) claims that the mayor of Porto Seguro, the city closest to Veracel, has cited a significant reduction in the cultivation of beans, manioc, potato, and papaya in the region. Furthermore, Kröger says that the reason for investing in pulp is the relatively low land price in comparison to the profits year after year on global markets. In addition to the natural conditions, the extensive use of pesticides, herbicides, and fertilizer as well as efficient logistics and machinery, low taxes, labour, and public relations are explanations for investment in fast-wood plantations (Kröger 2010:143).

Järvinen brings up the economic pressure on media to create headlines without always having truthful information, which can be called “click-media” (media’s economic success as measured by clicks or by opened pages or purchased magazines). Järvinen elaborates: “the press officers are very aggressive – you are forced to give interviews and in a way this is also good as that is the only way to be able to influence public affairs and provide the truthful insights to the press. Similarly, the media creates wrongful information that further enforces the deceptively negative image of Latin American countries in Finland”. This highlights the difficulty of objectively evaluating information received by the media when the responsibility for critical evaluation lies on the readers themselves.

45 Kröger (2010:65) says that the MST was successful in its April 2004 Veracel protest where the government promised 30,000 hectares of land for the MST families in the region. Furthermore, according to Kröger (2010:69), pulp investments have negative influence on local companies based on the MST influence on public opinion.
Seppäläinen appreciates the complete freedom of the local media in Uruguay. However, further efforts are required to disseminate truthful information to Uruguayan citizens, who might often be unaware of the actual benefits of a local factory establishment and therefore forming false interpretations. Seppäläinen clarifies: “a generalization, such as ‘eucalyptus is poisonous’ can be easily made and spread and without educating the local people. Misleading information is easily spread without verified content and facts being presented”.

On the contrary, in Chile, private ownership of the media has not prevented political parties’ various opinions to emerge through media articles, except in local newspaper Mercurio, which presents a slightly more neutral media perspective, says Järvinen. Järvinen points out the factor of state ownership, which is a significant factor in Chilean mining operations – the Chilean government still owns 100% of Corporación Nacional del Cobre (Codelco), the local Chilean copper mining company. The mining industry has a long heritage in Chile. Chile has been reported to hold the title of world’s largest copper producer, with a 29.9% market share of global copper production. Copper production is the country’s fourth largest industry sector, generating 9.9% of the GDP in Chile in 2015 (EMIS 2017). As confirmed by an EMIS report, Codelco is responsible for a 31.3% share of yearly Chilean copper production volumes. Järvinen says: “the Chilean state has its own mining company, Codelco, which is still 100% state owned, and has been in discussions to privatize, but the end result has been that the state can maintain the mining operations equally well. Likewise, there have been negotiations between Outokumpu and president Lagos regarding whether state-owned companies should be privatized similar to Outokumpu in Finland”. Even though no debate on the conversion from state ownership to private ownership exists for Codelco, this could be interpreted as an intention to preserve power of the state in Chile, says Järvinen. On the contrary, Leskinen (2014: 333) notes that the line is very fine what comes to the separation of politics and the media. Political ownership of the local media exists, such as Chilean President Sebastián Piñera owning Chilevision, one of the most important media channels in Chile. The privatization of public media, including online media publications, started in the 1990s, confirms Leskinen (2014). However, the most prevalent and modernized media exists in Argentina, Mexico, Brazil, and Chile46 (Leskinen 2014).

Seppäläinen wants to highlight her company’s collaboration with local non-governmental organizations (NGOs), including their intense collaborations with both the World Wildlife Foundation and the Childhood Organization. Seppäläinen says, “tourism affects the Veracel factory in Brazil as it is situated 50 kilometres inland from a famous tourist area, where the Europeans landed for the first time in Latin America. It is important to give the locals a holistic view of the tools and means that large corporations have to offer (the local CSR), for example, the diversification of the land ownership. There are approximately forty other

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46 El Mercurio de Valpraiso is the first newspaper published in Spanish in Chile in 1829.
operators outside of Stora Enso operations working against deforestation, enabling the new tree plantations in Uruguay”. Korppi-Tommola has a very strong opinion on environmental legacy requirements and views the European Union to be the most important single entity when it comes to the probability of the CSR legacy requirements succeeding.

The relationships between the media, NGOs, and the state are often complex and not without bias. These relationships naturally provide a way to quickly show the power of the state (or some other entity) supporting particular political parties. Media relations tend to have a long historical and political background and can be related to the cultural theories of power distribution. The media, together with the state and NGOs, clearly has distinct power in Latin American countries, based on the interviewed executive leaders in this study. The power of the media can be identified in the theories of Polanyi ([1944] 2009), as the state often is operating behind local media in Latin America. In this way, the media affects local news, as confirmed by the interviewed executive leaders. Local political parties’ opinions are presented by local newspapers (including sometimes deceitful information). Whereas Polanyi ([1944] 2009) highlighted the role of the state as the inevitable power to balance the three key equities (human, land, and money), countries are wrongly utilizing their power over citizens by affecting the news presented to the citizens.

4.1.7 Corruption (social and economic CSR)
Corruption was the only common dimension found between the interviewed leadership executives and the interviewed employees on the key notions of CSR. Corruption presents severe challenges to the business environment in Latin America, as noted by the majority of the interviewed persons. According to the leadership figures, citizens are exhausted by the levels of corruption that exist and have begun to demand changes in the cultural environment, says Seppäläinen. Furthermore, as seen in the example of Stora Enso, zero-tolerance corruption policies can be adopted in Uruguay and the Uruguayan people can successfully adapt to the change. Similarly, in Brazil, local employees have started to fight against corruption, says Seppäläinen. All of the

47 Korppi-Tommola confirms the equivalent information on the ethical practices, such as usage of child labor, has to be revealed by business operations of today as for example Greenpeace has previously requested.
48 Mrs. Seppäläinen confirms, “Stora Enso has zero-tolerance on corruption and what used to be the norm in Latin America has disappeared completely”. Mrs. Seppäläinen confirms, “Stora Enso has stopped supporting any political parties in Brazil, which was perceived as a common procedure previously. In addition, since Stora Enso’s reputation for zero-tolerance has grown, Uruguayans are not even approaching Stora Enso on this topic anymore”. Mrs. Seppäläinen mentions a real-life example; “Stora Enso cannot just buy equipment to the hospitals, no matter how good project that might locally be seen since it will be out of the Stora Enso policy. Mrs. Seppäläinen has noticed Brazilians to start to fight against corruption as they see corruption evaporating from the neighboring and other countries damaging the local projects (the investments are running to other destination rather than to the original project needs). “Uruguayans are extremely proud of being the least corrupted country in Latin America”, mentions Mrs. Seppäläinen. “The local governments in Latin America have started to realize the importance of the foreign investment and cannot ignore the international policies”, says Mrs. Seppäläinen.
interviewed employees expressed similar views, even though the answers were relating to different set of benchmark countries.

In Chile, Järvinen did not witness any corruption. On the contrary, in Mexico and in Brazil corruption was prevalent and the local prices increased 10-20% due to corruptive practices, based on Järvinen’s experience.49 Korppi-Tommola confirms the view of corruption being highly disruptive in Latin America. Korppi-Tommola gives two concrete examples: “the goods are not leaving the shore unless you pay some extra fee. Another good example is a company from Netherlands applying the laws of Netherlands to their operations under the agreement governed by laws of Netherlands. The Chilean government may decide that this contract is completely invalid in Chile”. Korppi-Tommola has a definite view on standing against corruption: “one with a top position in the company will encounter corruption with the local politicians. At the end of the day, Europeans have their values, which may not be welcomed in Latin America. Stora Enso wanted to finalize a similar natural reserve project [to Patagonia]. This would have required even stronger financial and political muscles” (Juha Korppi-Tommola).

The answers support Transparency International’s Corruption Perceptions Index 2017 (Transparency International 2017, see also Pärssinen and Sipilä 2012:19), which found that Venezuela was the most corrupt country in Latin America. Bolivia and Honduras both belonged to the 10 worst countries. Chile was the third least corrupt country, followed by Uruguay and Brazil in the middle of all Latin American countries (Transparency International 2017).

Corruption is deeply rooted in cultural values and practices and linked to the power distance of Hofstede ([1991] 2010). The government, officials, and those in power have strong roles and positions from which to define non-corruptive practices to sustain fair practices in the country among the citizens. Corruption will be further discussed from the employee perspective in Section 4.2 – Research results: employee perspective.

4.1.8 Future of corporate responsibility

In addition to the transformational environmental targets of planting new breeds of plants, the diversification of the land structure, and securing the water supply, Stora Enso has economic CSR targets related to the diversification of the ownership of land. The strongest aspect, in the opinion of Seppäläinen, is economic

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49 Mr. Järvinen says, “Sponsorointia ja paikallisen kulttuurin tukemista kyllä oli, mutta se oli avointa ja sponsoreiden nimet olivat hyvin esillä näkyvästi, joten sitä ei voi kutsua korruptioksi. Olemme tukenneet paikallista taidetta ja kulttuuria, henkilöstölle on järjestetty joulutapahtuma ja järjestämme paikallista koulutusta. Järjestämme esimerkiksi metallurgian laitoksen, joka oli paikallinen vapautus, näin tapahtui myös muissa maissa valtion taholta. Asioida ei olisi saatu eestenpäin, ellei tukea ollut annettu koulutukseen, ainakin se olisi ollut hyvin hidasta. Outotecilla oli periaattepäästö, että korruptioon ei voi lähteä mukaan, mutta paikallista tukemista olivat välttämätöntä tehdä. Poliisille Chilesä pystyi aina luottamaan, mutta Brasiliassa ja Mexicossa vastaavaa ei voinut sanoa missään nimessä. Korruptioineissa maissa lahitonta on maan tapa - se on yleisesti hyväksyttyä ja maan tapa toimia. Tämä alkaa pikkulihaa poistua, ihmiset ymmärtävät, ettei ole koko maan etu, että näin toimitaan”.
reasoning. The long-term approach of land diversification has explicit social and political benefits for Stora Enso. This approach has a dual connection to Polanyi’s ([1944] 2009) theory regarding the distribution of power as well as the protection of land. Furthermore, it has a connection to the communal values presented by Hofstede ([1991] 2010). Diversification of the ownership of land would make it easier for Stora Enso to manage their relationship and image among the local community members, as the spotlight would transfer from Stora Enso to a larger group of landowners. Issues in relation to the availability of raw materials and guaranteeing the appropriate certifications might bring new challenges, but the risks and benefits sound reasonable in comparison to the critique presented in media and among critical researchers. As far as future opportunities in Latin America for Stora Enso, the company is aware of their competitor’s plans regarding new factories in Latin American countries. Stora Enso does not currently have any of its own investment plans. “The future will show the direction. Montes del Plata is still so new that Stora Enso is focusing on first getting this Uruguayan factory investment up and running before starting any new investments”, confirms Seppäläinen.

