Focus CSR: The New Communication of the EU Commission on CSR and National CSR Strategies and Action Plans

André Martinuzzi, Barbara Krumay & Umberto Pisano

European Sustainable Development Network

Author:

André Martinuzzi
Barbara Krumay
Umberto Pisano

Contact:

ESDN Office at the
Research Institute for Managing Sustainability
Vienna University of Economics and Business
Franz Klein Gasse 1, A-1190 Vienna, Austria

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Focus CSR:

The New Communication of the EU Commission on CSR and National CSR Strategies and Action Plans

by

André Martinuzzi, Barbara Krumay, & Umberto Pisano

This Quarterly Report refers to recent developments concerning Corporate Social Responsibility (CSR). Most importantly, the new Communication on CSR that was published by the European Commission in late October 2011 will be presented and discussed with two leading policy makers. We talked with Tom Dodd (DG Enterprise and Industry), who was one of the key actors in preparing the new Communication, and with Sue Bird (DG Employment, Social Affairs and Inclusion), who is in charge of co-ordinating the CSR High Level Group. During the last months, we collected and analysed these policy documents, both from EU Member States and from countries outside the EU. The results are presented in the second part of this report, where you can find comprehensive overviews as well as three case studies of outstanding approaches (Denmark, Germany and the Netherlands). Our aim is to demonstrate the diverse roles of CSR strategies and action plans in Europe and beyond.

The new EU Communication on CSR puts forward a new understanding of CSR, which no longer refers to CSR as voluntary action beyond compliance but highlights that every corporation causes impacts which is responsible for. The impact areas (formerly just society and environment) have been enlarged by ethical, human rights and consumer concerns. To support policy learning among the European Member States, the Commission invites Member States to develop or update national CSR strategies and action plans and sets up a peer review system of public CSR policies. The maturity of public CSR policies differs among the European Member states significantly: Two thirds of the EU Member states already have a CSR strategy and action plan in place or are currently developing such a policy document (the findings are presented online using a clickable map with all country profiles). Scandinavia, the Anglo-Saxon region and Central Europe, are leading regions. Among Southern European countries, Spain may serve as a role model due to their mature and integrated approach. The Baltic States and Slovakia are on their way to develop national CSR strategies and action plans. In contrast, many Eastern European countries have not published any plan to develop a national CSR strategy and action plan by now. With regards to policy instruments, soft policy approaches are the most common in public CSR strategies and action plans. In terms of Governance structures, vertical and horizontal integration is the most common policy tool. The low number of CSR strategies and action plans containing indicators, monitoring and evaluation mechanisms raises the impression that many of these documents are not yet full-fledged strategies by now. We therefore recommend an increased knowledge exchange between policy makers who deal with CSR policies and the members of the ESDN.

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1   How CSR gains importance on corporate and policy level

Corporate Social Responsibility and similar concepts became more and more important during the last decades as a response to a loss of public trust in individual companies (e.g. the cases of ENRON, Parmalat, BP, Nike, etc.) and in the whole economic system (e.g. anti-globalization movement, occupy movement). During the last decade, a number of international initiatives tried to cope with these developments by rebuilding trust in businesses and by improving their environmental and societal impacts. Corporate Register, the leading organization in collecting, publishing and analyzing CSR reports and sustainability reports worldwide (for details see www.corporateregister.com) collected more than 30.000 reports from about 7.500 companies worldwide by now. Research findings on CSR could fill libraries, although they might have been carried out under different headlines, e.g. business ethics, corporate citizenship, corporate sustainability. A recent milestone is the new CSR Communication that the European Union published in October 2011 (European Commission, 2011), which states that CSR is the responsibility of every company for its impacts on the environment and society. Therefore, CSR is no longer an issue for highly motivated frontrunners, but a concern for all businesses, independent of their size, sector, or location.

In the ESDN, the issue of CSR has been touched twice already: the ESDN Quarterly Report June 2008 addressed CSR, and the ESDN-Conference 2008 aimed at coordinating CSR policies with Sustainable Development Strategies. In both cases, the focus was on CSR policies in general and on individual policy instruments (e.g. Sustainable Public Procurement, Socially Responsible Investment). With this Quarterly Report, we take a strategic policy planning perspective and try to shed light on how CSR strategies are implemented at the European and national level. To our impression, these documents show certain links and similarities to national Sustainable Development Strategies concerning content and governance structures. At the same time they try to integrate individual CSR policy instruments into coherent policy mixes. These innovative attempts offer the opportunity for policy learning between European Member states and between different policy areas. Therefore, dealing with CSR strategies is another step of diversification for the ESDN to encourage exchange with related areas of sustainable development policy.

1.1 What is understood by CSR?

In the general, public CSR is often seen as "**doing good**". Businesses make donations to civil society and environmental organizations, initiate partnerships and sponsor projects in developing countries, build solar power units and wind engines, spend money on voluntary benefits of employees or neighbours, to name a few examples. CSR can also be seen as „**not doing bad**". This approach to CSR is equally diverse and bears certain emotional connotations. If a company is proven to have their products produced using child labour, to be accountable for environmental disasters or to ignore fundamental democratic rights, customer loyalty is quickly jeopardized. In rare cases, CSR is seen as a strategic success factor ("**being successful**"), when societal and environmental concerns are integrated into all core decisions of a

business and new business models are being developed. This approach is addressed by the concepts of social entrepreneurship and shared value.

As a consequence, a **broad variety of terms, approaches, and concepts** emerged: about forty years ago, Votaw (1972) noticed that "corporate social responsibility means something, but not always the same thing to everybody" (p. 25). About twenty years later, Carroll (1994) confirmed this situation by stating that the CSR discipline is "an eclectic field with loose boundaries, multiple memberships and differing training/perspectives; broadly rather than focused, multidisciplinary; wide breadth; brings in a wider range of literature; and interdisciplinary" (p. 14). Fifteen years later, Henderson (2001) affirmed that "there is no solid and well-developed consensus which provides a basis for action" and just a few years ago, Okoye (2009) stated that "CSR as a concept is sometimes perceived as fuzzy, unclear and contested" (p. 614).

We will not be able to provide an ultimate solution to this problem, but we would like to identify certain **key elements of CSR**. To explain and define CSR, researchers had so far applied different methodological approaches: Some were summarizing existing definitions (e.g. Carroll 1999; Moir 2001; Joyner and Payne 2002; Carter and Jennings 2004), others were conducting interviews (e.g. O'Dwyer 2002; Johnston and Beatson 2005), analyzing research papers (e.g. Dahlsrud 2008; Montiel 2008; Taneja, Taneja et al. 2011), or dealing with the development of a CSR definition through theoretical reasoning (e.g. Göbbels 2002; Van Marrewijk 2003; Matten and Crane 2005). The following common characteristics can be seen as a list of key elements that are most commonly used:

- CSR is the liability of business to act in accordance to the overall goals of society, and is therefore linked to sustainable development as a guiding vision
- CSR depends on the political, institutional, and cultural context and environment, as it is dependent on the relationship between business and society
- CSR is beyond compliance: being compliant to laws or regulation are prerequisites of responsible corporate behavior.
- CSR is voluntary (otherwise it would be part of compliance), but it is still perceived as a moral, ethical, or philanthropic obligation of business. However, many NGOs and labor unions tend to question the idea of CSR as a voluntary concept.
- Making profits out of CSR: There is a lengthy debate on whether corporate measures that lead to profit can be perceived as CSR (e.g. "is it moral to make money out of being moral?") or – the other way round – if measures which do not lead to indirect profit at all, might be categorized as CSR (i.e. if philanthropy is part of CSR or not).

Summarizing these elements, CSR can be seen as a voluntary business contribution to the guiding societal model of sustainable development, and an active corporate engagement that goes beyond legal compliance (e.g. European Commission, 2001, European Commission, 2002).

From a content point of view, the most commonly applied CSR guidance documents can be taken as a basis to systematize CSR, e.g. OECD Guidelines for Multi-National Enterprises (2000, 2008), Global

Reporting Initiative (GRI, 2000-2006), UN Global Compact, ISO 26000 (2008), SA 8000, UN Human Rights Norms for Business (2003) and the ILO Declarations (1998, 2001).

CSR – Economic topics:	**CSR – Environmental topics**
• Pursue sound corporate governance practices • Ensure transparency through economic, social & environmental reporting • Engage in fair competition • Foster innovation • Combat bribery & corruption • Employ Socially Responsible Investment • Protect intellectual property rights • Offer safe and high-quality products/services • Foster sustainable consumption & production • Implement sound risk management systems	• Support the protection of air and water, land biodiversity • Minimize the amount of toxic substances, emissions, sewage and waste • Conserve natural resources, apply renewable energy & avoid the usage of raw materials • Engage in climate protection • Boost innovation for improvement in efficiency • Consider the whole product life-cycle, facilitate reusability & recyclability of products
CSR – Social topics	**CSR – Global topics**
• Engage in fair and efficient Human Resource Management • Guarantee safety, occupational health & security • Respect freedom of association • Abandon discrimination & encourage diversity • Respect consumer interests	• Raise stakeholders' awareness for social & environmental topics • Practice sound stakeholder management • Facilitate sustainable supply chains • Respect Human Rights • Engage in poverty reduction • Participate in the development of public policies

Table 1:   List of generic CSR topics (Martinuzzi, Gisch-Boie et al. 2010)

Fact box: The scientific debate about CSR

In the academic literature, a lot of different terms and approaches have been developed on how companies take social and environmental concerns into account:

• Following the **three pillars approach**, CSR can include economic issues, social issues and environmental issues, or a combination of these three pillars (Garriga and Melé 2004). This approach is based on the triple bottom line principle, which adds social and environmental concerns to the profit maximization bottom line (Elkington 1998; Dyllick and Hockerts 2002; Dahlsrud 2008). By maximizing synergies and minimizing trade-offs between economic, social and environmental stakeholder interests, businesses are expected to contribute voluntarily to the equally universal guiding vision known as sustainable development, i.e. development that meets the needs of current generations without compromising those of future generations (Steurer, Langer et al. 2005).

• In a more **procedural approach,** corporate governance and business ethics are in the focus. Therefore, aspects like transparency and disclosure (Jose and Lee 2007; Dubbink and van der Putten 2008), participation (Green and Hunton-Clarke 2003; Chong 2009), and governance and leadership

(Boiral, Cayer et al. 2009; Spitzeck 2009) were emphasized. While studies following the three pillars approach often combine environmental science and management science, the procedural approach is often based on philosophy, law, psychology, organisational behaviour and political science.

