



ABSTRACT

Title: SOCIAL INNOVATION AND CORPORATE RESPONSIBILITY IN MATURE CLUSTERS: THE ROLE LEADING FIRMS IN GLOBALIZED CLUSTERS

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Subject area: *(please, indicate the subject area which corresponds to the paper)*

Glocal clústeres: aspectos críticos y nuevas trayectorias

Abstract: *(minimum 300 words)*

The Corporate Social Responsibility is recognized as the prevalent strategy through which firms engage in social innovation. By concentrating on CSR, scholars embark in a research journey in which social and environmental issues become blended into the business models, engendering strategic value. But CSR is a multilevel process where the territory and the characteristic of the firms, affect firms' involvement in CSR. Despite the relevance of the local context, research is extremely scarce.

It has been generally accepted that the main sources of demand for CSR are related to stakeholders, such as consumers, investors, employees, and the community (McWilliams and Siegel 2001). While requirements from these stakeholders may be present in any context, local cluster favor the identification and application of these requirements more easily (Husted *et al.* 2016). New CSR practices are faster spread because most of these stakeholders are in the cluster, which increases face-to-face interactions, direct observation, along with informal meetings. This context foster “the capacity to identify opportunities, supply leaders, recruit participants, craft mobilizing action frames, and fashion new identities, tasks essential to sustained mobilization”



(Polletta 1999). Moreover, this interactive proximity between stakeholders allow them to create new agreements often through intense struggles, negotiations and bargaining, or through collaborative efforts to solve problems (van Wijk *et al.* 2019). It is at this cluster level that the main agents involved interact and frame the new opportunities derived from incorporating CSR practices (Lund-Thomsen and Nadvi 2010).

This paper aims to contribute to this line by testing theoretical constructs using fine-grain data on 175 Spanish footwear firms located clusters obtained during 2018. Our findings reveal that co-location "per se" does not imply the successful implementation of CSR. Firms should present t solidness in terms of innovation related skills and resources to reap the benefits of location Moreover, firm's age represents an inhibitor of social innovation, raising concerns on the difficulties for the diffusion of these practices in traditional clusters. Finally, local firms operating in international markets are more prone to implement CSR as interactions outside the cluster make them aware of the value of these new business models, the importance of social and environmental aspects within the global value chain or for final customers.

Keywords: (*maximum 6 words*)

Social Innovation, Social Responsibility, clusters, footwear, Corporate Social Responsibility

JEL codes:

R11; M14; J83; R58

Acknowledgements

Funding of this research was provided by Conselleria de Economía Sostenible, Sectores Productivos, Comercio y Trabajo (EBCORG/2019/1); and the Spanish Ministry of Economy and Competitiveness, projects ECO2017-85763-R and RTI2018-100823-B-I00 (AEI/FEDER, UE).