Stora Enso has a measurable effect on Uruguayan employment and especially on enabling sustainable living across the Uruguayan countryside, where over 40% of the country’s people (1.5 million persons out of 3.5 million Uruguayans) currently live, Seppäläinen says. In addition, as claimed in Stora Enso’s CSR report, the corporation has contributed a measured 2% increase in Gross Domestic Product (GDP) to Uruguay through its pulp factory. In Brazil, the effects are smaller. In Bahia, where Stora Enso’s Veracel factory is located, other sources of employment do not exist, and therefore Stora Enso is a notable local employer, increasing the social impact of Stora Enso’s operations in Latin America, summarizes Seppäläinen. Seppäläinen wants to point out that new experiments in the development of land diversification are critical for Stora Enso. Seppäläinen says, “in Laos, Stora Enso is planting rice among the trees, and in Kenya, we are testing honey farming and other production variations to improve agricultural diversification”.

In the time span of the next 5 to 10 years, the future vision of CSR is highlighted by the importance of the collective actions and responsibility of large and powerful corporate players, says Korppi-Tommola. In addition, he sees digital development and artificial intelligence bringing innovations that enable the sharing of things in new ways, regardless of their physical location. This new aspect, however, comes with new challenges for legacies and regulations, for example, for the game industry releasing games for under-age players. How do companies secure the players are at the age qualified to play the games released?50

50 Korppi-Tommola says, "tulee olla iso ja vahva business, kuten esim. ruotsalaisten Scania, jolla on 30 % markkinasta, kun lähtee tekemään muutoksia (yritysvastuussa). Jos olet yksittäinen ja tuot vain yhtä tavaraa; vaikka olisi kuinka ympäristö – ja
Järvinen did not see any major changes from his perspective in the development of corporate social responsibility during the last 5 to 10 years. Järvinen raises the topics of the scarcity of water and energy, similar to Seppäläinen, as the key future topics to be solved globally. Furthermore, he refers to the distribution of power similar to Korppi-Tommola, and says that the current set-up favours large enterprises who are doing their utmost to fulfil all legal requirements, and yet at the same time push small enterprises into a tricky position, as they have similar requirements but are without any concrete resources to manage the requirements profitably.

In Section 4.2, this study will capture key notions of CSR from the perspectives of the employees, providing a unique set of CSR notions.

4.2 Employee perspectives

4.2.1 Excellence of the Finnish Corporate Social Responsibility programs (social CSR)
The strongest, most obvious, and expected outcome of this research was the experienced excellence of Finnish corporate social responsibility programs, together with the perceived welfare of Finnish society and the clean environment compared to the home countries of the interviewed employees. The experienced excellence of the Finnish corporate social responsibility programs relates to various CSR categories.

The strongest CSR category was the Finnish healthcare and day care systems, as well as free education and equal opportunities to succeed, which were all extremely appreciated by the interviewed employees. This outcome was repeated in all of the interviews, regardless of age, home country, or current employment relationship. All of the interviewed employees originating from Latin American countries had ceased visiting their home countries due to current volatile conditions in their countries. The catastrophic situation in Venezuela is well-known. However, the Bolivian employees expressed the same concern and reluctance to return to Bolivia.\footnote{Exception was the Bolivian mother who visits Bolivia yearly during the summer time without her children.} Two of the Venezuelan employees had not visited Venezuela for eight or nine years due to the current situation in Venezuela, but they all maintained intense relationships with Venezuelan family and friends via phone or by Skype calls and Facebook.

From the critical side, the Venezuelan women highlighted the extensive economic profit-seeking and privatization in Finland. Eskola pointed out that “as a day care owner, you are not able to make a profit”. In
Finland, Eskola claims, “money is seen as the most important factor. There is a paradox existing in Finland; you need to have income, but you still cannot get rich. In Venezuela, they have had private schools for a long time, as public education has had a poor reputation, and now there are a lot of poor people in Venezuela”. Eskola continues: “the Finnish equality, equal right and opportunity to study, women’s right to study, women’s right to vote, functioning public healthcare, which naturally comes with a payment, benefits the common good. In Venezuela, there was no better knowledge other than to create private schools. We saw the barriers behind the riot fences were combined with deep poverty and miserable living conditions”.

Bolivian regulations on corporate social responsibility came up only with the Bolivian man. This might be due to his educational background. According to the Bolivian man, “every company has to provide CSR in the working environment, but there are a lack of legal regulations and laws in this area in Bolivia. We have regulations, but they are not so strict, and most of all, they are not followed or enforced. The Bolivians believe in CSR, however, when they would need to apply the laws, they do not apply. Government officials visit, for example, the oil companies regularly, but no other companies verify it [the tracking of the CSR activities]. The tracking activity varies by the industry. Human rights are not appreciated in Bolivia”. The Bolivian man still experienced a lack of ethics and moral principles in behaviours in the working environment in Finland, where people act in a very informal way, and formality towards superiors is not respected as in his cultural education and experience in Bolivia.

The experienced excellence of Finnish corporate social responsibility programs and the welfare of the Finnish society can be related to Kolstad (2007) and virtue ethics as well as to Edward Freeman’s ([1984] 2010) theory where both the state and enterprises intensely mutually invest in CSR. According to Kolstad (2007), pure profit seeking is not an ethically sustainable solution, and companies should bear their tax burdens to give a share of their earnings back to society. Kolstad (2007) concentrates on corporations’ liabilities towards society. This is seen in corporations’ investments into the excellence of Finnish corporate social responsibility programs. Freeman ([1984] 2010) says that the stakeholders’ benefit is a corporate benefit. All interviewed employees brought up this aspect of mutual benefit in Finland versus its nonexistence in the Latin American countries captured in this study.

The mutual benefit can be measured at yearly metrics when employee satisfaction is measured. As previous studies have shown, usually, the higher the satisfaction of the employees, the better the organizational success, as shown in Section 1. The excellence of the Finnish corporate social responsibility programs was further subdivided into five subunits: 1.1) public healthcare, 1.2) equal opportunities to succeed, 1.3) public daycare, 1.4) free public education, and 1.5) statutory working conditions. Based on the theory of virtue ethics, pursuing a good life can be connected to all of the subdivisions and specifically to equal opportunities to succeed, free
education, and working conditions. According to Polanyi ([1944] 2009), state intervention to protect equity, land, and work is evident, however, this intervention should not overly interfere with the requirements of the free market economy. Polanyi’s theory interlinks with the first category where the state has intervened in Finland to provide all these six subunits, as captured by the interviewed employees.

Public healthcare (1.1) and social support systems are non-existent or insufficient both in Bolivia and in Venezuela, according to the interviewed employees from Bolivia and Venezuela. Eskola says that the public healthcare does not function; you cannot get in to the hospital even after a waiting time. “In Venezuela, there is a population the size of Finland lining up as clients for the city hospital. Even blood donors need to be found by patients themselves; there is no system for capturing suitable donors in Venezuela” says Eskola. Eskola had a traumatic experience when she saw a newborn baby die in a hospital while waiting to get in.  

As confirmed by all Bolivian interviewed employees, public healthcare and social support system is non-existent in Bolivia.  

The Bolivian women stated that no employment benefits exist in Bolivia – “salary is the only benefit” (Bolivian woman). In Honduras, healthcare is heavily dependent on employment, according to the Honduran woman. Some employers are able to offer a good health insurance (covering private hospitals) and the rest are not. It is important to clarify these aspects in the job interview in Honduras. All of the interviewed employees cherished the public healthcare and its quality in Finland.

Equal opportunities (1.2) to succeed despite differences in social backgrounds came up in several of the employee interviews. The Venezuelan man expressed his dream to become rich in monetary terms, but he

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53 The Bolivian man confirms: “insurance for your medical care has to be bought by yourself. According to the Bolivian man, “big companies are offering these to their employees, for example the engineers and doctors will be insured by their employers. In case you have no education, you will have no insurance in place. There is no pension plan currently in place in Bolivia; the government is trying to launch a plan to support the retired people, as there are elderly people without any pension existing. In case you are in your twenties, you better start saving for your pension already as you need to pay it by yourself”.

admits appreciating Finland where everyone has equal opportunities to succeed. The Venezuelan man confirmed, “since there are no social benefits in Latin America, you need to work if you want to succeed and earn more. Lower taxation will help improve the standard of life in Venezuela, especially in case you have an idea that benefits the government, for example, creating a dentistry practice. Ten years ago, this was still true in Venezuela and there is still the opportunity to become rich in countries such as Ecuador or Peru. My dream is to be rich but there is a sizable difference between the poor and the rich in Venezuela. In Finland, all people have equal opportunities to succeed”. In addition, he brings up the contrast with Venezuela, where even highly educated people, such as engineers and doctors, cannot afford basic living, since inflation has destroyed the monetary value of the Bolivar completely and many people are facing death due to the concerning healthcare situation in Venezuela. Most of the interviewed employees confirmed that the taxation system in Venezuela does not support the social benefits required.

Eskola did not have personal experience with the taxation in Venezuela as it was developed after she moved from the country, however, she has all her relatives still living in the country and therefore she is well aware of the taxation situation in Venezuela. Inflation has affected everyone’s purchasing power, Eskola says – “one euro is equivalent to 5,000 bolivars, whereas in the 1980s one euro was still equivalent to one bolivar”. In addition to the difference in taxation, Eskola sees a great difference in the pension systems of Venezuela and Finland. Eskola claims, “a pension needs to be physically applied to by the individual and it will not be paid to their bank account. In case your condition does not permit you to collect your pension physically yourself from the local authorities’ office, you will not receive it”. In addition, as stated by Eskola, local private insurance payments have tripled in Venezuela. Eskola says that now she understands the essence of Tyel- and Yel- in Finland, “usually, you get to appreciate these things when you are older”.

Furthermore, the differences in cultural heritage and in societal status were raised by the Venezuelan marketing manager as the main reason for the forestry industry being unsuccessful in certain parts of Latin America. The experience of discrimination seems to be non-existent among the Venezuelans based on the answers received from the interviewed employees.

The colonized background and experiences come with their [Latin American] expectations sometimes coloured with prejudice that might be overlooked by western societies. In this aspect, it is paramount to

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55 The Venezuelan woman says, “the forestry industry expectations were very different when comparing Finland to Latin America. Latin Americans still have a very strong colonialization background; topic of colonialization is still relevant. For example, the local presidents are still using the colonial background and its effects in their campaigns; ‘the foreigners take everything from us, they destroy our nature’. It would be important to give people something they do not have in Latin America, such as education. In Finland, you have free education, functioning public healthcare, free library and taxis to school. In Venezuela or in Latin America, there is no free public education nor free public healthcare”.

understand the value proposition in Latin America. What is the value add that international companies might consider to be a reciprocal exchange? For example, the right to vote for women was granted in 1940s in Latin America (Pakkasvirta 2014). Equal opportunities to succeed can refer to virtue ethics as well as consequentialism. Power distances are present in the equation; differences in social hierarchy are constantly highlighted in comparisons of the Finnish and Latin American environments.