- Carroll (1991) developed a so-called **pyramid of corporate social responsibility**, including economic, legal, ethical and philanthropic aspects. Economic responsibilities form the basis of the pyramid, comprised of providing goods and services, being profitable and competitive - the most basic responsibilities of a company. On the next level, legal responsibilities reflect a "social contract" between the society and businesses and incorporate basic notions of "right" and "wrong" which can be codified. Legal responsibilities build a kind of framework constituting "the rules of the game" between businesses as well as between businesses and the society. On the next level, ethical responsibilities of business go beyond codified norms, including non-codified social values and expectations of society. For companies, this means a level of social performance higher than currently required by the law. Ethical responsibilities correspond to the basic principles of moral philosophy such as justice, rights and utilitarianism. On the top level of the pyramid, philanthropic responsibilities embrace those activities of businesses that are reactions to society's expectations that businesses should be good corporate citizens. They can achieve this by contributing to the arts, education and local community development.
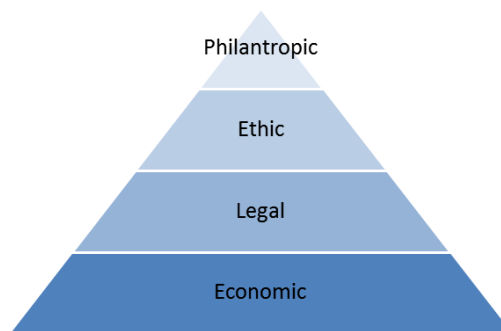
Figure 1: CSR Pyramid according to (Carroll 1991)

- Matten and Moon (2008) tried to highlight some differences of CSR issues in different geographical areas and different sectors of economy and explain them by comparing CSR approaches of the American and European companies. After discussing some differences between the United States and Europe in terms of political and financial systems, education and labour systems, organization of market processes, coordination and control as well as cultural systems, they distinguished the **'explicit' and 'implicit' CSR**. By 'explicit' CSR they understand "voluntary programs and strategies by corporations that combine social and business value and address issues perceived as being part of the social responsibility of the company" (Matten and Moon 2008, p. 409). The 'implicit' CSR refers to societal values, norms, and rules (both obligatory and customary), which constitute formal and informal institutions. Differences between 'explicit' and 'implicit' CSR reflect different institutional milieus in the United States and Europe which allocate various social responsibilities in different ways: voluntary CSR programmes and strategies undertaken by the American companies are very often implicitly covered by the European economic entities due to their legal obligations. These

differences are visible in the ways companies are practicing and communicating CSR activities as well as the motivation laying behind CSR engagement.

An additional challenge arises from the fact that several terms exist, which are used similarly (e.g. Corporate Responsibility), complementary (Corporate Sustainability) or stem from different background (Business Ethics). To explain all of them would go beyond the scope of this report, therefore we just want to mention selected further references for the interested reader. The most prominent concepts close or similar to CSR are: Corporate Social Performance (CSP) (e.g. Wartick and Cochran 1985; Wood 1991; Carroll 1999; Martínez 2008), Corporate Sustainability (Schaltegger and Burrit 2005; Steurer, Langer et al. 2005), Social Responsibility (Dhillon 2002), (Corporate) Social Entrepreneurship (Seelos and Mair 2005), Business Ethics (Göbbels 2002), Corporate Philanthropy (Seelos and Mair 2005), Corporate Citizenship (Rondinelli and Berry 2000; Matten and Crane 2005), Corporate Social Responsiveness (Vallentin 2009), Corporate Governance (Yoshikawa and Rasheed 2009).

Although there are a broad variety of terms and many of them are used interchangeably, it makes sense to differentiate between **CSR, Sustainable Development and Corporate Sustainability**. The World Business Council for Sustainable Development defines CSR as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (Holme, Watts et al. 2000). Warhurst states that CSR "is key to operationalizing the strategic role of business in contributing towards this sustainable process, so that business is able to engage in and contribute to society as a corporate citizen" (Warhurst 2001). Moon sees from a "natural-resource-based view of the firm", CSR as "a vehicle for sustainable development", but he also reminds that "responsible business is a necessary but not sufficient condition of sustainable development" (Moon 2007). Steurer et al. describe sustainable development as a societal concept, CSR as a management approach, and stakeholder management as the linkage of both (Steurer, Langer et al. 2005). Schaltegger & Müller (2007) described the historical and theoretical differences between CSR (corporate social responsibility) and CS (Corporate Sustainability) and present a structured comparison of the two approaches:

o   while CSR clearly focuses on activities beyond compliance, CS comprises all voluntary and obligatory activities of a company which have an effect of the environment and on society

o   while CSR can be seen as an anticipation and reaction of companies on societal demands, CS follows a more pro-active approach and try to influence and guide societal demands as well

o   while CSR follows a normative approach (based on business ethics), CS seeks for win-win-situations and for new business models

o   while several CSR approaches run the risk of being "marginal", CS focuses on the integration of sustainable development principles into the core business decisions of a company

(Schaltegger and Müller 2007)

1.2 How many companies get involved for CSR?

Corporate Register is the leading organization in collecting, publishing and analyzing CSR reports and sustainability reports worldwide (for details see www.corporateregister.com). Until today, this knowledge hub contains more than 30.000 reports from about 7.500 companies. Their long-term analysis shows that environmental reporting, which dominated the 1990s has been constantly replaced by sustainability reporting and corporate responsibility reporting (which is both addressed by the term CSR in this proposal).
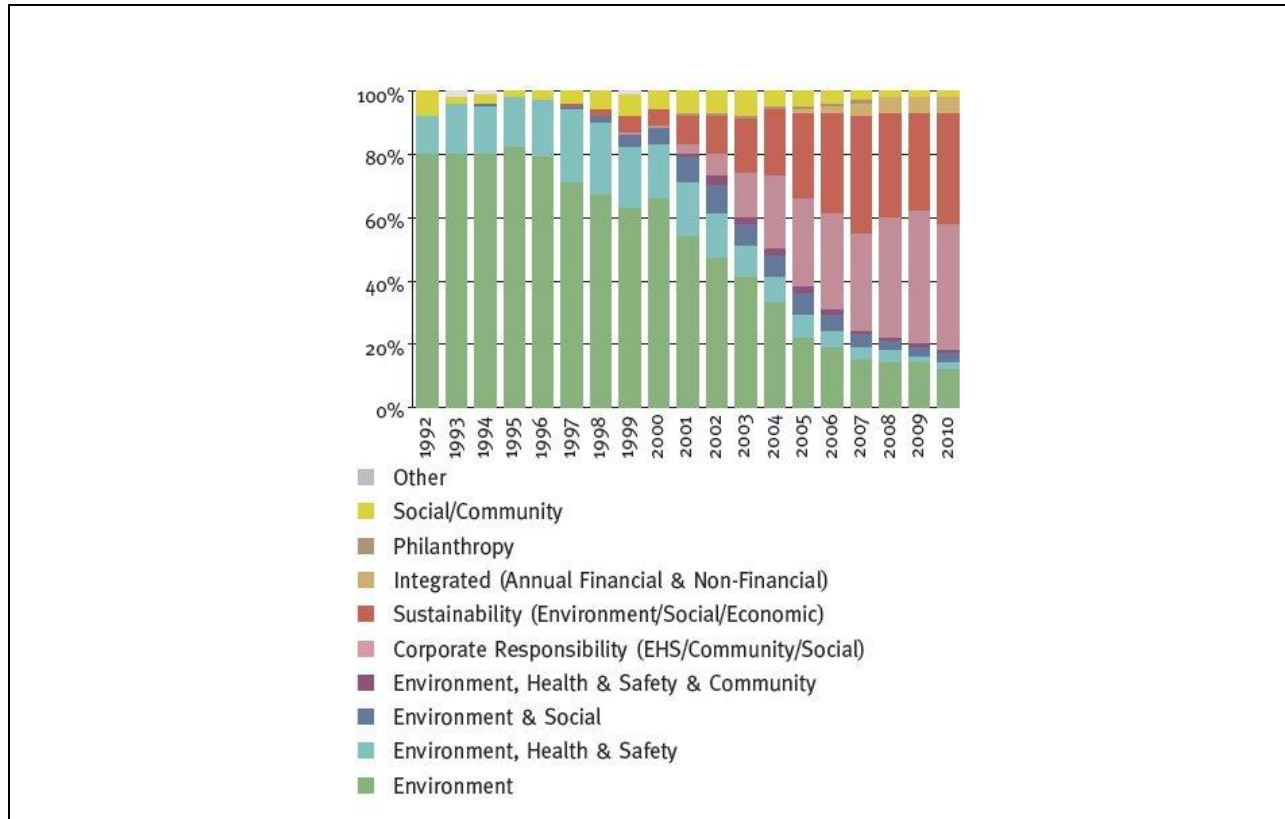
Figure 2   Global report output by type and year (CorporateRegister.com 2011, p. 5)

