

Social capital and responsible relationships for the value creation in SMEs

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Abstract

Purpose – Corporate Social Responsibility theory can be seen as a wide expression of the service dominant logic approach. Each of them have a common denominator in the stakeholder theory, but the CSR approach seems to enounce the relationships with all stakeholders and it interprets the value concept under a triple vision, economical, social and environmental.

This paper will underline the importance of ties with stakeholders for firm's performance, and the importance of the management of *social capital* which appears to be the key indicator for the success of these approaches. This seems particularly true in SMEs, strongly embedded into local community in which they operate. Some studies have underlined the necessity for SMEs to adopt responsible behaviour in light of the strong bond that these enterprises have with the local system (Harvey et al.1991; Perrini and Tencati, 2008). The ability to create consent and to develop trust around the entrepreneurial project is an essential element for such enterprises. SMEs have larger chances to exploit the local engagement and this aspect is a direct effect of SMEs social capital.

Methodology approach – A theoretical research.

Findings –The paper clarifies some of key assets that firms have to manage when trying to support a social behaviour. Focusing on SMEs, the management of reputation, trust, reciprocity and consensus, all assets of *social capital*, is at the base of the long-term performance of SME's especially when they are embedded into local community or into industrial districts. In the case of SMEs, the territory of affiliation weighs strongly on their competitiveness.

Research implications –SMEs are part of a *multistable system* composed of more interactive systems, and therefore it becomes fundamental to establish cooperative relationships among the fundamental operators (local institutions, suppliers and sub-suppliers) with the purpose of managing the processes of adaptation and change in an easier and more rapid way. CSR can bring about, through the retraining of SMEs' resources/competencies, the requalification of the resources of the local network so as to restore that virtuous path that is an important vector of competitiveness in the small enterprise.

Practical implications: The paper specifies the necessity to define a synergic strategic behaviour with the local system. It is better to adopt a network approach and engage local institution in a role of intermediary for the promotion of CSR strategy among all stakeholders of the area.

Originality/value: A contribution to the debate on corporate social responsibility for the SMEs' competitiveness.

Key-words: CSR, S-D Logic, SMEs, social capital.

Paper type: Research paper.

1. Introduction

The foundational proposition of S-D logic is that organizations, markets, and societies are fundamentally concerned with exchange of service—the applications of competences (knowledge and skills) for the benefit of a party (Vargo and Lusch, 2004, 2006, 2009).

S-D logic embraces concepts of the *value-in-use* and *co-creation of value* rather than the *value-in-exchange* and *embedded-value* concepts of G-D logic. Thus, instead of firms being informed to *market to* customers, they are instructed to *market with* customers, as well as other value-creation partners in the firm's value network¹.

In this perspective, thanks largely to the digital technologies, firms can gain a further opportunity to reconfigure role and relationships within the value-creating system (Normann and Ramirez, 1993) or value net (Parolini, 1996; Mandelli, 1998), where different actors, customers included, work together to co-create value.

The relational approach is the base of Corporate Social Responsibility approach (CSR) too, and it leads firms to find strategic and operative solutions which meet the needs of several stakeholders. As citizens, firms have to reach objectives under a triple profile, economical, social and environmental (European Commission, 2001) and have to satisfy stakeholders interests related to economical and moral aspects. So CSR theory can be assumed as a widely expression of service dominant logic approach. Each of them have a common denominator in the stakeholder theory, but the CSR approach seems to enounce the relationships with all stakeholders and it interprets the value concept under a triple vision, economical, social and environmental.

This paper underlines the importance of the management of *social capital* which appears to be the key indicator for the success of these approaches. This seems particularly true in SMEs, strongly embedded into local community in which they operate. Some studies have underlined the necessity for SMEs to adopt responsible behaviour in light of the strong bond that these enterprises have with the local system (Harvey et al.1991; Perrini and Tencati, 2008). The ability to create consent and to develop trust around the entrepreneurial project is an essential element for such enterprises. SMEs have more chances to exploit the local engagement and this aspect is a direct effect of SMEs social capital. The paper specifies the necessity to define a synergic strategic behaviour with the local system, for SMEs. It is better to adopt a network approach and engage local institution in a role of intermediary for the promotion of CSR strategy among all stakeholders of the area.