The public daycare (1.3) system in Finland was highly appreciated by the Bolivian women as well as by Eskola. This dimension can be related to gender roles in Latin American countries, as was brought up by the interviewed employees. Based on the interviewed employees, a clear difference in the gender roles between Finland and Bolivia was presented. The Bolivian women claim that there is no public daycare in Bolivia; the women are expected to take care of the children at home. Bolivian women claim that men are free to spend their time as they wish in restaurants and with their hobbies, whereas it is not acceptable for women to participate in these activities. This relates to cultural differences and the theory brought up by Hofstede ([1991] 2010) on the dimension of masculinity and femininity. The Bolivian men give their salary to the family as men have the privilege of working, the Bolivian women explain. Clearly, state intervention as modelled by Polanyi ([1944] 2009) has not functioned in this case, and support for a public daycare system is missing in Bolivia. This keeps women from taking other roles in society and developing themselves educationally and professionally. Polanyi did mention house holding as one key concept where differences in gender can be linked. House holding had a remarkable effect in Polanyi’s ([1944] 2009) model of the economy where the free market economy was not yet prevalent. This could be linked to Bolivia, where women take charge of this house holding as a rule. From the ethical theory perspective, we can argue if this is right for the women and if they have the power to choose their position. Seppänen (2014: 27), Vuola, and Vuorisalo-Tiitinen (2014: 175 and Holden and Villars 2013) confirm the unbalanced power equilibrium of men and women in Latin America, commonly defined as machismo, which realizes in many forms to cultural habits in Latin America. One could be, for example, the lack of birth control mechanisms of Latin American women (Seppänen 2014: 27), or the ideal cultural model for the behaviour of men and women. Machismo may highlight the dominating position of men in Latin America or emphasize the important role of motherhood (Vuola and Vuorisalo-Tiitinen 2014: 175). Seppänen (2014: 29) describes that when the standard of living increases, the birth rate declines, based on the theory of demographic transition. However, Latin American countries have proven this theory wrong. In families with high income levels, fertility is sustained, says Seppänen (2014:29). Especially in Venezuela and in Panama, the population is growing by 1.5% on a yearly basis (Seppänen 2014).

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56 Four out of ten respondents in Honduras, the Dominican Republic and Bolivia agreed that it is natural that the man rules in the family and the women obey (Holden and Villars 2013: 28).
In the interviews with the Bolivian and Venezuelan single men, traditional gender roles and public daycare do not come up, relating to the differences in their family status. In addition, the topic of daycare did not surface in the discussion with the Venezuelan marketing manager. In the interview with the Honduran employee, the situation appeared closer to Finland, with women having public or private daycare available. This increases the opportunities for Honduran women to participate in work life.

Free public education (1.4) was mentioned along with corporate training programs and was highly appreciated by all the employees. Training programs themselves can be seen as utilitarian in nature, in addition to having aspects of virtue ethics as well as consequentialism. In virtue ethics and consequentialism, well-trained personnel will achieve and produce better results by supporting each other. According to Vuola and Vuorisalo-Tiitinen (2014: 186), economic reasons have increased the migration of especially uneducated women from Latin America, especially to Spain, since the 1990s. The common language is the key decision factor in selecting the Spain as a destination, say Vuola and Vuorisalo-Tiitinen (2014:186).

Statutory working conditions (1.5) were brought up by all the Bolivian employees. The Bolivian man mentions two aspects: 1) the legal right to use child labour and 2) discrimination based on social status in Bolivia. The Bolivian man says, “based on social status, the way they treat you is different among the poor, the middle class, and the rich, meaning the lower your income, the lower you are in class”. When asked about the relationship between education and social class, the Bolivian man said this has an effect. “If you have good education, you could have a better position”, the Bolivian man confirms. The Bolivian man further explains: “companies are trying to reduce daily working hours to eight hours per day and reduce the use of child labour. The government has a long-term plan to reduce child labour and to provide education to children in Bolivia. Basic education up to the high school level is good in the cities in Bolivia. If you live far away from the city in the rural areas, there might be no schools or even hospitals, and getting gasoline might be a struggle, so it is harder to access a school system. All the key cities have affordable public universities, but the private universities are very expensive”. In the opinion of all the Bolivians, an employer in Bolivia will set the requirement to work late hours with a smaller salary and the employees will be pressured and almost blackmailed to work at the times requested. This is where Polanyi’s ([1944] 2009) theory has a gap, as it refrains from explaining alternatives in situations where the perfect market economy does not work and the state is incapable of making and enforcing the right laws and regulations. Polanyi also does not capture the notion of crime – in the case that illegal actions are taken by the employer (from the European perspective),

57 The Bolivian man notifies, “eight hours may be mentioned in your employment contract, however, your daily routines need to be finished regardless of how long it takes to perform your duties at work”. 
the Bolivian state lacks the criteria and appropriate laws that would be required to settle the critical social and legacy dilemmas of employment law. On the other hand, inappropriate or unregulated working conditions are mentioned in Polanyi’s ([1944] 2009) theory of having requirements for state intervention. In case this intervention is absent, both “the labour” and “the work” has to operate without governance as constituted by the employer. Clearly, the distribution of power is not equally balanced when the employee cannot influence the working conditions.

In addition, based on the interviewed employees, there are no additional benefits on top of basic salary in Bolivia or in Venezuela, whereas private healthcare, maternity leave, sick leave, holiday payments and bonuses, and employee-wellbeing awards are part of the total compensation in Finland. The function of leadership, including an open dialogue created by engaging and sharing cultural manners, and the importance of work were raised by all the interviewed employees.58

A long-term approach versus quick profit-seeking was highlighted by the Venezuelan employees. Both (the importance of work and a long-term approach) clearly mark Polanyi’s theory of having other motivational aspects behind human behaviour than solely that of profit-seeking. Both the Venezuelan man, the Bolivian women, and the Honduran employee brought up the importance of empowering employees to find the means to succeed in their duties and gain job satisfaction. The two Venezuelan women raised the aspect of empowering the local community as well. This can have both utilitarian aspects of benefiting the local society and citizens and also support Polanyi’s ([1944] 2009) view of reciprocal exchange and redistributing wealth accordingly. Empowerment relates to power distance. In Finland, the power distance is at the low end – the authorities are perceived to be accessible – whereas in Latin America, the power distance is high.

The Venezuelan man identified a key variance in the supervisor’s accessibility and in the leadership participation between Venezuela and Finland. He argued that the best way for a company to act in a socially responsible manner is to show interest in its subordinates and actively engage in daily operations. The importance of employment law appeared extremely high for him. In Venezuela, a supervisor can behave without any corporate governance, he claims. He further provides examples where the supervisor’s behaviour can appear completely unpredictable and unfair, and the firing process can be very hasty without any proper reasoning.59

58 The Venezuelan man says, “jos töissä menee hyvin, kaikki menee hyvin. Työ on toinen elämäni”. According to Bolivian mother, “työ on tärkeää sekä työhön saatava koulutus. Työn rytmi on myös tärkeää - aamulla töihin lähteminen ja työpäivän tekeminen”.
59 The Venezuelan man claims, “työntekijää suojaa laki Suomessa. Latinalaisessa Amerikassa esimies voi tehdä mitä haluaa, siellä ei ole lakia suojaimmassa. Meillä on todella huono tilanne Venezuelassa. Meillä ei enää demokratiaa, muutos alkoi, kun
All these aspects refer to the power distance measured by Hofstede ([1991] 2010). Polanyi’s ([1944] 2009) theory of state intervention comes into play, as the free market economy cannot sustain itself and the work needs to be protected. According to the interviewed employees, there are still gaps in this in Venezuela. The meaning of work is clearly very high for all the interviewed persons. In addition, Ana Eskola brought up the motivation to work. Mrs. Eskola saw that long-term perspectives as well as the motivation to find work have been decreasing due to social benefits being too high in Finland. Furthermore, Mrs. Eskola brings up the desire to hire other people, and both Venezuelan women mention the desire to provide affordable services for citizens. Mrs. Eskola further discusses the exploitative practices of paying low salaries to Latin American employees in Venezuela. This relates to the Polanyi’s ([1944] 2009) theory of work and not having the state interfere too much in the supply and demand of work, as in the disastrous example in the United Kingdom of Speenhamland.

4.2.2 Importance and implications of CSR (social CSR)
The second aspect raised by all employees was the meaning of CSR and how corporations are committed to increasing their contributions to the development and goodwill of society. The interviewed employees touched upon the topic from various angles. The Venezuelan man saw the connection between CSR and an individual’s wellbeing in the work environment as very important. The Venezuelan man claims that responsibility lies within the individual contributing to the positive working atmosphere and the courage to face challenges at work with a positive attitude. The Venezuelan man understands that everyone carries our individual background within our personality. Therefore, great variance in encountering workplace issues remains. Furthermore, he did not see any remarkable differences in communication styles between the Finnish and Venezuelan employees.

The Honduran woman sees CSR as very much value-based and refers to her employer’s corporate value guidance (responsibility, sustainability, development, originality), highlighting individuals’ own responsibility to take action. When asked about the meaning of corporate social responsibility, its daily implications on their lives, improvement possibilities, and how CSR in Finland is different from that of their home country of Bolivia, answers varied considerably between interviewed persons. The Bolivian man has a clear

60 For the Honduran woman, the values and CSR were very important. The Honduran woman says: "responsibility and values are very important to myself, they are present every day. CSR means the responsibility of all activities and values. Values in your daily work are important. In the current working environment, there is a program called “Sydämessesti Suomalainen”, where I am responsible as a coach. It means that you need to take responsibility and act sustainably."
understanding of the contents of CSR: “CSR is related to how to improve the society, ethics, and behaviours. It is related to saving the environment and recycling, legal rights including human rights, and how a company supports others by, for example, donating”. He sees that the future perspective of CSR is still lacking in Bolivia – clean energy such as wind energy or electric cars is still new in Bolivia. The Bolivian women saw CSR more from the cultural perspective. They saw Bolivian dancing, wines, and tapas potentially changing the conservative Finnish working environment by enhancing team collaboration.61

Both the Bolivian women as well as the Honduran employee brought up value-based aspects of CSR. These aspects were related to the cultural environment as the employees discussed the daily implications of CSR in their lives. The cultural differences in concepts of trust, honesty, and humour can be linked to Hofstede’s ([1991] 2010) theories of masculinity and femininity, the concept of power distance, and value-based theory. Trust, honesty, and humour were all linked together as the Bolivians pointed out two aspects of being humorous: 1) telling jokes and having a culture where joking is appreciated, and 2) telling only a partial truth where you never know in case the person is truthful. Naturally, these types of cultural differences can be easily misunderstood. In Finland, joking among students was quickly labelled as mocking in the school environment.

The same concept of trust appeared with the Honduran, who felt a very strong connection between trust and reliability: “in Finland, there is no small talk, what is being promised in Finland is delivered”. Especially in the context of work, the Honduran sees a complete lack of trust between the employer and the employee, even in cases where the employee has delivered the agreed and promised outcome. Appreciation and preference for local production, local products, and the environment was perceived as being much higher in Finland than in Latin America, in the view of the Honduran woman. She expected globalization to bring changes to local food appreciation in Latin America as well.62 The Bolivian women highlighted differences in gender roles. The Honduran woman saw vast differences in gender roles in Latin American countries, but she did not see such differences existing in Honduras.63

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61 The Bolivian women comments the meaning of CSR the following; “the food culture in Bolivia is different from Finland and the wines from Chile are popular in Bolivia. The Bolivians have experienced Finnish people to be quite conservative for any changes. We have implemented the wine and tapas evenings together with salsa dancing with the Finnish colleagues. From cultural perspective, salsa, latin dancing, and carnivals are very popular as well as the Inca culture in Bolivia”.