Concerning the regional spread, European companies are by far the most active in corporate responsibility reporting, with constant growth rates over the last decade.
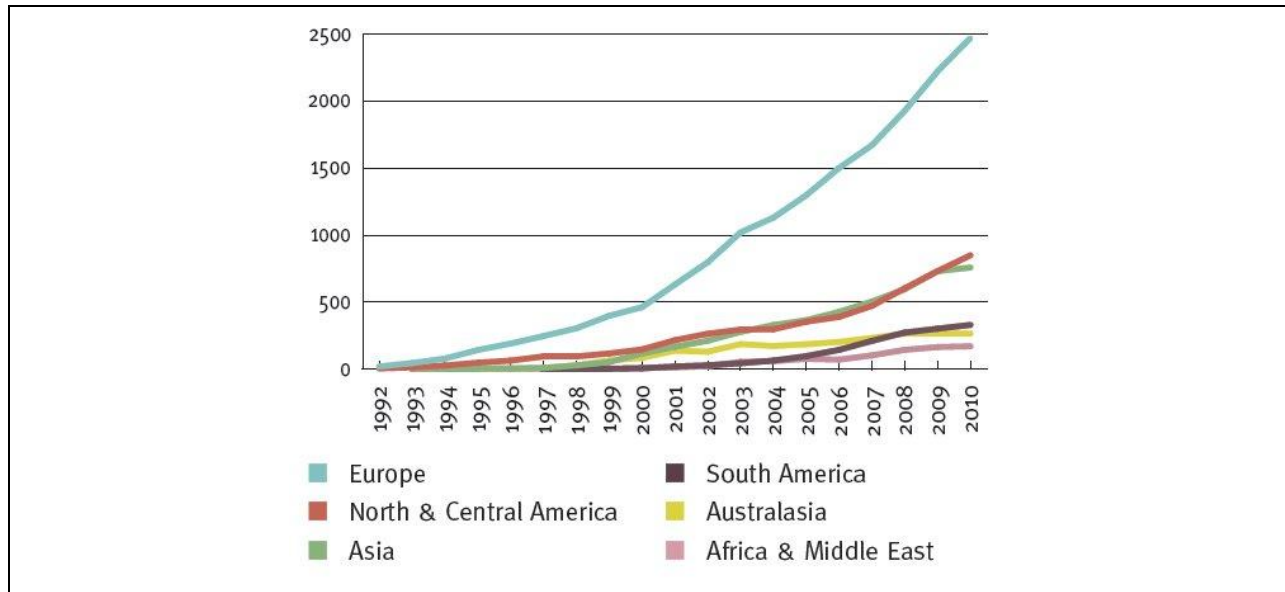
Figure 3: Reporting output by year, by region (CorporateRegister.com 2011, p. 4)

Fourteen of the top 20 reporting countries are European, among which the United Kingdom plays an outstanding role, followed by Germany, Italy, Spain, and France.
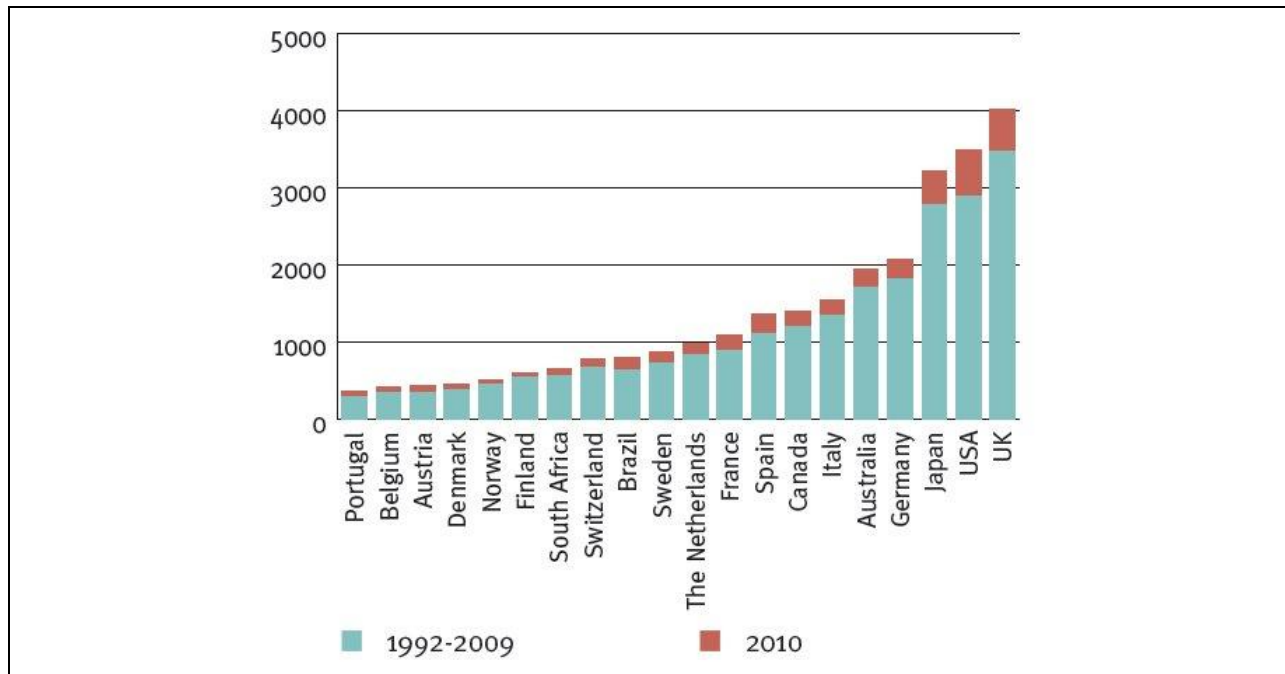
Figure 4: Top 20 reporting countries (CorporateRegister.com 2011, p. 4)

1.3 Does CSR increase competitiveness?

The idea of businesses gaining competitive advantages through CSR is the core of the **business case for CSR**, which is seen as a highly promising way to line up societal needs, environmental constraints and

corporate interests, while creating shared value for businesses and society (Porter/Kramer 2011). If it could be proven that responsibility pays off, a strong push for dissemination of good CSR practices would be expected. The assumption that CSR leads to competitive advantage is not self-evident, as high social and environmental standards lead to higher production costs in the short run. Two groups of medium and long-run returns have been discussed that could compensate for higher production costs and lead to competitive advantages for pro-active companies: the first one puts emphasis on product quality and focuses on high-end market niches (e.g. in the bio-food sector and in high end fashion); the second one assumes that higher standards lead to innovations and create a better position in a technology driven competition (e.g. in the area of eMobility and renewable energies). Based on this so-called Porter-Hypothesis (see also Wagner 2003) the European Competitiveness Report 2008 highlights several areas in which CSR could lead to increased competitiveness and asks for more in-depth research: *"The overlap between competitiveness and CSR at macro and sector level may be greater than is often acknowledged. More research is required, however, in order to measure and analyse the ways in which CSR might enhance competitiveness at the macro-level and sector levels."* (European Commission 2008, p. 119).

Aside from these theoretical considerations and policy papers, a broad variety of empirical studies examined the competitive advantage of CSR. Based on rather different definitions of both terms, and using various approaches and indicators, these studies came to rather different and sometime contradicting conclusions. Therefore, meta-analyses are seen as an important step forward to achieving robust and far-reaching results, while other authors discuss the fundamental nature of CSR and competitiveness, its potential links and contradictions. Margolis & Walsh (2003) reviewed and assessed 127 empirical studies exploring the relationship of Corporate Social Performance (CSP) and Corporate Financial Performance (CFP) (Margolis and Walsh 2003). They came to the conclusion that there are more findings suggesting a positive link, and only very little evidence of negative associations. Orlitzky/Schmidt/Rynes (2003) carried out another meta-analysis of 52 studies assessing the CSP-CFP link (Orlitzky, Siegel et al. 2011). They gave more detailed insights into the positive link based on the fact that CSP helps companies to build a positive reputation and goodwill with its external stakeholders, but also a positive feedback loop from CFP to CSP, constituting a virtuous circle for pro-active companies. Endrikat/Günther/Hoppe (2011) came to a similar result concerning the links of Corporate Environmental Performance (CEP) and Corporate Financial Performance (CFP) carrying out a meta-analysis of 119 studies, including ones which provided evidence for a positive relationship, a negative relationship, or neutral results. Based on a meta-regression approach, the authors were able to identify a positive CEP-CFP relationship, which – again – constitutes a virtuous circle (Endrikat, Günther et al. 2011, p. 17). Vilanova/Lozano/Arenas (2009) conducted a literature review to explore the nature of the relationship between CSR and competitiveness and found that learning and innovation are key links of CSR and competitiveness, explaining the virtuous circle that the other authors identified but did not describe in detail (Vilanova, Lozano et al. 2009).

A more critical perspective on the business case for CSR is taken by Quairel-Lanoizelee (2011), who distinguished four approaches: (a) the traditional economics approach (which considers CSR as useless and even as a disguised form of protectionism, (b) mainstream CSR theories (which ignore competitive

pressures, (c) the CSR business case (which she regards as a self-fulfilling prophecy) and (d) trade-off approaches (which try to asses under which conditions CSR can lead to increased competitiveness by applying cost-benefit analyses). Based on a comparison of financial reports and CSR reports of 34 stock listed French companies, the author concludes that most of the companies follow a consensual logic of CSR, utilize CSR reports just as documents of self-promotion, and ignore (at least in their reports) that competition might be a constraint for CSR implementation (et Quairel-Lanzoizelee and Capron 2007).

This broad range of empirical results led Raghubir et al. (2010) to the conclusion: "*After 36 years, 167 studies, and 16 reviews of the relationship between CSR and financial performance, the answer to the debate about whether CSR is profitable is unambiguously clear: it depends.*" (Raghubir, Roberts et al. 2010, p. 69). But on what does it depend? One could assume that public CSR policies could play an important role. Therefore the next chapter describes the most important CSR policy instruments, guidelines, and standards.

1.4 What are the most common public CSR policies?

Public CSR policies are as diverse as corporate CSR measures. They have in common that they try to inform and motivate companies to take action in implementing CSR measures, to use the power of market and competition to promote and disseminate CSR, and to guarantee a high level of quality in implementing CSR. Several authors came up with typologies of public CSR policies:

° Albareda et al. (2007) analysed the **drivers and responses of public CSR policies in a relational framework of government, industry and society** and compared fifteen European countries (Albareda, Lozano et al. 2007). They concluded that there are great variety of approaches among EU 'old' member states, and that the following categories can be distinguished:

  o CSR in government (public policies developed by the governments to improve their own social responsibility),

  o CSR in government-business relationship (public policies improving CSR policies of economic entities),

  o CSR in government-society relationship (public policies aimed at improving civic society stakeholders' awareness), and

  o Relational CSR (public policies established to strengthen the collaboration between governments, businesses and civil society stakeholders).

° Welzel et al (2007) examined CSR practices in Africa, America, Asia and Europe, and provided a comprehensive report on CSR policies of 13 countries. In five European Member states (France, Germany, Poland, Sweden, and the United Kingdom) the types of policy instruments and the political responsibility for CSR are described in detail. The so called **CSR Navigator** became a reference document for many international comparisons of CSR policies as Peters, A & Röß, D. (2010), who also included Denmark and Norway and highlighted the role of governments in promoting private sector engagement in development affairs (Peters and Röß 2010).