The paper explains, in a first part, the relational perspective of S-D logic and of CSR and the value of this perspective in SMEs, then, in a second part, the research model, the managerial implications and the conclusions are presented.

2. S-D Logic ad CSR: the relational perspective

Behind and inside the principles of S-D logic and CSR approaches there is a relational firm vision. This vision emerges clearly, analyzing the core principles of these approaches.

Looking to S-D logic, the partial pedigree (see table 1) and the core foundational premises of this approach (see table 2) (Vargo and Lusch, 2011) show the importance of connections and of network, or as it is clearly cited, it follows “foundations of networked relationships, new value co-creation processes, business interactions, resources integration”².

The central concept in S-D logic is that service — the application of resources for the benefit of another party — is exchanged for service (Vargo and Lusch, 2004, FP1). “We have interaction in society — service-for-service exchange — and its corollary, value (i.e., benefit) (co)creation, is the

¹ www.sdlogic.net: “Service is the fundamental basis of exchange”.

² www.sdlogic.net

glue (common goals of survivability and wellbeing) that holds social units (including economic units) and society in general together” (Vargo and Lusch, 2010, p.4).

Service provision implies the ongoing combination of resources, through integration, and their application, driven by operant resources — the activities of actors. The concept of A2A (Actor to Actor) explains that all actors are source-integrating, service-providing enterprises: every economic actor then is a resource integrator (Vargo and Lusch, 2008, FP9). Value is always co-created (FP6), the beneficiary is a resource integrator but so are all of the external service providers, each creating its own service-providing resources through its own resource integrating activities.

This orientation points toward a “dynamic, networked and systems orientation to value creation”, where are involved “not only focal actors — the focal service provider (e.g., firm) and beneficiary (e.g., customer) — but also the context — the networks of resources and resource-providing actors — available to these actors” (Vargo and Lusch, 2010, p. 3).

Authors admit that many others theories reach this conclusion, underlining as producers, firms, consumers, suppliers, distributors, stakeholders, can be seen as resource-integrating, service-providing enterprises (e.g. customer experiences literature, brand-community literature, stakeholder literature).

Networks are not just networks (aggregations of relationships); they are dynamic systems³. Dynamic-system thinking is not new: the pioneering is the work of Alderson (1957) with his functionalist approach; later the service science defines the service system, the basic unit of analysis, as a value co-creation configuration of people, technology, value propositions connecting internal and external service systems and shared information” (Spohrer, Vargo, Caswell and Maglio, 2008, p. 18).

Another basic concept is the service ecosystem defined as ”a spontaneously sensing and responding spatial and temporal structure of largely loosely coupled, value-proposing social and economic actors interacting through institutions, technology, and language to (1) co-produce service offerings, (2) engage in mutual service provision, and (3) co-create value” (Vargo and Lusch, 2010, p.5).

This approach arises new principles in various disciplines (Vargo and Lusch, 2011): the concepts of interactivity, relationship, network theory, in Business-to-Business Marketing; perceived quality, customer equity, in service(s) Marketing, Relationship.

Therefore the three key variables of marketing seem to be relationships, networks and interaction according to a Relationship Marketing, which is "interaction in networks of relationships".

Table 1 A Partial Pedigree For S-D Logic

Services and Relationship Marketing	e.g., Shostack (1977); Berry (1983); Gummesson (1994); Gronroos (1994); etc.
Theory of the firm	Penrose (1959)
Core Competency Theory	(Prahalad and Hamel (1990); Day 1994)
Resource-Advantage Theory and Resource-	Hunt (2000; 2002); Constantine and Lusch (1994)

³ Networking relationships were first emphasized in the 1970s. (Arrow, 1974; Williamson, 1975; Barney and Carney, 1983, Nacamulli, 1986). Various terms have been used to describe these voluntary ties among firms characterized by exchange of information and the achievement of common objectives. This theory has analyzed them in terms of organizational forms, of the governance of networks and of network strategies.

