

Corporate social responsibility (CSR) was historically a business-oriented idea that companies should voluntarily improve their social and environmental practices. More recently, CSR has increasingly attracted governments' attention, and is now promoted in public policy, especially in the European Union (EU). Conflicts can arise, however, when advanced welfare states introduce CSR into public policy. The reason for such conflict is that CSR leaves key public welfare issues to the discretion of private business. This voluntary issue assignment contrasts starkly with advanced welfare states' traditions favoring negotiated agreements and strong regulation to control corporate conduct. This article analyzes the conflicts and compatibilities arising when advanced welfare states introduce CSR, focusing on how the two traditions diverge and on how conflicts are reconciled. Empirically the study focuses on four Nordic countries—Denmark, Finland, Norway, and Sweden—widely recognized as the most advanced welfare states, and increasingly as leaders in CSR public policy. From interviews of 55 officials of government ministries, nongovernmental organizations (NGOs), labor unions, and employer associations, the authors conclude that tension indeed exists between CSR public policies and advanced welfare state traditions in all four countries. Whereas CSR's aims are compatible with Nordic institutional traditions, the means promoted in CSR is in conflict with such Nordic traditions as corporatist agreements and rights-based welfare state regulation of social and environmental issues. There is harmony of goals, but conflict in means between the four Nordic countries studied.

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