° In the **Compendium** "Corporate Social Responsibility - National Public Policies in the European Union" eight relevant topics exhibiting trends and priorities in CSR public policies were elaborated

and investigated in EU Member States (Knopf, Kahlenborn et al. 2011). These trends and priorities are:

- o CSR supporting policy frameworks (Strategies, action plans, other policy documents on CSR such as laws, reports etc.)

- o Socially responsible supply chain management with particular emphasis on Human Rights (CSR as part of a specific business process along the supply chain and beyond the borders of single companies)

- o CSR reporting and disclosure (Reporting on sustainability and CSR, and non-financial disclosure)

- o Potential of CSR in tackling climate change (Impacts of businesses to mitigate climate change)

- o CSR in SMEs (Support and strengthen the position of CSR in SMEs)

- o Socially Responsible Investment (SRI) (Raise awareness for SRI)

- o CSR and education (Integration of CSR issues into all levels of education)

- o Green, social and sustainable public procurement (Governments actively procure green, social and sustainable goods)

° Steurer/Martinuzzi/Margula (2011) identified **five types of CSR policies (legal, financial, informational, partnering and hybrid instruments)** and linked them to three CSR policy areas (awareness raising, socially responsible investment and sustainable public procurement). By an empirical stocktaking of more than 200 policy instruments, the status of public policies on CSR in Western Europe and Central and Eastern Europe (CEE) is compared. The results show that Western European (particularly Anglo-Saxon and Scandinavian) governments are significantly more active in promoting CSR than governments in CEE countries. Since these differences mirror the differences regarding the popularity of CSR as a management approach in Europe, the paper concludes that public policies on CSR reinforce rather than offset the European 'CSR gap'. The authors conclude that "the findings are a 'wake-up-call' for the governments in the CEE region to engage more actively in CSR policy-making." (Steurer, Martinuzzi et al. 2011)
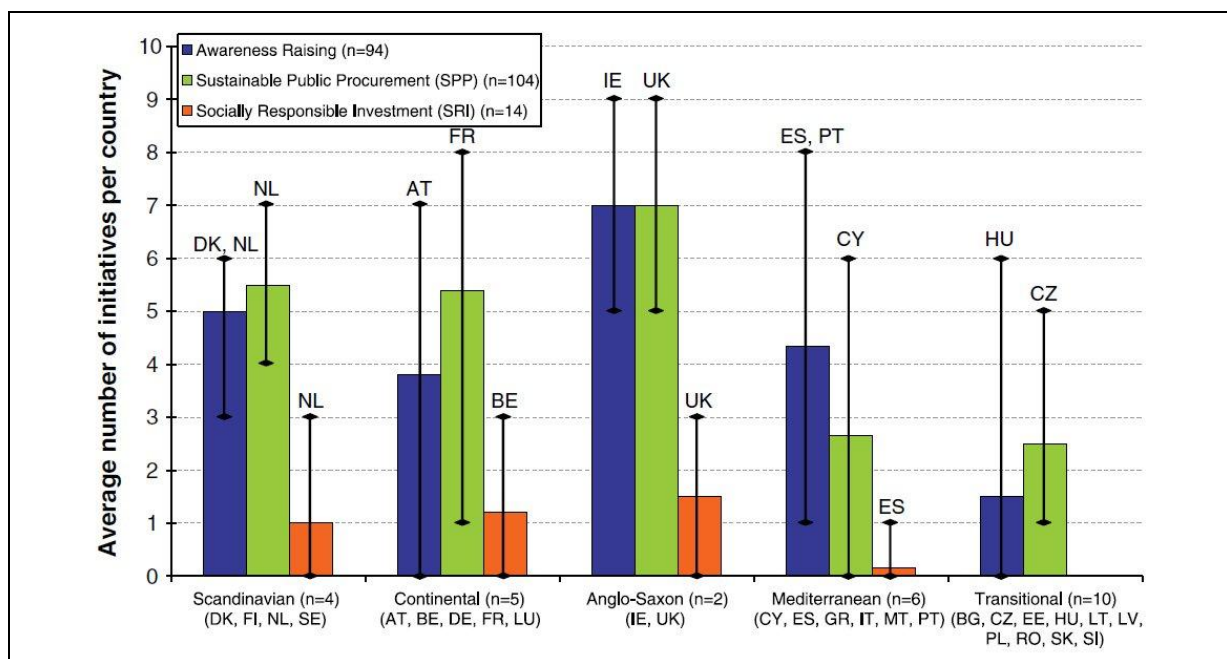
Figure 5: Top 20 reporting countries (Steurer, Martinuzzi et al. 2011)

° Based on the **maturity levels of public interventions** in terms of economy, civil society, politics and cooperation, Peters et al. (2007) distinguished three types of CSR generations. First generation CSR takes place when there are no specific CSR policies, instruments and competencies. Countries with this CSR type are usually at the very beginning of their learning process and try to reach for internationally spread and accepted CSR methods (e.g. Mozambique, Brazil, India, Egypt and Poland). Second generation CSR is more advanced, with long standing CSR related policy and basic instruments and activities, as well as initial partnerships in place (such as the USA, China, South Africa, Germany and France). Finally, third generation CSR involves offering a great variety of CSR policies, incentives, and practices, and supporting the accomplishment of other policy goals (e.g. UK and Sweden). Based on the analyses we conducted for this Quarterly Report, we would like to add a fourth generation CSR, when countries integrate a broad variety of public CSR policy instruments into CSR strategies and action plans, and therefore create coherent policy mixes.

Fact box: The most important international CSR guidelines and standards

- ISO 14001 and EMAS are both voluntary set of standards designed to support an implementation of effective environmental management systems in organisations. ISO 14001 and EMAS represent a shift from a command-and-control to voluntary driven approach towards the environmental protection and management. Both were very successful all around the globe.
  Since 1996 more than 223.000 companies in 159 countries have implemented and certified an environmental management system following ISO 14001 requirements. EMAS was implemented by 4531 organisations and 8112 sites in Europe.

- In 2000 the UN published the **Global Compact**, a set of 10 principles on human rights, labour standards, environmental standards, and anti-corruption measures, implemented by companies around the world on a voluntary basis.

By now about 8,000 businesses and non-business stakeholders from 135 countries participate in this UN driven initiative.

- In the same year the **OECD** re-edited its **"Guidelines for Multinational Enterprises"** highlighting the importance of voluntary CSR engagement of major corporations (OECD 2000). The Guidelines include recommendations addressed to MNE by the governments to offer them principles and standards for voluntary responsible business behaviour concerning employment, natural environment, industrial relations, corruption, consumer interests, and competition (OECD 2008, 2010).
  National Contact Points responsible for promotion and diffusion of the Guidelines were established in more than 42 of the most developed countries, which account for 85 per cent of total foreign direct investment flow. However, there are no official numbers of companies applying the OECD guidelines.

- In 2006 **the International Labour Organization** (ILO), a UN affiliated agency, amended the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, which was designed in 1977 as a universal instrument supporting companies, governments and employers' and workers' organizations in their efforts in areas such as employment, training, conditions of work and life. Knowing the growing importance of multinational enterprises (MNEs) in the globalized economy and the boost of foreign investment flow, the guidelines included in the declaration became even more important for enhancing the positive social and labour contributions of the operations of MNEs (ILO 2006).
  The impact of the ILO's Tripartite Declaration of Principles is reflected in the fact that in brings together governments, employers and workers from 181 member states.

- In 2002 the **Global Reporting Initiative** (GRI), a network-based multi-stakeholder organization, released "Sustainability Reporting Guidelines" which encourage and guide corporations to report not only on economic, but also on social and environmental business aspects. Currently, almost 1400 companies worldwide are following the GRI guidelines (GRI 2002, 2010).
  In 2010 about 1.500 companies published CSR or sustainability reports based on the GRI guidelines.

- **Social Accountability International** (SAI) is a multi-stakeholder global organization that established one of the world's most preeminent social standards, the SA8000, which is based on national law, international human rights norms and the conventions of the ILO. The aim of this standard is to promote socially responsible types of behaviour among businesses by setting an auditable system of requirements to be met by employers in terms of workers' rights, workplace conditions and management systems (SAI 2008).
  In 2011 the SA8000 standard was implemented in 62 countries and 65 industrial sectors which covered 2 785 facilities and 1 648 086 workers.

- In 2010, the International Organization for Standardization (ISO) launched an international standard named **ISO 26000** (or ISO SR) to provide globally relevant guidelines for social responsibility among private and public sector organizations. This newly launched ISO standard puts six core subjects of social responsibility into its focus: human rights, labour practices, environment, fair operating practices, consumer issues and community involvement and development (see Figure 6).
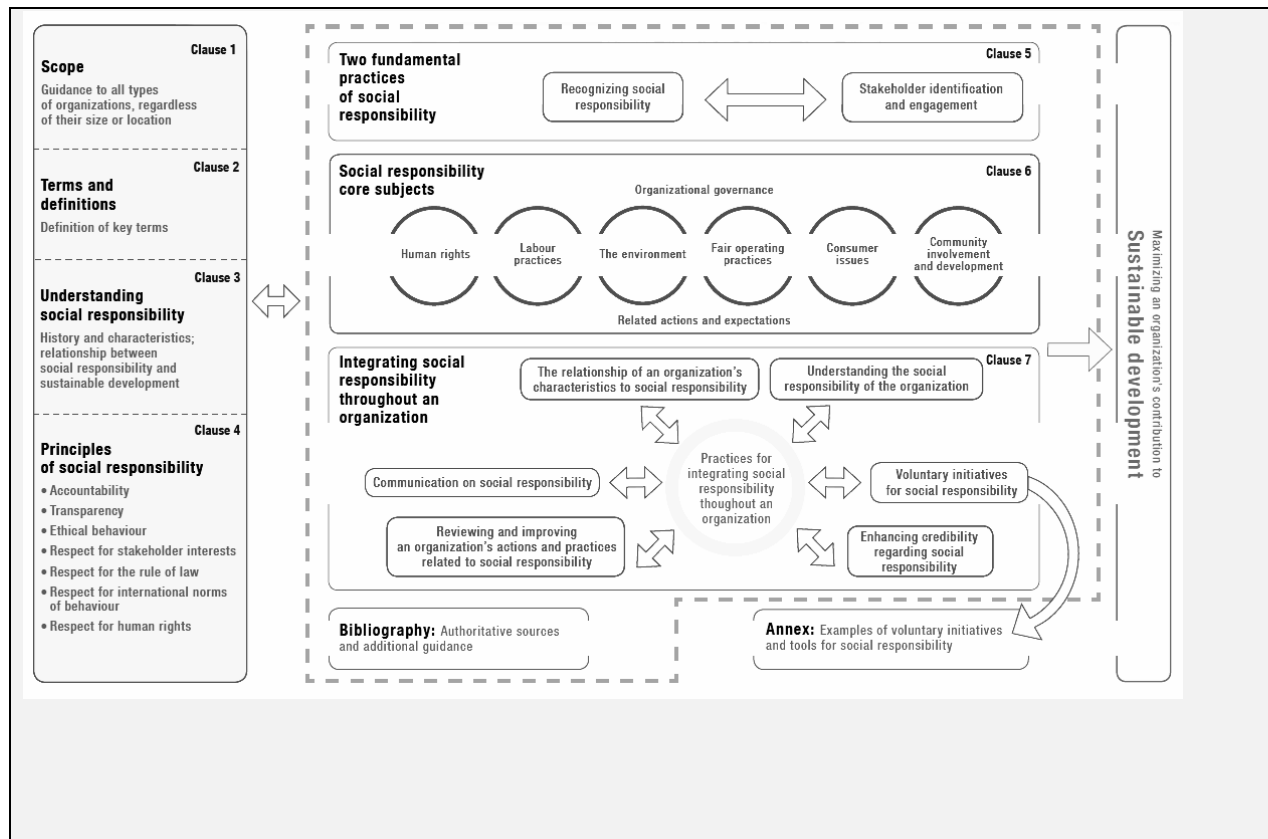
Figure 6: Schematic overview of ISO26000 (Source: www.iso.org/iso/sr_schematic-overview.pdf)