Management Strategies	
Network Theory	(Hakansson and Snehota 1995)
Interpretive research and Consumer Culture theory	(Arnould and Thompson 2005)
Experience marketing	(Prahalad and Ramaswamy 2000)

Source: Vargo and Lusch, 2011

Table 2 Core Foundational Premises

	Premise	Explanation/Justification
FP1	Service is the fundamental basis of exchange.	The application of operant resources (knowledge and skills), "service," is the basis for all exchange. Service is exchanged for service.
FP6	The customer is always a co-creator of value	Implies value creation is interactional.
FP8	A service centered view is inherently customer oriented and Relational	
FP9	All economic and social actors are resource integrators	Implies the context of value creation is networks of networks (resource integrators)
FP10	Value is always uniquely and phenomenological determined by the beneficiary	Value is idiosyncratic, experiential, contextual, and meaning laden.

Source: Vargo and Lusch, 2011

The relational perspective is the base of CSR approach too. The relational perspective prevails in the CSR (Zamagni, 2003), perhaps in a broader way than the one presented by the S-D logic⁴, by inducing a firm to find strategic and operational solutions that meet the interests of a variety of individuals and stakeholders, which contribute resources / expertise and are an expression of rights and duties towards the company.

The stakeholder theory (Freeman, 1984; 2004) is the basis of this approach as it emphasizes the need, in business management, of respect for more diverse interests of stakeholders, which will lead the company to find compatibility between economic objectives and maximizing the return for shareholders and the satisfaction of interests expressed by different stakeholders.

With the concept of equity (fairness) and with reference to all categories of stakeholders, "the stakeholder theory opens up the field to conduct an ethical governance, since it recalls the values and principles of a moral nature" (De Baldo, 2009 , p.66).

The homogeneity of perspective on the vision of business in CSR and S-D Logic seems to fall apart over the role the company plays in the socio-economic development. Starting from CSR definition - "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission 2001: 35)- a brief review of some important definitions is shown in table 3- it is clear

⁴ This assertion is based on greater attention of the S-D Logic to the consumer, also evident in FP8: A service centered view is inherently customer oriented and relational (Vargo and Lusch, 2011).

the social function carried out of firms. This appears by reason of the relations that they should apply, inside and outside, and justifying its essence⁵.

Table 3 Some concepts of CSR

Author	Definition
Bowen (1953)	The duty of entrepreneur to pursue those policies, to make those decisions or to follow those action plans which are consistent with values and objectives of all our society.
Caroll (1979, 1991, 2004)	Responsibility pyramid of the firm: -economic, linked to the production of good and services aimed to both satisfying community's needs and to remunerate production factors; -legal, related to the behave obeying law bonds; -ethical, related to an ethical behaviour which goes over the norm; -voluntary of philanthropic, related to initiatives for the improvement of quality of life.
Sacconi (2004)	A wide "governance" model planning that who manages the firms hold large responsibilities from fiduciary duties toward shareholders to fiduciary duties toward all types of stakeholders.
Molteni (2004)	Increasing satisfying the rightful environmental and social - as well as economic - expectations of internal and external stakeholders.
Freeman (2005)	Managing in the best way the relationships with its own stakeholders (corporate stakeholder responsibility).
Sciarelli (2007)	A three-dimensional model based on principles (solidarity and trust - corporate social responsibility), processes (corporate social responsiveness) and policies (issues management).
Perrini (2007)	Responsible firm is that which pin down, measures, monitors and evaluates social, environmental and economics impacts of its own activities.

The importance of this function has acquired the right value due to a growth of maturity of civil society that has high demands and expectations with respect to public and private institutions that, therefore, must combine and find a balance between economic criteria and social objectives in the governance of their activities.

Doctrine has noted: "Business, as the most powerful institution in society, must be the instrument of social justice" (Pralhad, 2005); "Even the most private of business enterprise is an organ of society and serves a social function... the very nature of the modern business enterprise imposes responsibilities on the manager" (Drucker, 1955, p.375) and "it must consider the impact of every business policy and business action upon society (ibidem, p.382). In the concept of firms as citizen stands out the role of firms which can be able to bring benefits to society and environment while in the same time improving firm's competitiveness (Porter and Kramer, 2002, Husted and Allen, 2004).