When asked one of the first questions – what corporate social responsibility means to you? – the employee interview answers were typically defined as in the following quote: “how the company is doing good and caring about the people and the environment, how the company is not only making a profit but using the money to develop society” (Venezuelan woman). The size of the organization had an effect on the responses in how the empowerment level of the individual employee was perceived.

The question on how corporate social responsibility was present in the employees’ daily working environments translated into a question of whether the employees saw their corporations has having resources to implement CSR due to the time and materials dedicated to CSR by their employers. The question asking about the key differences of CSR in the daily working environments in Venezuela and Finland was a more challenging question to the employees. This might be due to the fact most of the employees had been living for decades in Finland. In general, for example the Venezuelan marketing manager expressed her views in the following way: “Venezuelan people might see CSR as a means to help hospitals, municipals, and poor people”.

Corporate social responsibility in connection to employment came up strongly with Eskola. Eskola wants to be able to employ other people and offer well-established daycare services without having to worry about the operational costs. Eskola sees that daycare cannot be completely free, which has been a topic of public discussion in Finland lately. While talking about charity packages for the disabled, those of having low incomes, and children in need of better child welfare, Eskola admits these activities are part of her own values, as she wants to share her wellbeing with others.

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64 The Venezuelan woman describes the way that Nokia taught the employees on how to realize goodwill for the benefit of the society as well as for the immediate environment. The Venezuelan woman says, “Nokia had their own CSR team creating and sharing materials, education, videos, and campaigns for the internal and external stakeholders with a very strong message of CSR. Nokia Corporate Communications and Corporate Governance Officer launched a yearly CSR book, including topics such as carbon oxide emissions, and how to collaborate with the distributors. Implementing such principles of CSR was very important part of making Nokia Mobile Phones business. Sufficient resources were available for CSR work in the company”.

65 The Venezuelan woman employed by a small Finnish enterprise saw CSR non-existent in the small family owned company due to the lack of resources. According to the Venezuelan woman, “there would be opportunities in the current business since the company is operating in the sector of waste management”. When asking about the real life implications and how CSR was seen in the Venezuelan female’s previous role as a Marketing Manager, her answer was; “CSR was seen as a sizable investment, and it was understood that to have a CSR program in place makes an impeccable difference. For example, mobile applications were offered for employees to improve their daily health. There was a broad understanding of CSR at various levels across the organization. The organization was not only passively donating money to the poor people or to the hospitals. Companies such as Nestlé and other large international organizations were implementing their CSR activities mostly on charity in Latin American countries. Nokia Mobile Phones put CSR in the centrum to act as an integrated part of their business and to take care of the environment”.

66 On the contrary, the Venezuelan man had a clear understanding on the topic. He quickly related the term of CSR on how to affect employees’ wellbeing at the working environment. Based on him, the meaning of CSR is highly dependent on the employee’s perception. The Venezuelan man says, “the company and the supervisor will support and instruct in all requirements related to my work, however, how I decide to make the influence at work – that is my responsibility at the end”.
In addition, Eskola was the first interviewee to connect the social benefit system and the motivation to work. Eskola claims that, historically, there was always employment offered and available in Venezuela. By this, Eskola offers a contrast to the situation in Finland, where the unemployment rate is currently very high. Eskola has noticed a change recently – Finnish people are starting to be humbler and to work positions with lower employment criteria. In Eskola’s view, Finns are not ready to accept work due to the lucrative social benefits, passivating themselves from work. Eskola says, “instead of concentrating so much on profit, we should consider the possibilities for increased competencies and experiences as well as better retirement pensions subsidised by employers at the end”. Eskola has a clear message for the opinion leaders to concentrate more on the long-term perspective, to focus more on supporting small enterprises, and to privatise less. Based on Eskola’s experience in Venezuela, privatization accelerates the development of inequality and increases gaps between the income classes. Eskola touches on a very relevant discussion of Finnish social healthcare reform. As an example, Eskola mentions privatized healthcare operators as well as private daycare companies in Finland. When asked about how she saw her own abilities to influence the situation, she said she feels powerless due to a lack of time and support to resist the unwanted changes. Eskola further claims that there are no traditions in the Oulu region to stand up and resist changes proposed by the state. The key challenge in Eskola’s opinion is the lack of opportunity for decision makers to experience the challenges in real-life field operations, an excess of bureaucracy, and a lack of practical knowledge, which, for example, nurses and daycare workers have through working with clients on a daily basis. Furthermore, Eskola brings up an idea that the Finnish children in her daycare could write to children (in the same age group) in Latin America. Eskola herself has a godchild in Venezuela with whom she keeps in regular contact.

The topic of employee reviews (mid-year and end year reviews) were touched upon briefly by the Honduran employee and her supervisor. The supervisor of the Honduran employee wanted to highlight that CSR and company-level values should not be included in employee reviews. Instead, the employee reviews should concentrate more on personal development instead of organizational targets.

The meaning of CSR in relation to its implications on individual and corporate roles refers to the similar theoretical backgrounds of virtue ethics, Kolstad (2007), and of Freeman ([1984] 2010). Key values, such as the responsibility to act, a positive attitude, as well as cultural appreciation for differences were included in the employee responses.

67 ‘sote-uudistus’
68 Mrs. Eskola did not consider her own company to be a private day care since the payments are not high and the city supports her daycare costs with the local pre-paid service coupons.
4.2.3 Is CSR a profit seeking activity? (economic CSR)

The third aspect of discussion with the employees was related to economic CSR as a profit-seeking activity and the privatization of traditionally state-owned enterprises. In Finnish day care operations, you are not allowed to make a profit, says Eskola. In addition, Eskola perceived Finnish public officials as pressing too much for profits and rapid privatization of traditionally state-owned entities. This touches on Polanyi’s ([1944] 2009) theory on initial societies being based on reciprocal exchange, house holding, and equal redistribution of wealth. Based on Polanyi ([1944] 2009), society was not originally based on profit seeking. Therefore, the creation of a “free” market economy has encountered severe problems including wars, political disruptions, and poverty. In addition, according to Mrs. Eskola, the privatization of state-owned entities in Venezuela has resulted in increased inequality and a deteriorating quality of services, which Eskola wants to prevent in Finland.

Both the Venezuelan woman saw CSR as a sizable investment, but one that makes a difference to society. They said that reciprocal CSR should include means other than just monetary support. As mentioned by the Venezuelan woman, mobile application solutions to improve the health of employees through education exist. This relates to Polanyi’s ([1944] 2009) theory of having as little as possible intervention by the state in market economics. Furthermore, the same idea is presented in virtue ethics, where individuals’ virtues should be developed rather than solely giving the monetary support.69

Multilateral trade and reciprocity were seen possibilities for further collaboration between Finland and Latin American countries by most of the interviewed employees. Equality, healthcare, nurseries, recycling system, and friendship clubs [Ystävyysseura] were suggested as reciprocal elements of export from Finland to Latin America by the Venezuelans and by the Honduran.70 The Bolivians would import “everything” from Finland to Bolivia, whereas the Venezuelan man could not see any possibilities for multilateral trade due to the current situation in Venezuela. In addition, Eskola brought up the utilitarian aspect of having Finnish people in the forefront when the situation in Venezuela improves. The importance of giving people the tools to employ themselves instead of providing ready-made solutions was highlighted once more by the employees (a similar opinion as that raised by the executive leadership figures).

69 The Bolivian employees did not bring up the profit seeking aspect of CSR strongly, except the low taxation level in Bolivia for small enterprises.

70 The Honduran woman says, "näen hyötyjä kotimaastani [Hondurasista] tulevista hankinnoista. Suunnitelmassa on, että katsotaan miten tuodaan mahdollisesti organista kahvia Hondurasista Suomeen perustamani Ystävyysseuran kautta. Ystävyysseuran tarkoitus on kulttuurien vuorovaikutus; tuoda esille hondurasilainen kulttuuri Suomessa ja suomalainen kulttuuri hondurasilaisille. Arvoista luotettavuus olisi myös hyvä teema viedä Suomesta Hondurasiin".
4.2.4 Taxation, pension and health care insurances (Economic CSR)

The fourth CSR notion from the employee perspective was the well-established taxation, public healthcare, insurance, and pension systems in Finland compared to both Venezuela and Bolivia. Mrs. Eskola sees the pension, taxation, and healthcare insurance systems as necessary to cover the payments needed for the state and for society. In Venezuela, such systems do not exist or are insufficient to augment the common good, according to all interviewed employees. The Venezuelan man notes the taxes are low in Venezuela, as “you need to pay everything by yourself”. As confirmed by all interviewed employees, public healthcare does not function in Venezuela, where private health insurance has become a necessity not all can afford. The Venezuelan woman and man add that many have died due to a lack of private health insurance. In one way, taxation is linked to Polanyi’s ([1944] 2009) reciprocal redistribution, where the state has replaced “free reciprocal interrelations” and dedicates the appropriate shares for equal participation in the common good of a society. Reciprocity in principle is based on free will, but eventually ends up with the same results, as presented by Polanyi’s ([1944] 2009) model. On the contrary, low taxation was seen as a benefit for individuals as well as for small entrepreneurs avoiding taxation in Bolivia in the interview with Bolivian employees. Taxation is lower in Bolivia and the smallest enterprises are not taxed at all by the government. In the case of a small home-based restaurant, no tax payments or other bureaucratic processes are required, say the Bolivian women. The Bolivian man concludes, “there is a way to avoid taxes – the more you purchase goods, the less taxes you will pay”.  

4.2.5 Power of the government in Latin America versus in Finland (social CSR)

Two Venezuelan employees brought up the topic of power distance in the government, where the government stresses its position and the authoritative prerogative over the citizens. This notion of CSR refers to Hofstede’s ([1991] 2010) model of power distance, which is high in Latin American countries. It was clearly raised as a key topic by two of the three interviewed Venezuelan employees.

The Venezuelan man saw a complete lack of democracy in Venezuela. According to him, the state is dictates the rules “on everything” including the ownership of the army. In addition, the main broadcasting channels are filled with government propaganda and international media channels have been banned. The Venezuelan man said that social policy driven by Chávez has never succeeded in Venezuela and should be abandoned for good. In addition, he feels that his political opinion has resulted in his passport denial by the Venezuelan embassy in Finland. On the other hand, he stays optimistic and hopes that Venezuela will abandon dictatorship one day. Eskola sees the Venezuelan situation as highly concerning and without any immediate resolution. According

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71 In Honduras, the received healthcare quality fully depends on the coverage of your private health care insurance. In general, the employees’ wellbeing is not publicly discussed topic in Honduras, according to the Honduran woman.
to Eskola, “the presidency should change. The opposition tries to resist, but the government does not approve the changes. The next step is revolution. The Internet is still functioning in Venezuela, but, the television is filled with government propaganda. The government is not even allowing relief deliveries, including medicines, to enter to the country as they want to retain the control over the citizens through their position of power”. As stated by Holden and Villars (2013:23), political movements are built around a leader rather than ideology, and therefore followers of Chávez identify themselves as “chavistas” or as “peronistas” in Latin America. The legacies of personalism continued in Latin America in the 1970s and 1980s, confirm Holden and Villars (2013:26). Pakkasvirta (2014:243) highlights that despite the criticism of Chávez, it should be recognized that Chávez’s politics have won several elections through a relatively democratic voting system. Pakkasvirta (2014) admits that Chávez was a special character and created his own media success by his populistic humour, evaded promises, and populistic socialism.