2 CSR and the EU Commission

In October 2011 the European Commission published a new Communication on CSR
(http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr/new-csr/act_en.pdf). It builds on
previous Communications (2002 and 2006) and sets several milestones for public CSR policies in Europe
and beyond. In this chapter we present the core elements of this new Communication, highlight
differences to previous Communications and discuss this new policy document from a strategic public
management perspective.

> **Fact box: the history of CSR on EU level**
>
> In 2001, the EU Commission published the **Green Paper** "Promoting an European framework for
> Corporate Social Responsibility" (EU Commission 2001) with the aim "to launch a wide debate on how
> the European Union could promote corporate social responsibility at both the European and
> international level.
>
> In 2002, the EU Commission presented the first **Communication** concerning CSR, entitled as "A business
> contribution to sustainable development" (EU Commission 2002). It includes the first European
> definition of CSR ("CSR is a concept whereby companies integrate social and environmental concerns in
> their business operations and in their interaction with stakeholders on a voluntary basis"), the principle
> of a European Multi-Stakeholder Forum on CSR; and the way in which the European Commission relates
> CSR to specific European policies.
>
> In 2004 the European Multi-Stakeholder Forum on CSR presents a final report including common
> principles, values and a base line understanding on CSR as well as nine recommendations for future CSR
> in and beyond Europe.
>
> In 2006, the **second Communication** titled „Implementing the Partnership for Growth and Jobs: Making
> Europe a pole of excellence on Corporate Social Responsibility"was published (EU Commission 2006),
> focussing on growth and jobs. In addition, it targets the increase of CSR's political visibility, and
> encourages companies to further advance on their way in CSR.
>
> It highlights the integration of CSR within relevant European policies, the European Multi-Stakeholder
> Forum on CSR, the European Alliance for CSR, the High Level Group of Government Representatives on
> CSR, as well as support for CSR research. As a basic orientation it underpinned the business-society-
> relation aspect of CSR: „In principle, adopting CSR is clearly a matter for enterprises themselves, which is
> dynamically shaped in interaction between them and their stakeholders." (EU Commission 2006)
>
> In 2007 the **High-Level Group of National Representatives on CSR** is established to exchange
> experiences between the different European Member States and to support policy learning.
> Subsequently, the group holds regular meetings supported by external experts who provide policy
> briefs, Europe-wide surveys and country report. One of the most important deliverables is the so called
> "Compendium", which provides an overview on CSR policies and practices in Europe. It was developed

in 2006 ("Public policies on corporate social responsibility in the European Union" (2006) and updated in 2011 ("Corporate Social Responsibility - National Public Policies in the European Union" (2011).

The **European Competitiveness Report** 2008 (http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?lang=de&item_id=3908) highlights several areas in which CSR could lead to increased competitiveness (e.g. through improved cost structure, better human resources, higher customers' loyalty, more innovations, effective risk and reputation management and the rewards of financial markets).

During the last decade the Commission funded a toolbox to support companies in setting up and promoting CSR (http://www.csreurope.org/pages/en/toolbox.html) , sectoral CSR initiatives (http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/industrial-sectors/index_en.htm), networks (http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/csr_platforms/index_en.htm) and a stakeholder-forum on CSR (http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/multi-stakeholder-forum/index_en.htm), several training programmes (e.g. Train4CSR http://www.csreurope.org/pages/en/train4csr.html and CSR-TEMPO http://www.csr-tempo.eu/) as well as research on CSR (http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/research-projects-csr/index_en.htm).

Figure 7 shows a word-chart of the terms used in the new CSR communication. Following this first impression, we describe the most important parts of the document.

Figure 7: Word-chard of terms used in the new CSR communication

The first and most obvious difference between the previous CSR communications (2002 and 2006) and the new one is the title: while the previous one simply used the term "Communication" in its title, the new one calls itself a "renewed EU strategy for CSR" and clearly indicates that **it wants to be perceived as a policy strategy**.

In the introduction chapter, the Communication refers to the previous CSR Communication 2006 and highlights that CSR is in the interest of enterprises and of society as a whole. In doing so, it **follows the**

idea of **"shared value"** (recently made popular by Porter/Kramer 2011), which concerns both interest groups – business (by linking CSR to growth, competitiveness, and innovation) and society (by linking CSR to a more cohesive society and a sustainable economic system). Additional references are made to the economic crisis, its social consequences, damages to consumer confidence and trust in business, and the public attention on the social and ethical performance of businesses.

The second chapter **summarizes a number of policy actions** taken by the commission during the last decade, and presents several facts which could be seen as **indicators for CSR dissemination in the business sector** (e.g. the increase of companies which have implemented environmental management schemes or signed one of the diverse standards - in total several hundred to a few thousand companies). Based on the assessment that "many companies in the EU have not yet fully integrated social and environmental concerns into their operations and core strategies" (p. 5) and the finding that "only a small fraction of the 42.000 large companies operating in the EU" (p. 11) publish CSR reports, a number of factors are described which should help to further increase the impact of the Commissions' CSR policy. Among them, the need for a balanced multi-stakeholder approach, for market rewards for responsible business conduct, for more transparency, and for greater attention to human rights are remarkable. These factors link to several principles of sustainable development and good governance, although both terms are not used in this section.

Chapter three can be seen as the most important progress that the new CSR Communication provides, as the Commission **puts forward a new definition for CSR which creates a really new perspective**. While the previous communication (and a great number of publications which took up this perspective) defined CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders on a voluntary basis", the new Communication defines CSR as "the responsibility of enterprises for their impacts on society". Although it can be expected that a number of scholarly and journalistic papers will comment on this new perspective in more depth in the near future, we would like to discuss this new definition here in brief in order to highlight the advances and challenges which arise from this shift in view:

- While the previous Communication uses rather vague terms such as "concept" and "concerns", the new definition directly links CSR with impacts, and therefore offers a rather straight view: whenever a company causes impacts, it is responsible for them.

- While the previous Communication just refers to social and environmental concerns, the new one speaks of "social, environmental, ethical, human rights and consumer concerns" and therefore broadens the perspective significantly.

- While the previous Communication defines CSR as voluntary action (beyond compliance) the new one does not refer to voluntariness any longer. Every company is perceived as being responsible for its impacts - the only remaining question is how it deals with this responsibility. In this context, the new Communication encourages enterprises to adopt a long-term, strategic approach, and to adapt the CSR process to the individual situation of the respective company by considering its size (SMEs having "informal and intuitive" CSR processes), type (e.g. cooperatives being "especially conductive" CSR) and its potential impacts (e.g. enterprises at particular risks are encouraged to carry out risk-based due diligence including their supply chains).

- As the new Communication focuses on impacts, it differentiates between good ones ("maximizing the creation of shared value") and bad ones ("identifying, preventing and mitigating possible adverse impacts"). Although the new Communication acknowledges the complexity of that process, it does not stress the methodological and evaluative problems which are well known in impact assessment and evaluation, and which might undermine the simple narrative of "maximizing good and preventing bad". While measuring impacts is always a methodological challenge (e.g. causality, long-term and distant impacts, systemic effects), the valuation of impacts is often based on the interest and the perspective of the respective stakeholder group. For example, layoffs could be seen as adverse impacts for the staff affected, the unemployment rate in a region, the additional costs for unemployment insurances, etc. while they might be perceived as positive by shareholders, by the remaining staff who improved their career perspectives, etc.

To emphasize the need that European CSR policy should be made fully consistent with **internationally recognized principles and guidelines,** several of them are quoted. Compared to the previous Communication, several new international documents were integrated into this list of references (e.g. Single Market Act, Public Procurement Directives, UN Principles for Responsible Investment). However, two of the most important reference documents of sustainable development policy are no longer quoted in the new Communication: the European Sustainable Development Strategy (EU SDS) and the Millennium Development Goals (MDGs). This remarkable fact might be explained by a loss of practical importance of the EU SDS compared to the Europe 2020 Strategy (which is quoted several times), and by the high importance of Human Rights (which might be perceived as the business responsibility while the MDGs might be seen rather as the responsibility of states and international organisations). From the content point of view, several objectives of the EU SDS (e.g. biodiversity, resource efficiency) are emphasized in the chapter on the multidimensional nature of CSR, while most of the objectives of the MDGs are not touched (e.g. global partnership, fighting poverty and hunger; health is just limited to employee health).