Although the prime responsibility of a company is generating profits, companies can at the same time contribute to social and environmental objectives, through integrating corporate social responsibility as a strategic investment into their core business strategy, their management instruments and their operations (European commission, 2001). So economic responsibility is the first responsibility of a business, but economic performance is not the only responsibility of a business (Drucker, 1992) and therefore the performance of a company should be measured based on its combined contribution to economic prosperity, environmental quality and social capital, known as triple bottom line, (European Commission, 2001).

⁵ As stated by Vice-President of the European Commission, "businesses of all size must consider their role in today's society when making strategic and operational decisions" (Zadek S., MacGillivray A., (2007). "The State of Responsible Competitiveness", in The State of Responsible Competitiveness 2007, AccountAbility, July 2007, p.13).

Today social responsibility is a requirement for managing a company (Caselli, 1998). We can no longer consider enterprise as merely “a social process within which an economic process develops” (Bartels, 1967): it needs to uphold the binomial “society and economy” (Sciarelli 2007, p. 310). Combined to the role of firm there is another aspect which distinguishes CSR respect to S-D Logic. The engagement of actors (employees, customers, suppliers) and the statement that if actors are involved they work harder and performance rises, common to S-D logic (Vargo and Lursh, 2009), is expanded by CSR, in relation to the type of actors and to their interests. CSR is targeted to meet the interests of stakeholder not only economic, but related to moral gratification (Baldarelli, 2008), and to the good repute of behavior (Brennan, 1994). CSR can be traced to the emergence of moral preferences (De Baldo, 2009). The stewardship theory (Davis, Schoorman and Donaldson, 1997) emphasizes the complex motivations, economical, social and emotional, that move the behavior of individuals. Finally being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing "more" into human capital, the environment and the relations with stakeholders. The experience with investment in environmentally responsible technologies and business practice suggests that going beyond legal compliance can contribute to a company's competitiveness. Going beyond basic legal obligations in the social area, e.g. training, working conditions, management-employee relations, can also have a direct impact on productivity. It opens a way of managing change and of reconciling social development with improved competitiveness (European Commission, 2001).

3. SMEs and relational perspective: the value of responsible behaviour

The relational aspect is a distinctive feature of SMEs (Birley, 1985) it is a driver for developing strategic paths that are based on the ability to weave informal relationships, internal and external, through the participation in the network (Marchini, 1995). The relatedness within the firm is small and facilitated by the simplicity of the structure and informal relationships between individuals, the relatedness is based on external relationships that contribute to the growth of reliability among the stakeholders. Therefore, cooperative behaviours are well suited to PMI and the relational aspect is a hallmark of socially- oriented SMEs. (Chirieleison, 2002).

Some authors identify in some characteristics of SMEs traits compatible for the adoption of socially-oriented behavior: the influence of the subjective sphere, the importance of internal and external relatedness, the social roots of the company and the entrepreneur (Speece, 1999; De Baldo, 2006).

Even in the relation to the objectives which the small business, you can see that the profit is not always the sole objective, but it is a constraint to be respected (De Baldo. 2009), while winning the respect from the competitors and the community (Sciarelli, 2007), appear crucial in SME. The entrepreneur in the small and medium enterprises is an active member of the community and by virtue of these roots, SMEs have a particularly strong address to the good of the community (De Baldo, 2009). They have a strong sense of identity and rootedness to the land and socio-economic environment of belonging, as a "business territory" intertwined issues specific to local contexts (De Baldo, 2009).

So in SMEs, the territory of affiliation weighs strongly on their competitiveness. This assertion is shared in the theory of industrial districts which explains that SMEs enjoy economies of scale that otherwise would be the exclusive prerogative of big enterprises (Marshall, 1919); in the studies of the international development which explains the importance of the territory depends on the resources and competencies that are unavailable or difficult to produce inside SMEs (Cavusgil 1980; Czinkota and Tesar 1982); in the international marketing perspective which explains how the territory becomes the true different aspect respect of competitors, the asset for reinforcing and consolidating the presence on international markets.