The power of the government and its tendency to strongly influence people via the education system was touched on in the discussion with Eskola. Eskola claims, “the government is actively trying to influence children via the elementary schools. For example, teachers tell the student to close their eyes and God will give them some sweets, but no sweets come. Then they repeat their promise with the exception that this time it is Chávez giving the sweets, and then the sweets come”. As Eskola confirms, the quality of education has been good in Venezuela. Eskola had her family’s support while finalizing her education in Venezuela despite the high expenses. Similarly, with the Venezuelan man, the democracy of the nation was a critical topic. “The government decides on everything; how does this benefit the local people? We used to have CNN and BBC at home in Venezuela. Now all the foreign channels have been erased and you cannot view the international news in Venezuela. YouTube and the Internet are still working for the time being” (Venezuelan man). Chávez wanted socialism to win but socialism does not work; we have experience on this. Chávez paid people to vote for him. Taxation is low as you need to pay for everything yourself, the public hospital does not work, you need to have private health insurance. Even if you have a good job, inflation has outweighed everything. You can only buy a bag of onions, even the doctors and engineers cannot live with their salaries. Everything is expensive. Despite a million-bolivar salary, many people have died due to the challenges in healthcare”.

The experienced power distance came up with the Bolivian women as well, although with different content, where they felt strongly about the mandatory duty of Bolivian men to join the army (with life-threatening consequences for resisting). The compulsion to join the army had some variance of opinion among the interviewed employees from Bolivia. Furthermore, the experienced level of security appeared in all of the

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72 The Bolivian women claimed that army is mandatory for all men at the age of eighteen years in Bolivia. “Army will inform when you need to join. Army will collect you from your home in case you do not attend voluntarily. In case you try to escape, they will
interviews with the Bolivian employees as well as with the Honduran employee. The Bolivian and Honduran employees are afraid of the police as well as of the taxi drivers. “You cannot trust anyone there,” the Bolivian mother notes.73 The Bolivian man similarly views the serious security challenges in Bolivia.74 There is no Bolivian embassy accessible in Finland according to the employees; the closest place to get a visa is in Stockholm and the next closest place is in Spain. Both Finnish and Bolivian passports are required when travelling to Bolivia, confirm the Bolivian women. The Bolivian daughter claims that one of the family’s cousins disappeared last time they visited Bolivia, and therefore the Bolivian daughter is going to be very careful if she goes to visit Bolivia again.

The experienced level of security references Polanyi’s ([1944] 2009) model of the state’s capability to stabilize the society. There are no recommendations or further models provided by Polanyi that explain the correct level of state intervention and how to apply this model. Naturally, the experienced level of security is related to individual values and cultural experiences. However, the topic belongs to the government legacy and capability of developing a framework for a culture where people can feel and act securely. The government can utilize its power to show power distance intentionally, as we saw from the interviews with the Venezuelan employees. The intentional aspect (of the government preference to utilize its power) did not come up in the interviews with the Bolivians. Based on Hofstede’s ([1991] 2010) model, this dimension of a high power distance is present in Latin American countries.

4.2.6 Corruption (social and economic CSR)
The sixth common employee notion of CSR was the level of corruption perceived by most of the interviewed employees. For example, the Venezuelan man, due to his strong experience of supervisors behaving corruptly, brought up corruption. The Venezuelan man states, “The supervisors are never accessible at work and yet get shoot you”, explained the Bolivian woman. According to the Bolivian women, the army lasts for one year. The place for the army is far away, there are no holidays, and you can only send letters from and to the army, the Bolivian women described. In the opinion of the Bolivian man: “the army used to be compulsive, but has now changed and you might be exempted in case you are sick and you will pay for the government to get an appropriate certificate. The Bolivian man says, “even in cases where you do not have the certificate, you might be excused, it is not so strict anymore”. The Bolivian man has started his exchange period when he was eighteen years old, therefore he lacks the personal experience on participating the army in Bolivia.

The Bolivian mother describes, “mikäli sinulla ei ole Suomen kansalaisuutta et välttämättä pääse takaisin Boliviasta Suomeen. Lentokentällä kaikki matkustajat tarkistetaan tarkkaan. Tullikoirat tarkistavat kaikki matkustajat. Lapsella tulee olla molempien vanhempien sukunimi mainittuna passissa”.

73 The Bolivian mother describes, “mikäli sinulla ei ole Suomen kansalaisuutta et välttämättä pääse takaisin Boliviasta Suomeen. Lentokentällä kaikki matkustajat tarkistetaan tarkkaan. Tullikoirat tarkistavat kaikki matkustajat. Lapsella tulee olla molempien vanhempien sukunimi mainittuna passissa”.

74 The Bolivian man says, “you should be concerned in case you have to go to a dangerous place or in case you are working alone, especially in the middle of the night in Bolivia. Events exist in Bolivia, where political disruptions are present, people are angry and want to go to strike, however, it is safer currently compared to some years ago. The non-governmental organizations’ (NGOs) help is much appreciated, for example, in instances where earthquakes have taken place. Large companies are supporting the NGOs and providing house-building support for homeless people”.
a salary that is ten-fold that of the employees in Venezuela”. The Honduran woman claims that there is no corruption existing in Finland that is similar to corruption in Honduras. Latin American countries are reported to face severe challenges relating to corruption in the present day.

Larger corporations typically have systematic and comprehensive programs on CSR, compliance, laws, and anti-bribery that include corporate-wide education, yet they fail on the final operational level, according to the media. Corruptive practices might be built into a country’s national culture, encompassing all levels of operations even at the cost of the wellbeing of its own citizens. In these situations, there are some key questions to raise. A definition of corruption is needed – is this action violating someone else’s equity? Are the benefits truly belonging to the one using them, or are the benefits that person’s right to distribute? The identity of the requesting entity and the source of initiation are key to understanding. Naturally, the question of public image and the power of the media will come into play as well on the question of when and how information will spread about the corrupt money transferred or other corrupt benefits received. As we know, corruption increases the inequality in countries by redistributing wealth similar to Polanyi’s ([1944] 2009) theory. Agreements and receipts are being transferred by the invisible hand beyond government taxation, prices increase due to extra layers of receiving entities, and third parties suffer as the most competitive company will not be selected.

4.2.7 Environmental and value-based CSR (environmental CSR)

The seventh common aspect of CSR perceived by the Venezuelan and Honduran employees was environmental and ecological CSR. Various ethical and value-based theories, such virtue ethics and consequentialism as well as the utilitarian aspects of environmental activities including recycling apply to this notion of CSR. The individual and corporate actions are based on values that one carries out in the daily environment.

The Venezuelan man sees environmental causes as a united target, giving credit to Finland where ecological values are important. The majority of the interviewed employees highlighted the importance of the nature,

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75 In the opinion of the Venezuelan man, “Latinalaisessa Amerikassa on paljon korruptiota. Esimiehet vaikuttavan olevan aina lomalla, mutta saavat silti kymmenkertaisen palkan verrattuna tavallisiin työntekijöihin. Etelä Euroopassa, Espanjassa ja Portugalissa voi nähä, että asiat menevät samalla tavalla korruptoituneeseen suuntaan”.

76 As stated by the Honduran woman, "Suomi on turvallinen maa, päinvastoin kuin Honduras, missä ei voi luottaa kehenkään, ei voi esimerkiksi ottaa lennosta vapaata taksia ja hypätä tuntemattoman taksinkuljettajan kyytiin. Suomessa on turvallista. Jos otat taksin, taksin maksu on standardi ja vain standardimaksu laskutetaan. Hondurasissa poliisia pelätään. Suomessa ei ole kokemukseni mukaan samalla tavalla korruptiota”.

77 The Bolivian women and the other Venezuelan woman did not bring up the aspect of corruption in their interviews.
especially as highlighted by their Latin American friends and family visiting Finland. The appreciation of local production and the environment came up strongly with the Honduran employee. An appreciation of local production can be referenced in the reciprocal relations proposed by Polanyi ([1944] 2009) – how people best support the local environment and the success of their “own tribes”. The environmental aspects of CSR did not come up with the Bolivian women.

Kolstad (2007) says that it is the responsibility of corporations to share their profits with society. At least in Europe, the regulative environment is moving towards more state-initiated intervention, as presented in Polanyi’s ([1944] 2009) statement, to secure the land. In addition, corporations themselves are taking increasingly the views of both Freeman ([1984] 2010) and Kolstad (2007), where businesses are required to proactively take charge of environmental sustainability and provide a complete GRI (Global Reporting Initiative) report based on voluntary actions. On the other hand, there was criticism from the interviewed employees of “overly-sensitive food production processes” in Finland. When discussing environmental corporate social responsibility, Eskola assesses the Finnish as too sensitive to hygiene conditions in the chain of food production. In Venezuela, food recycling opportunities simply do not exist. Eskola has seen extreme conditions appearing where the needs of animals are prioritized over humans in Venezuela. Eskola shares an example: “Chávez has given the poor an apartment building where chickens have been brought in the house. When the elevator was broken, people started to drive in with motorcycles to get upstairs. The rivers were so polluted that in case you fell in the river, you became sick from the polluted water and developed a lung disease”.

4.2.8 Future of CSR
While identifying future steps on how to improve corporate responsibility programs in Venezuela and in Latin America, answers ranged from environmental to social and practical missions. The Venezuelan woman says, “I would like to develop products with long-term benefits to the local environment (environmental), reduce the poverty (social) and provide access to the Internet (practical, social). I was part of a new product launch in Mexico and I saw new options created for the Mexicans with more affordable prices. In the forestry industry, it was maybe different; maybe the people are not so happy in Uruguay or in Argentina. Of course, all the companies want to go for profits. Labour is cheaper in Latin America and some people do not have jobs so they have no other choice than to accept an employment offer [with poor conditions]. It is a complicated topic.

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78 The Honduran woman rated Finland above Honduras in the manners how people appreciate local environment. Her employer, Turun Osuuskauppa, has put values for locally produced food and services in the centrum of the business operations.
I have not perceived employment offers being exploitative in Venezuela or in Latin America on behalf of large international companies.

**Empowerment of the local community** was highlighted in some of the interviews among the Venezuelan employees. The interviewees answered the question, “what would you personally do to implement CSR in your daily operations and how this would be different in your home country?” One answer was as follows: “I would like to have more local community involvement and investment in long-term development. I would like to offer the locals the tools to survive, provide more education, help people to support themselves – and not only blue-collar work, as not all cultures are ready for this type of work” (Venezuelan woman).