In the following sub-chapter, the **role of public authorities** is described. In this part, as well as in the whole new Communication, another shift in perspective can be observed: While the previous communication highlighted that CSR is not a substitute for public policy and called for improved consistency of policies, the new one refers explicitly to the supporting role that public authorities can play through "a smart mix of voluntary policy measures and, where necessary, complementary regulation", to promote transparency, to provide market incentives, and to ensure accountability. This emphasis on the role of public CSR policies (combined with the call for CSR strategies and action plans) seems to be targeted towards mainly Eastern European countries, in which CSR is perceived as solely part of the business sector. However, the new Communication still highlights that "the development of CSR should be led by enterprises themselves". At the end of the third chapter, the Social Business Initiative and sectoral social dialogue committees are mentioned.

The fourth chapter provides an **Agenda for Action for the period 2011 to 2014**, contains eight fields of action, describes 13 actions which the Commission intends to carry out, and determines five areas in which the Commission invites other stakeholders to take action or expects them to do so:

1. **Visibility of CSR and dissemination of good practices**: the communication refers to several initiatives that the commission has already launched and highlights two actions: to create sectoral multi-stakeholder CSR platforms and to launch a European award scheme for CSR partnerships between enterprises and other stakeholders.

2. **Improving and tracking levels of trust in business**: this chapter refers to a gap between citizens' expectations and what they perceive to be the reality of business behaviour, and describes two actions: integrating the issue of green-washing into the report on the application of the Unfair Commercial Practices Directive, and initiating an open debate with citizens, enterprises, and other stakeholders on the role of business in the 21st century.

3. The action area **"Improving self- and co-regulation processes"** refers to sector wide codes of conduct and gives notice of a stakeholder dialogue to develop a code of good practices for self- and co-regulation exercises.

4. The action area "**Enhancing market rewards for CSR**" focuses on three areas, i.e. helping consumers to make more sustainable choices, integrating environmental and social criteria into public procurement decisions and integrating non-financial information into investment decisions. In all three areas, no new or strong policy instruments are described, as the Communication either refers to other policy documents (the revision of the Sustainable Consumption and Production Action Plan and the review of the Public Procurement Directive) or just refers to informational instruments when it comes to investment funds and financial institutions.

5. The action area **"Improving company disclosure of societal and environmental information"** refers to the rather low number of large European companies publishing CSR reports, and to the non-financial disclosure requirements in some EU member states that go beyond existing EU legislation and the international reporting frameworks. However, no specific new action is described, but reference is made to the Single Market Act, in which the Commission announced to present a legislative proposal on the transparency of the social and environmental information provided by companies.

6. In the action area **"Further integrating CSR into education, training and research"** the Commission encourages education establishments to integrate CSR, sustainable development, and responsible citizenship into curricula, and promises to explore opportunities for financing research and innovation on CSR in the EU research programmes. As a specific action, the Commission intends to provide further financial support for CSR education and training programmes under the EU Life Long Learning and Youth in Action Programmes.

7. In the action areas **"Emphasising the importance of national and sub-national CSR policies",** the Commission intends to collaborate with Member States to create a peer review mechanism for national CSR policies, and invites Member States to develop or update national CSR strategies and action plans (which in this paragraph are called "plans or national lists of priority actions to promote CSR"). This paragraph illustrates the shift in perspective from CSR as a solely business agenda to an agenda where public policies can play an important role.

8. The last action area, "Better aligning European and global approaches to CSR", refers to three international CSR policy developments.

   a. Concerning **internationally recognized CSR principles and guidelines** (i.e. the Global Compact, the OECD guidelines for Multinational Enterprises, the ISO26000 Guidance Standard of Social Responsibility and the ILO Tri-partite Declaration of Principles Concerning Multinational Enterprises and Social Policy) the Commissions intends to monitor the

commitments made by European large enterprises and invites large European Enterprises to make such a commitment.

b. For implementing the **UN Guiding Principles on Business and Human Rights,** the Commission intends to develop guidance documents for specific sectors and SMEs, and to publish periodic implementation and progress reports. In addition, the Commission invites European enterprises to meet corporate responsibility, to respect human rights. It also invites EU Member States to develop national plans for the implementation of the UN Guiding Principles.

c. Emphasizing **CSR in relation to other countries and regions around the world** highlights the importance of CSR for countries wishing to joint the EU, and the importance of the promotion of CSR in the Commission's external policies and the EU development policy.

The conclusion chapter describes a review mechanism for the new CSR Communication, which contains an implementation report and a review meeting to be held by mid 2014. In this process, the CSR High Level Group and the European Multi-stakeholder Forum on CSR are expected to play an important role.

Summary and conclusions from a strategic public management perspective:

During the last decade, strategies have become more and more important policy documents in several areas (e.g. Sustainable Development Strategies, Biodiversity Strategies, Climate Strategies, Green Growth Strategies). In doing so approaches, experiences and tools from strategic management of businesses have been transferred to the public sector and implemented in the area of policy making and high level administration. This strategic approach often tries to simultaneously follow principles of good governance and of sustainable development, e.g. policy coherence, openness and participation, effectiveness and accountability, combination of strong long-term objectives and decentralized implementation processes. This knowledge transfer from the business to the public sector can be characterized as "Strategic Public Management". It puts emphasis on effectiveness of policies while the "New Public Management" approach focussed on the efficiency of their implementation (for more details see Steurer and Martinuzzi 2005).

The new CSR communication can be understood as an important step to establish public CSR policies as an autonomous and legitimate policy area, and to make use of strategic management approaches in this area. Many policy instruments mentioned in the new CSR communication can be categorized either as soft policy instruments (e.g. platforms, award schemes, monitoring of corporate actions), just as references to existing processes (e.g. the SCP action plan, the review of several EU directives) or could be criticized as rather vague (e.g. explore opportunities for financing further research and innovation). Three key elements of the new Communication can be assessed as significant steps towards strategic public management in the area of CSR: the call for national CSR strategies and action plans (and in addition for national plans for the implementation of the UN Guiding Principles), the establishment of a peer review mechanism on CSR policies, and the substantial new definition of CSR as such. Although the Communication does not provide any guidance or information about quality criteria for these action plans, nor advice on how the coherence between the different strategies could be guaranteed (e.g. national Sustainable Development Strategies or National Reform Programmes are not mentioned at all),

it can be expected that the peer review mechanism will ensure coherence between the different strategies in a specific Member State, as well as policy learning between them.

To gain more insights into the aims and perspectives of the new CSR Communication, we conducted telephone interviews with two representatives of the European Commission who were deeply involved in its preparation and will be in charge of implementing its actions.

Fact Box: CSR on EU level – next steps

Besides the development in terms of documents, which was already described in this quarterly report, the recent Communication presents next steps, commitments and further developments. The commitments are made by the Commission itself, but also contain "suggestions for enterprises, Member States, and other stakeholder groups" (p. 8).

Topic	Timeframe
1. Visibility of CSR and dissemination of good practices	
Create Multistakeholder platforms	2013
Launch European award scheme for CSR partnerships	2012
2. Levels of trust in business	
Fight Misleading marketing ("green-washing"), create specific measures if necessary	2012
Involve stakeholders in debate about role and potential of business in the 21st century Periodic surveys concerning trust of citizens trust in business and attitudes towards CSR	
3. Self- and co-regulation processes	
Start developing a code of good practice for self- and co-regulation exercises to advance effectiveness of the CSR process.	2012
4. Enhancing market reward	
"Facilitate the better integration of social and environmental considerations into public procurement as part of the 2011 review of the Public Procurement Directives, without introducing additional administrative burdens"	
"Consider a requirement on all investment funds and financial institutions to inform all their clients (citizens, enterprises, public authorities etc.) about any ethical or responsible investment criteria they apply or any standards and codes to which they adhere."	
5. Company disclosure of social and environmental information	
Organisations (including civil society organisations, public authorities), are invited to advance in their way of disclosure of social and environmental performance	
6. Integration of CSR into education, training and research	
Start raising awareness of enterprises and education professionals on the importance of cooperation on CSR Financial support for projects in education and training on CSR (EU Lifelong Learning and Youth in Action Programmes)	2012
7. National and sub-national CSR policies	
Create peer review mechanism for national CSR policies with Member States	2012
Commitment by all large European companies incorporate in their	2014

development of a CSR approach (UN Global Compact, OECD Guidelines for Multinational Enterprises, or the ISO 26000 Guidance Standard on Social Responsibility)	
Commitment by all European-based multinational companies to respect the ILO Tri-partite Declaration of Principles Concerning Multinational Enterprises and Social Policy	2014
8. Aligning European and global approaches to CSR	
Work with enterprises and stakeholders to develop human rights guidance for relevant industrial sectors, as well as guidance for SME's, based on the UN Guiding Principles	2010
Publish report on EU priorities for implementing the UN Guiding Principles, (periodic progress reports follow)	2012
The Commission expects all European enterprises to meet the corporate responsibility to respect human rights based on the UN Guiding Principles.	
Invites EU Member States to bring up national plans for the Implementation of the UN Guiding Principles Identify ways to promote responsible business conduct in its future policy initiatives towards more inclusive and sustainable recovery and growth in third countries	2012
Commitment from Companies	
"The Commission calls on European business leaders, including those from the financial sector, to issue, before mid 2012, an open and accountable commitment to promote, in close cooperation with public authorities and their other stakeholders, the uptake of responsible business conduct by a much larger number of EU enterprises, with clear targets for 2015 and 2020"	2012

2.1 Interview Tom Dodd

On December 5th, the ESDN Office conducted an interview with Tom Dodd concerning the new Communication. An executive summary and the whole interview are presented in this chapter.

2.1.1 Executive Summary of the Interview

Tom Dodd is the CSR Policy Officer at DG Enterprise and Industry, where he was responsible for CSR for the last seven years. In this function, he has contributed to the Commission's policies and projects for CSR, and in particular to the new CSR communication of the European Commission that was published in October 2011.

In this interview, he highlights the most important issues concerning the new Communication and how it will influence the future position of CSR in Europe. In his opinion, the new definition of CSR has the potential to overcome the debate about voluntary or mandatory CSR, and may serve as a reference point for both companies and EU Member States. The European Commission expects all companies to be responsible for their impacts, independent of their size, sector, or legal structure. The EU Member States are invited to set up national CSR strategies and action plans. Although several governance structures are foreseen (e.g. Peer Reviews), it was not the intention of the European Commission to set up binding guidelines, but to present a document which builds on existing internationally recognised

guidelines and goes along with EU 2020 strategy. Tom Dodd's key messages address the strategic aspects of CSR: European companies should be leading by increasing their positive impacts and by reducing their negative impacts on the environment and society. This can best be achieved when CSR is integrated into the companies' core business strategies.