SMEs are strongly embedded into local community in which they operate. The ability to develop relationships with stakeholders, to create trust, legitimacy, reciprocity and consensus (Spence et al. 2003), are at the base of the long-term performance of SME's.

Some studies have underlined the necessity for SMEs to adopt responsible behaviour in light of the strong bond that these enterprises have with the local system (Harvey et al., 1991; Perrini and Tencati, 1998).

Typical aspects of the attentiveness of SMEs to CSR have been underlined in literature as in European researches:

- it is strongly influenced by the individual values of the owner or manager. The ethical and social values emerge as important factors that explain the involvement of small enterprises in the practices of social responsibility (Observatory of European SMEs, 2004);
- it is addressed to the efficiency and efficacy of firm's activities (used resources and workers) (UNIDO, 2002). The adoption of social responsible behavior seems to be directly tied to the daily question of improving the effectiveness and efficiency of the business activities and the creation of value, therefore the interventions are directed above all to the inside dimension of the enterprise;
- SMEs which are involved into network with a interest into quality; have relationships with foreign markets; are involved into productions with an higher level of environmental impact or using strongly an intellectual capital (European Commission, 2002);
- there is a major sensibility of SMEs with social/environmental problems of area in which they operate (Molteni and Todisco, 2008);
- the adoption of CSR tools also seems to depend on the age of the enterprise, and the end of the fifth year of life marks the point at which the probability of involvement of small enterprises in CSR emerges (Observatory of European SMEs, 2004). As it is positive correlated to firms' size (ERFE Group, 2001; European Commission, 2002).

As all studies share these aspects of CSR in SMEs: implicit (Matten and Moon, 2004); informal (Perrini, 2006); silent (Jenkins, 2004).

The adoption of responsible and ethical behaviour produces an improvement in the image of the enterprise and improves the competitiveness of the enterprise through a reduction of use of materials, energy and water; an empowerment of human resources; an increase of efficiency of processes and of firm's reputation (UNIDO, 2007).

4. Research model

The relational vision of a firm, characteristic of CSR and of S-D Logic approaches, especially of SMEs, gives substance to the notion of "relational goods" (Gui, 1987) and the dimension of reciprocity that sees relationships as key assets, and brings out the importance of "social capital".

The concept of "social capital" refers to "connections among individuals – to social networks and the norms of reciprocity and trustworthiness that arise from them" (Putnam, 2000, p. 19). Therefore, the management of the key assets of social capital becomes crucial, that is to say trust, legitimacy, reciprocity and consensus, which are the base of the long-term performance of SME's (Spence et al. 2003, 2004).

Trust, understood as the attitude that a person has against the world in general, having the conviction that the world is well disposed toward you (Pozzi, 1997), it is largely studied in the literature. In the presence of trust in relationships, the literature has attributed important effects, such as the reduction of costs for information retrieval and of control of the operations, due to an absence of opportunistic behaviors; the reduction of the time of decision-making (Berg and Cagliardi, 1985; Denison, 1984; Sherwood, 1988; Alvesson, 1993); trust is a key resource of the

company, in the approach resources-based view. It can be traced back to a subjective dimension, relating to the characteristics of the individual, and to an objective dimension (see Table 4).