When asking Eskola her opinion on the potential export products or services to Latin America from Finland, she quickly replies: “equality, where everyone has equivalent opportunities – not rights”. Eskola refers to the former President of Venezuela, Hugo Chávez, as the poor people’s advocate and provides an excellent metaphor on providing practical means to support the poor. Eskola says, “you cannot give the fish to the poor. Give them a fishing pole instead to facilitate catching fish. Chávez made a big mistake not putting educated people in government roles”. When asked what she would like to import from Latin America to Finland, Eskola has a very practical answer: “school uniforms would be good, as they make people more equal and impressing people through clothes becomes redundant”.

In the opinion of Eskola, other useful exports from Finland to Latin America would be the education programs, recycling processes, and healthcare services, including nurseries and friendship clubs. Eskola has hopes for the distant future: “when the re-building of Venezuela starts, the Finnish people should be part of this as they are good at corporate organizing. Venezuelans walk with a lighter foot”. By saying this, Eskola admires Finnish discipline. According to Eskola, “Venezuelans should understand that the previous income source from oil has passed and they should start cultivating their own food. They have the great benefit of magnificent nature with rural jungles, beaches, and plateaus, which they ought to use to improve their lives”.

The Latin American interviewed employees had various perspectives on how they imagine their friends and relatives see CSR programs in Finland. The answers highlighted the empowerment of the employees as well as the unprejudiced and engaging type of leadership in Finland versus Latin American countries.

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79 Eskola said, “in Venezuela, the first grade starts when you are five years old. In addition, recycling system would be a good item to export, since practice of recycling is missing in Venezuela. People are leaving garbage in to the ground and exploit the landfills, while some other people go there to eat. The dogs are drifting free on the streets”.

80 According to the Venezuelan woman, “I would put people together; such as match-making events to share the ideas. For example, at Nokia, we had so many different backgrounds to learn from. The Latin American cultures are very open to meet new people; it would be very easy to enable this aspect in the cultural collaboration”.

**Corporate social responsibility reporting** was seen as a value-add both to the local community as well as to corporations, justified by the adequate level of resources dedicated to CSR reporting.\textsuperscript{81}

In Section 5 of this study, the research results on the key notions of CSR from the perspectives of the interviewed executive leaders as well as the interviewed employees will be discussed. Furthermore, the research hypothesis and the objectives of this study will be further analysed.

**FINAL DISCUSSION AND CONCLUSION**

Within the society we live in, it is central to realize many of the elements of both the market economy as well as the time before the market economy existed. Corporate social responsibility can be seen as an updated format of the reciprocity established originally in Polanyi’s ([1944] 2009) theory. Today’s modern corporations are redistributing wealth, for example, by preferring locally produced ingredients to products shipped from abroad, therefore benefiting the nearby society reciprocally. Another example is international corporations establishing schools near their factories to secure a talented workforce and provide reciprocity, as we saw from the leadership perspectives in this study.

Unlike some other major economists, such as Smith and Marx, Polanyi emphasized economical solutions always being embedded in the historical and cultural environment. This causes the economic rationale to differ between the various countries and cultural environments. According to the economic anthropological view created by Polanyi ([1944] 2009), it is a mistake to generalize “homo economicus” as the default human based on modern economical scarceness and rational selection in all cultures. To understand each society’s way of satisfying its material needs, we would need to study the way that it constructs its cultural reality (Polanyi [1944] 2009). This was evident when comparing the employee and the leadership perceptions, which differed considerably. In addition, the variance was present within the employee perspective when comparing one country to another.

Claims exist that the universal preference is to gain more rewards versus less rewards when the same amount of effort has been invested, unless the cultural surrounding prevents this choice. Therefore, the outcome of this dilemma is that economically rational selection will happen in those cultures whose actors and situations permit it. Economics are not created in a vacuum (Polanyi [1944] 2009). This idea can be seen in this research, where

\textsuperscript{81} The Venezuelan woman explains, “it is good to have transparency on CSR. On the other hand, you cannot require companies to accomplish these requirements without the appropriate resources available. It would be important to have employee satisfaction and company culture to emphasize the importance of CSR, but it has to be easy to implement. Leadership view and support is important. At Nokia, CSR was seen as a long-term development, employees were trained on CSR, healthcare systems and job rotation was organized to employees”.
profits are preferred over CSR in certain cases as evidenced by both the leaders and the employees in the Latin American context. On the other hand, the Latin American countries in question in this study include one of the poorest and one of the richest in the Latin American region, and therefore the political, demographic, and economic overviews of the different countries and a consideration of the government stabilities have to be recognized.

In conclusion, the research results show in total seven different dimensions of corporate social responsibility identified by the executive leadership figures with experience living and operating via their executive presence in Latin America. In addition, seven CSR dimensions were identified among the employees originating from Bolivia, Venezuela, and Honduras.

Latin America constitutes a distinct civilization with its own beliefs and coherent patterns of cultural and social life from Mexico to the southern cone, as defined by Holden and Villars (2013:19). The Latin American countries represented in the leadership perspective in this research were Chile (Outokumpu; Järvinen), Uruguay (Stora Enso; Seppäläinen) and Brazil (Stora Enso/ Enso; Korppi-Tommola), and the industry areas were mainly the mining, metal, and pulp and paper industries as well as the cardboard packaging industry. The leadership figures perspectives differentiated considerably from the employee perspectives, as was expected in the hypothesis of this research.

Whereas the employees from Bolivia highlighted the cultural aspects of food, dancing, and Inca clothing as well as a deeper concept of trust and humour in Bolivia, the leadership figures emphasized the level of infrastructure, possibilities for exports, the role of indigenous peoples, and a different “view of land”. The only similar notions of the CSR aspects between the two interview groups were 1) high levels of corruption in Latin American countries, 2) the experienced levels of hierarchy and power distances between the employees and the supervisors, 3) the level (or lack of) environmental CSR, and 4) the great power of the state and the government in Latin America (versus in Finland), which all came up both in the employee as well as in the leadership interviews. Therefore, from the combined employee and leadership perspective, four out of the seven identified dimensions of corporate social responsibility in total were the same notions as in the leadership perspective.

The first identified common denominator for the corporate social responsibility dimension of the interviewed leadership figures was the cultural similarities between Latin American countries and Nordic countries. This dimension included several subunits such as the high level of local infrastructure development in Latin
American countries based on the experience of the executive leadership figures, the dilemma of the indigenous populations, and possibilities for further international trade between Finland and Latin American countries. There were few common notions on cultural aspects among the interviewed leadership and the employee groups.

The second common notion of CSR for all the executive leaders was the experienced power distance and hierarchy between the employees and the leadership figures creating challenges for the leaders originating from Finland. The employees shared the same notion, naturally from their own employment perspective.

The third common CSR dimension was the rights of indigenous populations in relation to the implementation of CSR. It would require field-based evidence and further empirical research in Latin America to determine the actual application of pro-indigenous legislation. Intense collaboration, dialogue, and appreciation is required to capture the vast cultural differences and to avoid any exploitation of indigenous populations or of other employee rights in Latin American countries.

The fourth and strongest dimension of CSR among the leadership figures was the lack of environmental laws as well as the erosion of environmental resources in Latin American countries, for example, the scarcity of water and low value-add production in Chile. The lack of environmental laws or erosion of natural resources did not come up in the employee interviews, but the appreciation of Finnish environmental CSR was brought up by all of the interviewed employees (and was highlighted by all the leadership figures irrespective of their experiences in different industries and countries as well).

The fifth common dimension for the executive leadership figures interviewed was local sourcing and employment, including relationships with local employment unions. All the interviewed leaders experienced the local sourcing as most important and all of their representative companies had successfully fully implemented local sourcing. In addition, the importance of employment unions came up in two out of three of the interviews.

The sixth common CSR dimension was the power of the local media in Latin American countries. This included the discussion of the importance of engaging with the local personnel in communications as well as the high importance of engaging with local non-governmental organizations. All leadership figures had

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82 Based on Holden and Villars (2013:149), most of the Latin American countries started in the mid-range of GDP per capita in the 1960s, which has not changed in the year 2000. No Latin American country has reached the level of twenty fastest growing countries in the world. Chile has been one of the top performers with a nearly triple growth rate compared to the average growth of GDP in all Latin American countries during the year 1992 to the year 2002, say Holden and Villars (2013:158).
experienced the pressuring power of the media as well as “the other truth” created by media that had required additional initiatives to collaborate with the media in Latin America (as well as in Finland in some cases).

The seventh dimension for the leadership figures was corruption. This was shared in the employee perspectives. The high level of corruption was perceived to cause challenges and harm for the business environment in Latin America by all interviewees.

The additional common dimension among the executive leaders was the future of CSR, including the current standardization and measurement with the appropriate CSR reporting existing, the state ownership of companies in Latin America, as well as the environmental and digital development opportunities of CSR.

The three strongest common dimensions among the interviewed employees were 1) the corruption 2) the excellence of the Finnish healthcare and welfare system (including the concept of taxation), and 3) the strong power of the government in Latin America versus in Finland (including the notion of democracy).

The perception of high corruption in Latin America was apparent among the interviewed employees from both Bolivia and Venezuela and common to the leadership perception. The results relate first to the availability of perceived equal opportunities to succeed in Finland.

The excellence of the Finnish welfare system was strongly perceived by all the interviewed employees. Finnish CSR was considered a successful combination of providing equal opportunities to succeed for all citizens, including public healthcare, education, progressive taxation, daycare, and superior employment conditions, compared to their experiences in Latin American countries. In addition, taxation, pensions, and healthcare systems were highly appreciated by all the interviewed employees.

The majority of the interviewed employees highlighted the essence of employment and employment law. In Turun Osuuskauppa (TOK), there were yearly measurements in place to measure employee satisfaction on a yearly basis; this was highly valued by the TOK employees completing the interviews.

The strong power of the government appeared in the responses of both Bolivian and Venezuelan employees. In Bolivia, the power of the army was noted as being extensive, and in Venezuela, the notion of the government “deciding on everything” was present in all interviews, whereas the level of democracy in Finland was well noted by the interviewed employees. This describes well the political power of the armed forces lasting until the 1980s in almost every Latin American country.
Some country-related differences were identified in the responses of the Bolivian, Venezuelan, and Honduran employees. Since the interview group consisted of a very small number of persons, the differences might be more personal than cultural or nation-related.

As mentioned by Holden and Villars (2013:22), Latin Americans prefer living within a network of attachments and allegiances as opposed to the individualism in the United States. Similarly, as Holden and Villars (2013) continue, features of paternalism, fatalism, a high respect for hierarchy, and the tendency to withhold trust are appreciated in Latin America. The notion of culture, its importance, and the differences between, for example, the concepts of trust and humour, along with gender differences in Bolivia verses Finland were mentioned by the Bolivian employees, however, cultural topics were notably not raised by the Venezuelans. This could provide a topic for another full-length research paper, and there could be multiple reasons why this aspect was missing with Venezuelans. Overall, the Venezuelan interviews concentrated much more on CSR as an overall theme, and even though both personal and corporate views were present in all interviews, the cultural discussion was so minimal that no conclusions or results could be drawn. One explaining factor could be the time the Venezuelans had spent in Finland – on average 18 years – versus the Bolivians, who had lived in Finland on average for 11 years. This might lead the Venezuelans’ cultural identities to be closer to the Finnish cultural identity than the Venezuelan cultural identity. All had successfully settled in Finland with local studies and local employment, two of the interviewed Venezuelan employees spoke fluent Finnish, and two of the Venezuelan employees had established families in Finland. Another very natural reason could be the chaotic political turmoil in Venezuela causing the concentration to be more on acute and critical topics rather than the cultural differences between the nations. The Venezuelan employees all expressed their concern for their local relatives in Venezuela, in the midst of the lack of medicines and healthcare, including daily commodities. In this situation, cherishing the culture might be a secondary interest and therefore was lacking in the interviews during the time of this study.

