

# **Corporate *Socialism* Responsibility? Situating the Legacy of Communism in Hungarian Corporate Social Responsibility<sup>1</sup>**

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## **ABSTRACT**

Corporate Social responsibility (CSR) become a staple topic for business schools and multinational companies. The concept of corporate governance over labour conditions rather than trade union activism has been touted by advocates as a 21<sup>st</sup> century solution to managing labour conditions in supply chains. For critics it is seen at best as misguided optimism and at worst a form of corporate window dressing to hide poor labour practices. As part of a large comparative European research project, this paper examines the attitude of Hungarian trade unions toward CSR, based on a business systems approach. I focus on three main issues: The importance of FDI in the Hungarian business system, and the consequent “import” of CSR concepts and practices from MNC home countries; the legacy of the social role of the employer in Communist-era society, and; the lack of a strong domestic trade union or NGO discourse about CSR. The findings are that trade unions in Hungary find little resonance with the concept of CSR which they regard as a Western import. Instead they have a distinct set of ideas of good employment practices based on the trajectory of the country from state socialism to an FDI-dependent market economy.

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<sup>1</sup> This paper is a version of the book chapter “Hungary: Between State Socialism and Export Oriented MNCs”, in Lutz Preuss, Michael Gold, and Chris Rees (Eds), 2014, *Corporate Social Responsibility and Trade Unions: Perspectives across Europe*, London: Routledge.