Table 4 Components of trust

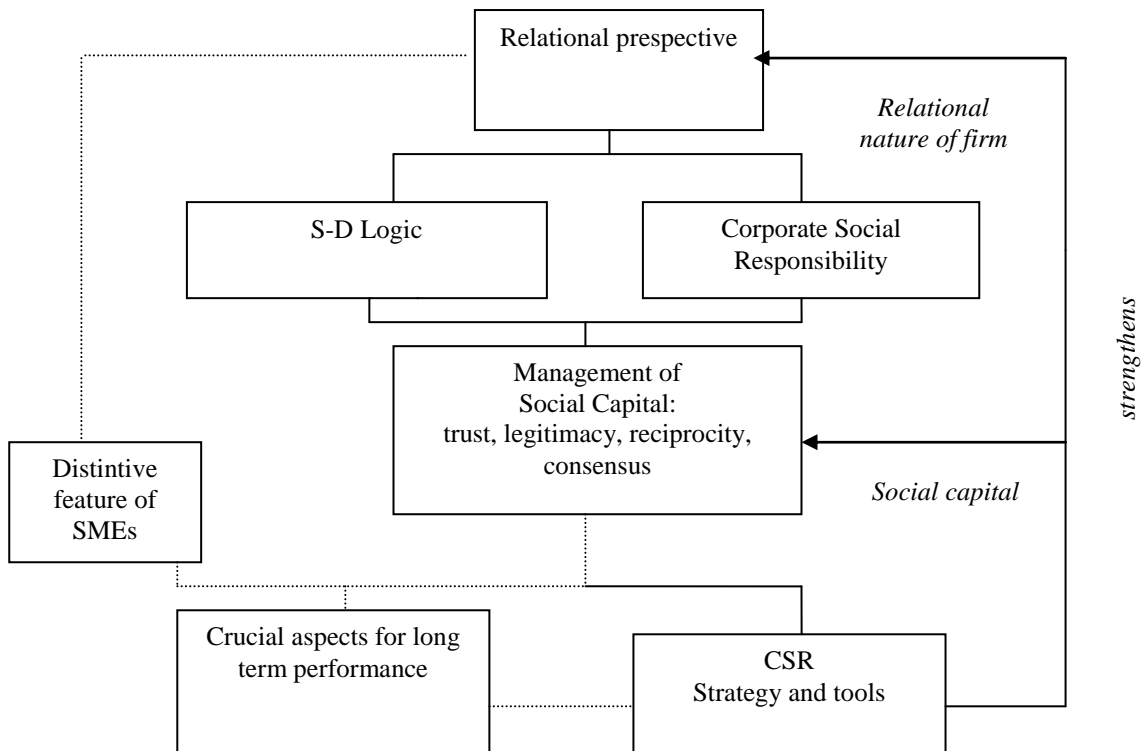
	Subjective dimension	Objective dimension
Trust	Attributed to the ability to listen and willingness to accept different perspectives. It invokes the concept of empathy.	Is manifested in their clarity of commitments granted and objectives to be achieved in a common goal and in the safety of action in a common interest.

Source: taken from De Chiara, 2007

The value of social capital is higher in SMEs, strongly embedded into local community in which they operate or because they belong to industrial districts. So the ability to develop relationships with stakeholders, to create trust, legitimacy, reciprocity and consensus, all assets of the social capital, can be considered of primary importance. The adoption of social behaviour, as seen in the previous paragraph, produces an improvement of image, of firm's reputation. So we can say that resources generated by responsible behavior underline the firm's relational nature and empower it in a virtues cycle: CSR generates assets of social capital and social capital leads to CSR. CSR helps to increase the social capital of SMEs (Spence, Schmidpeter, Habisch, 2003; Perrini, 2006).

In short, as illustrated in the figure bellowed, the relational perspective is a distinctive feature of SMEs and therefore in these firms the management of social capital is a crucial aspect for long-term performance, while CSR strategy or CSR tools can improve and enounce the relational nature of SME and strengthens social capital.

Table 5 Research model



5. Managerial implications and conclusions

This understanding of the company reveals the crucial role played by the responsible behaviour of SMEs. The leadership plays a key part to create a smooth running of the business system combining the concepts of transparency and accountability through leadership attentive to the human and ethical values and to a model of governance which triggers a mechanism interaction between multiple actors (Bertini, 2008; De Baldo, 2009).

The presence of a strong ethical framework and values, promoted by the top management, means that there are less tensions and energies are oriented for the good of the company, its people, society and the environment in which it is part of (De Baldo, 2009). This is achieved more easily in SMEs, given the specificity of the same: involvement of property in the management; simplicity of the organizational structure that allows direct and informal relationships.

In addition, the higher is the confidence gained by management and / or entrepreneur, rewarded by right results, fair and rewarding, the less complex become the government and governance (Jones, Thomas, 1995).

SMEs, who believe in the territory as a key resource, can create value through the interaction with all those who have to deal with the company and play a key role within the network, if they are united by a common goal to develop a social responsibility.