Environmental concerns were highlighted by all the Venezuelans, whereas this aspect of CSR was not present in the interviews with the Bolivian employees. This could be explained by the different experiences of the Bolivians, who experienced a lack in the environmental management in Bolivia and could fully compare the environmental processes in Finland. In addition, the educational background of the two Bolivian women in the food and cafeteria industry might arise as a differentiating factor in comparison to the rest of the employees having university educations.

One limitation of this study was that the concept of CSR captures nearly everything that organizations, employees, and leaders do daily. Selecting a single value or factor of CSR would have yielded more concrete
study results. In addition, in the future, it would be valuable to conduct further research in Latin America, where various theoretical assumptions could be verified, such as the collective and individual rights of indigenous populations or the scarcity of natural resources and perceived leadership actions.

An original estimated limitation of this study was realized in two of the interviews, however, it presented a minor challenge for the research. The original estimated challenge of this study was to convey the concept of CSR at the employee operational level while completing the interviews. It was estimated that corporate social responsibility as a concept would not be a familiar or well-established concept for some of the employees. Whereas some of the employees were more aware of CSR and sought information autonomously, the other employees understood the concept of CSR in a more practical way, as could be seen from the employee results. Furthermore, access to the official corporate social responsibility programs as competitive advantages might be challenging due to the connection to organizational reputations. One limitation of this study was the unavailability of the Director of Corporate Social Responsibility Turun Osuuskauppa, who was unable to participate in the leadership interviews to provide more in-depth view on the S-Group CSR leadership perspective. Three other leadership figures have provided a comprehensive information, and therefore the effect on the leadership perspective in this research has not suffered.

Possibilities for further research would be, for example, to study the supply and sourcing chains of the organizations operating in Latin American countries to find out the actual effects of local sourcing and CSR in Latin America. In addition, any other organizational activity conducted in Latin American countries would be an interesting subject of research to understand the full effect of CSR within each country. Since the topic of CSR is large, and so is the Latin American geographical environment, the CSR topic would need to be limited to a specific country or to a sub-theme of CSR.

A limitation in this research has been the missing local verification of the impact of the CSR of the case study company, S-Group, TOK or the other corporate operations of the interviewed Finnish leadership figures in Latin America. The results are based on the interviews according to the selected research method and presented based on the employees, leadership figures, and their perceptions of CSR in Latin America. In addition, Latin America being a vast region, the results between the employees and the leadership figures are scattered among different countries: Bolivia and Venezuela from the employee perspective, and Chile, Uruguay, and Brazil from the leadership perspective. Therefore, the results and answers present some difficulty to confirm and verify them with one another in the country context, as the country perspectives of the leadership figures and employees do not match. In addition, since almost all the employees and leadership figures represent various different corporations and positions, the results are based on individual perspectives rather than verifying a
one-company perspective. The experience of the leadership figures is extensive, with the leaders having top executive roles in leading factories as well as communication and CSR activities in Latin American countries, which provides further reliability to the research results. In future research, performing a study in a target country would be a valuable approach and provide a more in-depth experience on CSR in a selected Latin American country or industry area.

The target of the research was to understand the notion of CSR in Latin American countries from 1) the employee perspective and 2) the leadership perspective. In addition, the target of this study was to understand the underlying key dimensions of CSR seen by people originating from Latin American countries and living in Finland to capture any differences between the perceived ways of implementing CSR. Furthermore, similar dimensions of the corporate leadership figures were targeted to provide a meaningful comparison of any potential differences in opinion the employees might have from the leadership. All of the targeted perspectives were captured, and common notions were found in the concepts of CSR, both by employees and by leadership figures in Latin American countries. The research results show that the concept of CSR has much deeper contents than just greenwashing or creating profits for the corporation. The research results can be used in trying to understand the meaning of CSR and its importance to the employees’ migrations from Latin American countries, either working in Finland to understand their cultural backgrounds or to better convey the message of CSR in Latin America. The results can be applied at least from the perspectives of Bolivia and Venezuela for the employees’ side and from Chile, Uruguay, and Brazil from the leadership perspective. The research results give us a window for understanding key dimensions or aspects of CSR while operating within the countries in the scope of this study in relation to CSR. Furthermore, this study provides answers to some key question in CSR and indicates how to implement sustainability in corporate actions in the context of the countries presented in this study.
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6. Bolivian daughter (ii3) 22nd February 2017
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APPENDIX 1. Interview Questionnaire

<table>
<thead>
<tr>
<th>Where are you from?</th>
<th>(Where your parents/family are from)</th>
<th>What is your current age?</th>
</tr>
</thead>
<tbody>
<tr>
<td>How long you have lived in Finland?</td>
<td>What is your current employment position?</td>
<td>Do you want your name to be published in the thesis?</td>
</tr>
</tbody>
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Meaning, Communication, and Implementation of Corporate Social Responsibility:

1. What does corporate social responsibility (CSR) mean to you?
2. How is CSR present in your daily work environment?
3. How did you receive information/communications on the CSR program?
4. Is there any CSR training program? If so, how does it work?
5. How does CSR affect your decisions in your daily work?

Cultural Background / Employee Perspective:

1. How is CSR different in your daily work than if you were to perform this work in your home country (in Latin America)?
2. How well is CSR is taken into account in daily decision making in Finland and how would this be different in your home country (in Latin America)?
3. How well is CSR is taken into account in long-term planning in your current working environment and how this would be different in your home country?
4. What can you personally do to implement CSR in your daily operations? How would this be different in your home country?
5. How would you improve CSR in your daily environment? How would this be different in your home country?
6. What benefits does sourcing from your home country bring to your country of origin?
7. How would your friends/relatives in your home country see the CSR program we have in place for Finland?
8. Would it be possible to implement something similar in your country of origin?

Leadership, Communications, Public Affairs, and HR Perspectives:

1. Does your company have a CSR program?
2. What are the different key elements of CSR in your company? How have these elements been chosen?
3. What does CSR mean for you and/or for the company?
4. How is CSR implemented and measured in your team and/or your company?
5. How does CSR affect your decision making in the team and/or in the company?
6. How is CSR is implemented in the source countries over the complete supply chain?
7. How do you follow up CSR implementation in Finland and/or in source countries?
8. How does CSR affect any sourcing/supply chain decisions?
9. How does CSR affect company public relations?
10. Is there any connection between your CSR program and public affairs (government relations)?
11. Are there any challenges in relation to CSR program?
12. What are the key benefits of the CSR program?
13. Are there any plans to change your CSR program in the future?
APPENDIX 2. Background: Professional biographies of the executive leaders

At the time of the interview, Mr. Tapani Järvinen had held the position of Chairman of the Board of Directors at Terrafame Oy (previously Talvivaara Mining Company) since 2012 and the position of Honorary Chairman of the Finnish-Latin American Trade Association in Finland, among numerous other Chairman of the Board of Director positions. Later on, Mr. Järvinen has left the role of the Chairman of the Board of Terrafame Oy and remains in the Board of Directors of Terrafame Oy since November 2017. Mr. Järvinen retired from the position of CEO of Outotec in 2009 and from the position of CEO of Outokumpu Technologies in 2006, including the Presidency of Outokumpu Copper. Prior to Outokumpu, Mr. Järvinen had been working for Konecranes for 15 years, including several board member positions. Mr. Järvinen has extensive experience living in Latin America while being the General Manager and the CEO of Compañía Minera Zaldívar S.A., a 50% owned Outokumpu factory in Chile from 1994 to 2000. In addition to Chile, Mr. Järvinen has lived in Mexico and Spain, among other international locations. The board of technical faculty of Aalto University has established a fund called “Chief Executive Officer Tapani Järvinen” in 2009 for research on the metal industry and cleantech to support the international competitiveness of the Finnish technological industry. Mining represents one of the most significant industries in certain Latin American countries, especially in Chile and Bolivia, and therefore the interview with Mr. Järvinen was essential for this research. In addition, the Latin American region is important for Finnish companies who produce machinery for the mining sector, such as Metso Minerals and Larox (Wilska 2002:115). Outokumpu was one of the pioneering companies in Latin America, even though it does not currently follow resource-seeking strategies in the region but concentrates on the market through sales offices (Wilska 2002:115).

Mrs. Kirsi Seppäläinen is the Senior Vice President of Communications for biomaterials, including China and Latin American countries at Stora Enso in Finland since 2012. In addition, Mrs. Seppäläinen holds the position of chairman of the Latin American Chamber of Commerce in Finland. Mrs. Seppäläinen has previously led the corporate social responsibility team at Stora Enso and held the position of Director of Communications at Metsä Botnia Oy, including at Metsä Botnia’s Uruguay factory from 2006 to 2010. Therefore, she is well-

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83 The Zaldívar porphyry copper deposit is located in Andean Precordillera in northern Chile, 1,400 kilometers north of Santiago and 175 kilometers southeast of the port of Antofagasta at an altitude of 3,000m. The factory has been opened in 1995, when Zaldívar was owned and operated by Compañía Minera Zaldívar, being a 50% joint venture between Outokumpu and Placer Dome until late 1999. In December 1999, Placer Dome paid $251 million for Outokumpu’s share, with Barrick Gold Corp. acquiring full ownership (Zaldívar 2017). As of late 2015, Barrick sold a 50% stake in the Zaldívar Mine to Antofagasta Plc (BNamericas 2017).
equipped with insights on CSR in various Latin American countries. Stora Enso is a global provider of renewable packaging, biomaterial, paper, and forestry products. It operates in 35 countries and had a 9.8 billion-euro turnover in 2016 (Stora Enso 2017).

Mrs. Seppäläinen is involved in customer marketing cases in addition to her communications role. Despite not being part of the current direct sustainability team at Stora Enso, Seppäläinen has carried out the CSR role previously and has an extensive background in CSR. Thereafter, CSR, or sustainability, has been separated as its own team at Stora Enso, reporting to the CEO. Seppäläinen praises the practice of having CSR within the communications team as the team often heavily discusses the relevant CSR topics while collaborating with the media and various other shareholders. In addition, a multitude of marketing projects include topics related to CSR due to the end customer and consumer requirements. As Mrs. Seppäläinen mentions, it is not important where the CSR is organizationally located, as the effectiveness of CSR should not be restricted based on the model of organizational diagram.

Stora Enso currently has 10 sustainability roles at the group level in addition to the sustainability division employees – therefore having in total over 50 professionals working on sustainability (this figure does not include environmental managers at factory locations). Stora Enso’s raw materials are made from sustainable materials, and planting new trees will support the environmental balance and combat climate change. Based on the statement of Mrs. Seppäläinen and Stora Enso’s sustainability report, Stora Enso’s products are replacing some of the fossil fuels in the market and thereby reduce CO2 emissions. Therefore, they are a remarkable operator and create a natural platform for sustainability discussion.