2.1.2   Interview Tom Dodd (full length)

ESDN OFFICE: *After five years, the **new EU Communication** is a milestone for disseminating the idea of CSR. What are the most important points of this communication? What are the main steps forward compared to the previous communication?*

Tom Dodd: The starting point has to be the **new definition**, which is at the heart of the new Communication. It expresses what the European Commission is thinking on CSR and will hopefully be the solid basis for a number of years to come.

Another important point is that this Communication in effect states that the European framework for CSR is the **global framework**, and not a separate European set of guidelines or principles. We want to encourage Member States to refer to it, and above all we encourage European enterprises to use that core set of global internationally recognized CSR principles and guidelines.

The third point in steps forward is that we are striving for **increased clarity**. There is increased clarity about what the European Commission thinks that enterprises could and should be doing in the field of CSR. There is also greater clarity in terms of the commitments of the European Commission itself and what we are planning over the next years to promote CSR.

ESDN OFFICE: *Were there any **responses** after the publication of the Communication?*

Tom Dodd: Most reactions have been **positive**. We have seen a variety of different responses from different stakeholders. We have had reactions from some non-governmental organizations, stating that our approach is too soft. We have also had some reactions from some business associations expressing caution about the possible use of regulatory instruments.

ESDN OFFICE: *Was there any **specific feedback** on CSR and the **recent crisis**? Especially when thinking about the current crisis - as some people do – as a credibility crisis or crisis of trust - Is CSR a way to respond to the crisis?*

Tom Dodd: CSR can be seen as a **way out of the crisis** by trying to build higher level of trust in enterprises. But this is not possible within a short period of time - it must be seen from a long-term perspective. CSR won't be a sort of magic stimulus to European growth over the next six months. In the Communication we state that it is about setting the conditions for a dynamic economy based on smart, sustainable and inclusive growth in the medium to long term.

ESDN OFFICE: *The new CSR Communication provides **a new definition** of CSR, which is "the responsibility of enterprises for their impacts on society". What was the reason to change the definition and what does this imply for the whole policy field? Does the new definition change the role of environmental issues and sustainable development in CSR?*

Tom Dodd: We wanted to ensure that our definition was at least **consistent with the practice** of many leading European businesses, and with internationally recognized CSR principles and guidelines. For Europe to continue to play a leading a role in the field of CSR we needed to take account of developments at the international level, including the update of the OECD guidelines, the United Nations Guiding Principles on Business and Human Rights, and the ISO 26000 guidance standard on social responsibility.

When we say "**CSR is the responsibility of enterprises for their impacts on society**" it is important to acknowledge that these impacts may be positive or negative. Both positive and negative impacts have to be addressed by companies in order to fully meet their social responsibility. By stressing the importance of impacts, we strongly support the idea that CSR needs to be addressed by companies on a strategic level. When companies are rethinking their business, developing new products and services, and thinking about innovation, they should consider the impact of their business. The new definition strongly supports this link between maximizing the positive impact, creating shared value, innovation, and business strategy.

ESDN OFFICE: "Voluntary or mandatory" has been a big issue in CSR. How do the new Communication and especially the new definition address this discussion?

Tom Dodd: If CSR is the responsibility of enterprises for their impacts on society, then it **does not make sense** to ask whether CSR is voluntary or mandatory. Every enterprise has impacts on society, so every enterprise has a social responsibility.

In its communication the Commission states that the development of CSR should be **lead by enterprises themselves**. That is logical, since ultimately the responsibility is theirs. The communication also states that public authorities can support CSR through a smart mix of voluntary policy measures, and, where necessary, complementary regulation.

The reference to regulation does not means that CSR will or should become "mandatory". Some **existing laws** at EU and national level are already relevant to CSR. Take the example of Denmark: large Danish companies are required by law to state publicly whether or not they have a CSR policy. The Danish's government own guidance document to that law says that CSR remains voluntary. This is a good example of piece of legislation that directly refers to CSR, but does not make CSR mandatory.

*ESDN OFFICE: There was a long debate about the **relation between sustainable development** as a sort of societal or policy objective, and CSR as the contribution of the business sector to sustainable development. How do you see this relation between CSR and sustainable development?*

Tom Dodd: We have a **holistic understanding** of the impacts of business that also includes a natural link between CSR and sustainable development. In this understanding, business along with other organisations should contribute to sustainable development through maximizing the positive impacts and as well as mitigating and preventing the negative impacts. We want and need all enterprises to contribute to sustainable development, wellbeing and growth.

*ESDN OFFICE: From an institutional point of view: What are the **institutional links** between these two policy areas? There is a European sustainable development strategy, there is a new CSR communication,*

there will be national CSR strategies and action plans, and there are national sustainable development strategies. How do you think these two areas be linked in the future so that coherence and governance structures exist?

Tom Dodd: One intention of the Communication was to build CSR policy as a **contribution to the Europe 2020** strategy, which includes several aspects of sustainable development. Therefore, we did not need to refer to the European Sustainable Development Strategy explicitly. For the implementation, we mainly rely on the European Multistakeholder Forum for CSR, and on cooperation with EU Member States through the CSR High Level Group. Besides these two mechanisms, we do not plan to set up additional structures of institutional coordination.

*ESDN OFFICE: Do you see this new Communication as a **reference point for CSR**, as for example Brundtland was for sustainable development, which will be expanded or transferred into concrete instruments by others (but not by the Commission right now)?*

Tom Dodd: This is very much part what we are trying to do with our new definition – to create a reference for future work and future thinking on future action.

*ESDN OFFICE: The Communication mentions "To **maximize the creation of shared value,** enterprises are encouraged to adopt a long-term, strategic approach to CSR" – how can this idea be adopted by companies which are experiencing other challenges in times of crisis? Aren't companies right now forced to concentrate on their core businesses and react on an operational level to new challenges?*

Tom Dodd: Enterprises, simply by existing and operating, by employing people and producing goods and services, are **generating wealth and impacting society**. So the question then is: is that impact positive or negative? Of course you will find examples of both, and sometimes within the same company. And of course this can involve subjective judgment: somebody's positive impact maybe somebody else's negative impact.

We share the vision of a number of leading companies, namely that strategically and constructively addressing relevant social and environmental issues is part of a modern, successful business strategy.

*ESDN OFFICE: The **role of public authorities** and other stakeholders is specifically mentioned in the communication (section 3.4 and following). What role will public authorities play in fostering CSR change in the future? Which instruments, indicators, or governmental structures are in your opinion most promising for implementing CSR strategies and action plans? What are potential implications of the new CSR communication for national sustainability strategies?*

Tom Dodd: The **role for public authorities** in fostering CSR, based on the new Communication, hasn't radically changed. Of course, various things may change and they may change with practice and not necessarily as a result of what is said in the Communication. What has changed is that the Commission has expressed its expectations more clearly. The Commission has said, in generic terms, what it thinks a company should do to fully meet its social responsibility.

The Commission has invited large companies to make a commitment to take account of internationally recognized principles and guidelines when developing their own CSR policies. The Commission also stated its expectation that all European enterprises should respect human rights as defined in the UN

guiding principles. This is not simply a rhetorical statement, but an important statement of expectation. Clearly we have to work with businesses in order to make that reality.

ESDN OFFICE: *Are there any **specific guidelines** and quality criteria for national CSR strategies and national plans for the implementation of the UN Guiding Principles? Some of the national CSR strategies of EU Member States in place will end in 2011 or 2012. When renewing the national CSR strategies, what must be included in a renewed strategy?*

Tom Dodd: In the Communication, we have set out a **number of orientations and themes** that are, in our opinion, the key issues to address. From a national perspective, they may look a little bit different, but I think most of the issues are likely to be broadly be similar. But different business cultures, different legal cultures, different public policy cultures mean that promoting CSR will look different from Member State to Member State.

We invite Member States that currently do not have an explicit CSR strategy or an action plan, as well as those that already have CSR strategies and action plans in place, to examine the ideas we've presented in the Communication and decide which ones are relevant to their particular case. In general we want to encourage references to internationally recognized guidelines and principles at EU level and at national level.

ESDN OFFICE: *Do you have any sort of ideas about what **implementation structures** Member States should employ? Are there any good examples – best cases in terms of implementation procedures?*

Tom Dodd: In our experience, **involvement of stakeholders** is one important issue. It is important that stakeholders have the possibility to communicate with each other and are encouraged to provide input to the government's plans. Member States with reasonably solid mechanisms for promoting dialogue between different stakeholders in place may serve as role models. They are likely to end up with a policy that's more effective and more balanced. But clearly, different Member States will do this differently.

ESDN OFFICE: *Concerning the **links of national CSR strategies** and national plans for the implementation of the UN guiding principles on business and human rights – how should these two strategies or action plans be merged or implemented in a coherent way?*

Tom Dodd: We've adopted a **new policy on CSR** that refers to the UN guiding principles on business and human rights as an important area. Furthermore, we will issue a separate report on what our priorities are for implementing of the UN guiding principles by the end of next year. We shouldn't underestimate either the impact of the UN guiding principles or the complexity of implementing them. It will be up to Member States to decide whether and how they integrate the implementation of the UN guiding principles on business and human rights with any national strategy they may have to promote CSR more generally.

ESDN OFFICE: *What are the **key messages** that you want to send to national policy makers who are responsible for CSR strategies and sustainability strategies?*

Tom Dodd: Business - through its innovation capacity - is critical for the creation of sustainable systems. It becomes ever more important to ask where businesses are orientating their innovation capacities and

why. Enterprises are superb vehicles for innovation and that's precisely what we need them to have a sustainable system.

The other message is that addressing CSR is clearly in the **interest of business itself**. We all know that our economy, society, and the environment are changing very fast. And those enterprises which are most attuned to changing societal expectations and best positioned in order to provide solutions are likely to be those that are most successful. Addressing CSR is therefore in the interest of enterprises.

2.2 Interview Sue Bird

On December 12th, the ESDN Office conducted an interview with Sue Bird concerning the new Communication. An executive summary and the whole interview are presented in this chapter.