Therefore for SMEs is important to create paths based on the cooperation among firms and institution, local or national, to realized strategies based on CSR (Pulci and Valentini, 2003; De Baldo, 2009). SMEs, in fact, are part of a *multistable system* composed of more interactive systems, and therefore it becomes fundamental to establish cooperative relationships among the fundamental

operators (local institutions, suppliers and sub-suppliers) with the purpose of managing the processes of adaptation and change in an easier, more rapid way.

The participation of a higher number of economic actors in the development of social responsible behaviours is crucial. CSR can bring about, through the retraining of SMEs' resources/competencies, the requalification of the resources of the local network so as to feed that virtuous path that is an important vector of competitiveness in the small enterprise.

So it is necessary to define a synergic strategic behaviour with the local system, to adopt a network approach and engage local institution in a role of intermediary for the promotion of CSR strategy among all stakeholders of the area.

Clearly there is great excitement around the topic of CSR, in doctrine as by the institutions.

The European Commission follows the "think small first" approach, so firms' social responsibility concept, practices and tools have to be shaped on the basis of SME features⁶, as they represent the most important part of European entrepreneurship: 99,8% of firms are SMEs, they assure the 67,4% of employment and produce about the 58% of the total added value (Eurostat, data 2008). Europe, with the Lisbon Strategy (2000), looks at CSR as an essential strategy to strengthen and re-launch the European economic system. This system is perceived as an alternative to the American model of liberal capitalism, and is based on an elevated standard of quality of life, equal opportunity, protection of the environment and attention to society. Later in the communication "Europe 2020: Strategy for smart growth, sustainable and inclusive³", shooting the three pillars of the Lisbon Strategy, economic, social and environmental, has been recognized a central role to the social dimension, both in terms of employment (the Lisbon target of 70% of employed increased to 75%), and for the fight against poverty with the aim of reducing it to fourth, again in an attempt to reduce regional disparities.

In the U.S.A., where the level of civil society's attention to issues of environmental sustainability and protection of human rights is among the highest in the world, institutions are moving from soft law measures to administrative laws.

Indeed, it seems that in the guidance of international institutions, the feeling prevails that the importance of respect for these principles can not be guaranteed by the spontaneous initiative of enterprises, although extended to the supply chain, but that it is necessary to action with regulations and standards.

On this line the *Human Rights Due Diligence* which should be used to assess and reduce a business risk in human right abuse (UN Secretary – General for Business and Human Rights – SRSG-, 2008). "This means adopting a human rights policy, conducting human rights impact assessments, integrating the policy into the company's operations and culture and tracking and monitoring performance" (Sherman III and Lehr, 2010, pp.4). The US Alien Tort Statute is the largest body of domestic law on human rights principles. It refers to indirect involvement by companies too and so *due diligence* can help a company avoid complicity. It is recognised as an international standard of conduct for handling disputes involving multinational companies.

Another measure has been adopted in the diamond business, where United Nations General Assembly (Resolution 55/56) has introduced the *Kimberley Process Certification Scheme* (KPCS) which is the process designed to certify the origin of rough diamonds from sources which are free of conflict funded by diamond production.

While more restrictive measures have been taken by Europe in the wood sector (Regulation (EU) No. 955/2010 of the European Parliament and the Council of 20 October 2010, OJ L 295, 12 November 2010, p. 23 ff.) and the U.S. in the fields of "conflict minerals" (Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, July 21, 2010, Section 1502). With this Act, signed into law by President Obama on July 21, 2010, are new requirements for manufacturers of products

⁶ The last report on the state of social responsibility underlines the importance of the adoption of socially responsible strategies and tools for the competitiveness of SMEs (The State of Responsible Competitiveness, 2007). For a summary of such initiatives, we refer to Tencati et al. 2004.

³ Bruxelles, 3 marzo 2010. http://ec.europa.eu/eu2020/index_en.htm.

containing tin, tantalum, gold, tungsten or any other “conflict metals.” Specifically, section 1502 of the new law imposes direct U.S. Securities and Exchange Commission (SEC) reporting requirements on any publicly traded companies whose products contain metals derived from conflict minerals. Companies will be required to submit a due diligence plan with their annual SEC report. The SEC has 270 days to finalize the regulations and implement the requirements.

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