Mr. Juha Korppi-Tommola is currently a consultant and a board professional with 21 years of experience at Huhtamäki Corporation. He has held various senior leadership positions at Enso84 and has three years of experience as a management consultant at Mercastor Oy. His most recent roles during the years 1989 to 2011 have been the Head of European Business Development (until 2001), CEO of Polarcup Earthshell (until 2000), and Head of Environmental Issues in Latin America (1998-1999) among many other positions at Huhtamäki. Huhtamäki is a producer of international consumer goods including special packaging products and systems in 31 countries with a turnover of 2.9 billion euros in 2016 (Huhtamaki 2017). Mr. Korppi-Tommola’s consulting company is specialized in leased leadership, board membership, mergers and acquisitions, and holding custody of international companies as well as integrating them into a Finnish parent company. At Enso Oy, Mr. Korppi-Tommola has been leading the recycling materials team since 1997 and was CEO of Enso

84 Stora Enso was established by the fusion of Finnish Enso Oyj and Swedish Stora Kopparbergs Bergslags Aktiebolag (STORA) in 1998.
Española in Barcelona, among various other positions. He has extensive experience in the packaging, forestry, and mechanical engineering industries and their international operations, including eight years’ international experience. Mr. Korppi-Tommola has lived for five years in Spain and three years in Latin America (his Latin American experience also consists of 20 trips to Argentina, Brazil, and Mexico while establishing two factories, one in Argentina and one in Brazil. Considering the ongoing discussion on the circular economy and its potential, Mr. Korppi-Tommola gave an in-depth overview of environmental sustainability in relation to CSR.
APPENDIX 3. Background: Biography of the interviewed employees

Bolivian employees
The interviewed Bolivian employees of Turun Osuuskauppa consisted of two women – a mother and a daughter – and included their Finnish supervisor. Both women are currently working in the cafeteria of a big department house in Turku, Finland and both women speak Finnish. They will be referred to as “the mother” and “the daughter” in the text, despite both of them having children. The interview included their Finnish supervisor from the local Turun Osuuskauppa cafeteria. The mother had originally arrived with Finnish government support in 2002, and the daughter moved to Finland in 2004. The mother turned 50 in 2017 and the daughter is 30 years old. Therefore, both of the women have had a long living and working experience in Finland – the mother has lived in Finland for 15 years and the daughter has lived in Finland and Spain for 13 years. The daughter’s first child has started at a Finnish elementary school.85

The third interviewed Bolivian employee was a 25-year-old man working at the Helsinki-Vantaa Airport in Finland. He had originally entered Finland via a student exchange program to study business administration in 2012. He wrote his thesis on wind turbines in 2014 in relation to alternative energy sources in rural areas, including solar panels, river energy, and new sources of power such as lithium batteries for cars. He holds both Finnish and Bolivian passports and visits Bolivia once a year to see his friends and relatives. He had most recently visited Bolivia during Easter 2017 at the time of the interview.

Venezuelan employees
The first Venezuelan interviewee was a marketing manager in a small family-owned company in Finland. This Venezuelan woman had previous experience with Nokia Mobile Phones in Finland, where she was working with topics related to CSR and communications. The Venezuelan woman has been living in Finland for 12 years, and the last time she had visited Venezuela was 9 years ago. Due to the current political instability, the Venezuelan woman felt it would not be safe to travel to Venezuela at the time of the interview. Her family is living in Venezuela, except her Finnish husband, who the Venezuelan woman met in the United States while studying abroad. Both of them currently live in eastern Finland.

The second Venezuelan interviewee was a man working as a cook in a local restaurant with his supervisor. He has lived in Finland seven years, since 2010, and has an engineering degree in chemistry in Venezuela, where

85 The Bolivian daughter came to learn the Finnish language and the Finnish working practices with the support of Finnish Government and Kela in Finland. Finnish Government and Kela support includes daily allowance compensation, where Kela initially maintains the employment relation including the required social payments. The Bolivian woman has two children living in Finland at the age of five and seven years. All relatives of the family are in Bolivia. The Bolivian mother is divorced and the Bolivian daughter is married. The daughter's husband lives in Bolivia. The daughter was underage, seventeen years, when she first arrived to Finland. Currently both Bolivian women speak Finnish. The children of the daughter speak only Finnish.
he was working for three years prior to moving to Finland. All of his family members live in Venezuela. At the time of the interview, he was studying mathematics at the University of Turku. He was studying equations and universal space, and his desire is to be a researcher. In the beginning, he was studying engineering for three years to achieve an equivalent engineering degree as he had in Venezuela, but the content of the degree in Finland is completely different. Whereas the Venezuelan engineering degree involves studying the gas and oil industries, the Finnish engineering degree concentrates more on nuclear power and other subjects that were completely new to him. Due to the fact that it would have required three more years to finalize the degree, he applied for a mathematics degree that could be completed by virtual learning methods.

The third Venezuelan interviewee was Ana Eskola, a 59-year-old woman from Venezuela. Mrs. Eskola has lived the majority of her life outside Venezuela, including 36 years in Finland with a Finnish husband, and has two sons and one daughter (30, 27, and 24 years old, respectively). All her family members live in Oulu, Finland. Her first son has a child that is her grandchild. Originally, Mrs. Eskola arrived as a student in Savonlinna, Finland. Her studies were initiated by the Finnish embassy-related marketing program after her graduation in Venezuela in 1981, when Mrs. Eskola was 23 years old. Eskola has an international background, graduating from the IB high school Atlantic College in Wales, United Kingdom, where she met her Finnish husband in 1978. This might have affected her interest in moving to Finland, in addition to her studies. Eskola has studied for three years as a Montessori daycare practitioner in Venezuela and received specialized training from the Montessori St Nicholas Training Centre in 1985. In addition to her degree, the Venezuelan woman has completed a considerable number of postgraduate studies and worked as a lecturer in the United Kingdom. Currently Eskola owns a Montessori day care in Oulu, Finland (owner for three years) and lectures and teaches Montessori pedagogic on an international basis.

The last time Eskola travelled to Venezuela was 8 years ago in 2009 by herself and 18 years ago in 1999 with her children. Eskola prefers not to travel to Venezuela with her children anymore due to the heavy traffic and the constant risk of kidnapping and robbery. Eskola misses her relatives, but not the country. Eskola has Finnish and Venezuelan passports and she is Catholic by religion. Eskola does not strictly obey the religion and equally

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86 Two sisters and a mother of the third Venezuelan interviewee, Ana Eskola, live in Venezuela, whereas her brother lives in Canada and her father was a Cuban citizen. Her sisters would want to move away from Venezuela but it seems challenging as they are both already above 68 years. Her sister has visited Finland twelve years ago. The interviewee supports her family in Venezuela monetarily.

87 The Montessori pedagogic is based on four dimensions; culture, mathematics, practice and mother language. The teaching method is child oriented where the child practically leads the pace, the concentration areas and ways of learning.
attends a Lutheran church and other Christian society activities. Eskola intensely follows the situation in Venezuela and keeps in contact with her relatives via Facebook.

**Honduran employee**
The Honduran employee is a woman from Honduras working in reception at the local Sokos hotel in Turku, speaking and studying Finnish. Her supervisor, the Finnish hotel manager, was included in the interview. The Honduran woman moved to Finland nine years ago in 2008. The last time she visited Honduras was six years ago. The Honduran woman comes from an international family, and her relatives are currently in Spain, Honduras, and the United States. She has created a Finland-Honduras friendship group, Ystävyys-seura, outside of her daily work and duties. The Honduran woman is married to a Finnish man.
## APPENDIX 4. Key Notions of CSR

### A) Research results – key notions of CSR: leadership perspective

<table>
<thead>
<tr>
<th>Topic</th>
<th>Järvinen</th>
<th>Korppi-Tommola</th>
<th>Seppäläinen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Infrastructure development in Latin America</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>2. Historical and cultural practices</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>3. Collective rights of indigenous populations and CSR</td>
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<td>x</td>
</tr>
<tr>
<td>4. Erosion of natural resources</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>5. Local empowerment</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>6. Power of the media, the state, and NGOs</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>7. Corruption</td>
<td>x</td>
<td>x</td>
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</tr>
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x indicates that the topic was raised in the interviews. N/A indicates that the topic was not raised in the interviews.

### B) Research results – key notions of CSR: employee perspective

<table>
<thead>
<tr>
<th>Topic</th>
<th>Bolivian mother</th>
<th>Bolivian daughter</th>
<th>Bolivian man</th>
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<tbody>
<tr>
<td>Bolivia</td>
<td>ii2</td>
<td>ii3</td>
<td>ii8</td>
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1. Excellence and welfare of Finnish CSR programs

<table>
<thead>
<tr>
<th>Topic</th>
<th>Järvinen</th>
<th>Korppi-Tommola</th>
<th>Seppäläinen</th>
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</thead>
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<tr>
<td>1.1. Public healthcare</td>
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<td>x</td>
<td>x</td>
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<tr>
<td>1.2 Equal opportunities to succeed</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>1.3 Public daycare</td>
<td>x</td>
<td>x</td>
<td>N/A</td>
</tr>
<tr>
<td>1.4 Free public education</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>1.5 Statutory working conditions &amp; employee empowerment</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

2. Importance of CSR, corporations commitment to CSR

<table>
<thead>
<tr>
<th>Topic</th>
<th>Järvinen</th>
<th>Korppi-Tommola</th>
<th>Seppäläinen</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. CSR as a profit seeking activity</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4. Taxation, pensions, and health insurance</td>
<td>cultural perspective</td>
<td>cultural perspective</td>
<td>cultural perspective</td>
</tr>
<tr>
<td>5. Power of the government</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>6. Corruption</td>
<td>N/A</td>
<td>N/A</td>
<td>x</td>
</tr>
<tr>
<td>7. Environmental CSR</td>
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</table>

x indicates that the topic was raised in the interviews. N/A indicates that the topic was not raised in the interviews.
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<thead>
<tr>
<th></th>
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<th>Venezuelan man</th>
<th>Venezuelan woman</th>
<th>Honduran woman</th>
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<tr>
<td>1. Excellence and welfare of the Finnish CSR Programs</td>
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<tr>
<td>1.1 Public healthcare</td>
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<td>1.2 Equal opportunities to succeed</td>
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<td>x</td>
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<tr>
<td>1.3 Public daycare</td>
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<td>N/A</td>
<td>x</td>
<td>x</td>
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<tr>
<td>1.4 Free public education</td>
<td>x</td>
<td>x</td>
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<td>x</td>
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<tr>
<td>1.5 Statutory working conditions &amp; employee empowerment</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>2. Importance of CSR, corporations commitment to CSR</td>
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<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>3. CSR as a profit seeking activity</td>
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<td>x</td>
<td>x</td>
</tr>
<tr>
<td>4. Taxation, pensions, and health insurance</td>
<td>N/A</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>5. Power of the government</td>
<td>N/A</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>6. Corruption</td>
<td>N/A</td>
<td>x</td>
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