2.2.1 Executive Summary of the Interview

Sue Bird is Policy-Coordinator in the areas of corporate social responsibility at DG Employment, Social Affairs and Inclusion. For more than five years she is coordinating the CSR High-Level Group (CSR-HLG), a network of representatives of the EU member states dealing with public CSR strategies and policies. The CSR-HLG contracted out several Europe-wide studies on CSR policies (e.g. the CSR Compendium) and will play a prominent role in the peer review process on national CSR strategies and action plans, which is foreseen in the new CSR communication.

In this interview, Sue Bird accentuates the key issues of the new Communication from the point of view of DG Employment, Social Affairs and Inclusion. She describes how it will influence the continuing development of CSR within and outside Europe. She points to the international dimension, which will be in the focus of national CSR activities through the next years, as international guidelines and principles will serve as benchmarks for national CSR strategies and action plans. In addition, she highlights the social component of CSR and the role of CSR in regaining consumers' loyalty and public trust in businesses. To create a solid basis for a common vision of CSR, working and learning together with EU Member States and stakeholders is required. Her key messages address Member States and their work already done in the field of CSR. This is the basis on which cooperation with and encouragement of new Member States in their ambitions to create national CSR strategies or action plans will take place. In this context, she puts high expectations into the peer review mechanism, which is foreseen in the new CSR communication.

2.2.2 Interview Sue Bird (full length)

ESDN Office: After five years the new EU Communication is a milestone for disseminating the idea of CSR. What do you perceive as the most important points of this communication? What are the main steps forward compared to the previous communication?

Sue Bird: There are different points, which are important at different sections in different ways. First, there is the international dimension of CSR, which has increased over the last few years and receives more prominence in the new Communication. Second, there is a new definition of CSR, which is an important milestone for the further development of CSR. Third, the relevance

of CSR reporting and non-financial disclosure increased in the new Communication, because the EU Commission has committed itself to a legislative initiative in this area 2012.

In comparison to 2006, the new CSR Communication will be perceived as stronger, especially the new definition. While in the previous Communication CSR was defined as "beyond compliance" the new Communication does not explicitly exclude processes, which could lead to new regulation or legislation. In addition, the Communication focuses on reporting, responsible investment, and the fact that the Commission is in the process of reviewing our public procurement directive as well. While the Commission commits itself to certain activities, she invites other stakeholders to take part in their implementation. Another important issue is the international dimension of CSR, which is represented by references to several existing guidelines. Overall, the new Communication aims at supporting CSR, particularly to improve the social and environmental impacts of companies all over Europe and beyond.

ESDN Office: *You mentioned certain key elements of CSR policies, such as social responsible investment, public procurement etc. Would you expect that those elements will be included in national CSR strategies and action plans?*

Sue Bird: Most EU Member States - to varying extent - already include these elements in their CSR strategies and action plans, and some of them undertake similar CSR activities. While the policy areas are rather similar, the policy instruments vary from commitments as strategies and action plans, to stronger instruments as legislation on certain aspects of CSR, or to softer measures as information campaigns. Although there is a certain variety of approaches to CSR, an overall commitment to support CSR and several key elements are observable all across the EU Member States.

ESDN Office: *Did you get any sort of feedback on the new communication by now?*

Sue Bird: There was feedback from different sources. For example, we received feedback on the issue of the long debate on CSR being voluntary or mandatory. We haven't used those terms in the Communication anymore, because we experienced how polarizing they are for the debate.

ESDN Office: *The new CSR Communication provides a new definition of CSR, which is "the responsibility of enterprises for their impacts on society". What was the reason for changing the definition and what does this imply for the whole policy field?*

Sue Bird: We experienced that the definition in the 2006 Communication was maybe too open. NGOs expressed their concerns about the voluntariness of CSR and asked for a more prominent role of Human Rights. We took these concerns very seriously, and in association with all stakeholders, identified that further action must be taken in the field of reporting.

ESDN Office: *Another aspect in the new definition is that it no longer differentiates between different types of companies – big ones or small ones, proactive ones, non-compliance or within compliance - because every company has impacts. What was the reason for this?*

Sue Bird: This position demonstrates that the engagement of small and large companies in CSR is equally desirable. Due to the progress made in CSR since 2006, we have safely assumed that we can be a bit more demanding in terms of CSR definition and implementation.

ESDN Office: The idea behind the impact orientation of the new CSR communication is about increasing positive impacts and reducing negative impacts. On the first sight, this seems to be a good narrative for communicating CSR. But aren't there any cases in which a corporate decision causes positive impacts for one stakeholder while it might simultaneously have negative impacts for others?

Sue Bird: One key element for understanding impacts is the existence of CSR strategies and the mainstreaming of values throughout the company. For example, the dismissal of employees may have positive impacts on the company, stakeholders, and employees staying who gain better career chances, but it also has negative impacts, obviously for those who are dismissed, the region in terms of unemployment, and so on. CSR strategies and mainstreaming of values means that the company should offer support for new jobs, severance or redundancy packages, retraining, or other measures to support the former employees and strengthen the region. To meet CSR, at least all efforts should be made in good faith. Trust and reputation are important elements for companies. Companies which are experienced as being trustworthy in their CSR have positive impact on the whole CSR image and are able to strengthen the CSR standpoint.

ESDN Office: How do you see the relation between CSR on the one hand and sustainable development on the other? Referencing the old CSR communication, many experts said that sustainable development is a societal vision and CSR is business' contribution to this societal vision. Does the new communication offer a different understanding of the two concepts?

Sue Bird: Sustainable development can indeed refer to policies and societal groups, while CSR is geared primarily towards companies and the private sector. Although CSR is often focused to social responsibilities, both concepts encompass social and environmental factors. Being responsible for CSR in DG Employment, environmental aspects are not so much in the focus of my daily work as social aspects, human rights and labor affairs. Nevertheless, they are important for CSR as well as for sustainable development.

ESDN Office: How do you see the relation between national sustainable development strategies on the one hand and national CSR strategies and action plans on the other?

Sue Bird: In my opinion, national sustainable development strategies and national CSR strategies are complementary to each other. While sustainable development strategies focus on big societal challenges such as climate change, resource scarcity, and environmental protection, CSR contains certain environmental aspects as well, but also highlights social issues of businesses, such as human rights, consumer protection, workplaces issues and so on.

ESDN Office: Does this mean that the Member States developing their own CSR strategies and action plans should sort out what is dealt with in a sustainable development strategy and what is in the CSR action plan? Would you recommend a sort of coherence test between these two kinds of strategies?

Sue Bird: This coherence is indeed desirable. Probably not every Member State will have a well-elaborated process for ensuring the coherence of both strategies, but certain issues may be crosscutting themes. In Poland, sustainable consumption and production plays an important role and is incorporated in both the Polish sustainable development strategy and the Polish CSR

strategy. Other Member States have a strong focus on environmental issues and include this vision in both strategies.

ESDN Office: What about governance structures for national CSR strategies action plans. Do you have any recommendations on how they should look?

Sue Bird: The Compendium of Member States Activities on CSR illustrates the broad variety of approaches to CSR. This variety does not necessarily exist in terms of definitions, but in relation to activities and concrete implementation, which often depend of the specific situation in the respective member state. We will implement peer reviews in which the CSR High Level Group will play an important role and which could be supported by independent experts as well. They will allow us to follow up the implementation of the new CSR communication on national level and to improve policy learning among member states. National CSR strategies might also be linked to national sustainable development strategies or national reform programs, since the new CSR Communication refers to the Europe 2020 agenda. Concerning the follow up on this high level of extraction, we are still working on a solution.

ESDN Office: In case a Member State sets up a new strategy or action plan or reviews or even renews its strategy or action plan – is there any kind of guideline for national CSR strategies or action plans that could be used by Member States?

Sue Bird: We will rely on several sorts of policy learning and benchmark processes. We have updated the CSR Compendium, which is one of these benchmarks. DG enterprise and other DGs are involved in a number of national CSR platforms that might also serve as means for policy learning based on benchmarks. But instead of providing a guideline, which might become outdated rather soon, we will rely on the peer review mechanism as a dynamic and learning oriented mechanism. Since we are at an early stage of discussion, I cannot describe in detail how the peer reviews will look. Basically, they will support Member States to learn about each other, and to discuss different options of CSR strategies and their implementation. In case common understandings and shared practice emerge, further work at European level could be set off. Within the peer review, the CSR High Level Group will play an important role, representing EU Member States, their CSR policies, strategies and action plans. The peer reviews could be supported by scientific expertise focusing on certain aspects of CSR policies, similarly as we have contracted out a number of studies during the last years.

ESDN Office: The new communication was published right at the moment when a large portion of European companies and people are looking at the Euro crisis. What do you think, how does the crisis influence CSR activities?

Sue Bird: Although the crisis had effects on CSR, CSR activity hasn't necessarily gone down. Since the crisis could be seen as a crisis of ethics and a crisis within the economy and society, it is clearly connected to CSR activities. The crisis started off with non-ethical behavior in the financial sector. The discussion touches fields like reputation, image, and trust, which are CSR-relevant as well. In my opinion, many companies and managers have recognized the concerns and learned that being ethical is important. CSR can support this idea and help to get out of this crisis.

> **ESDN Office:** *What are the key messages that you want to send to national policy makers who are responsible for CSR strategies and sustainability strategies?*
>
> **Sue Bird:** We very much welcome the chance to work with EU Member States on their CSR policies, and want to build on methods we have achieved during the last years. We would like to move forward in two aspects: first by motivating the Member States to engage more in CSR, and second in the collaboration with and among Member States. Building on what has been achieved, building on the strength of the European Union, remedying weaknesses and such as disparities between the different Member States in terms of CSR policies, that is my message. At the European level, we can make significant contributions to the debate on CSR and sustainable development at the international level, as we have a broad variety of CSR policies and actions at hand all across Europe.

3 What are national CSR strategies and action plans?

Policy can deal with CSR in different ways. In some countries, CSR is perceived solely as a business agenda, and in other countries, public policies related to CSR focus on informational instruments and raising awareness. Both approaches use rather soft policy instruments. The same orientation but stronger effects have regulations on transparency and disclosure. (e.g. in France, where stock market listed companies have to publish annual CSR reports). They may have rather strong impacts when stakeholders and stockholders base their decisions on CSR criteria. CSR policy instruments can provide even stronger incentives for responsible businesses, e.g. through sustainable public procurement (e.g. in The Netherlands), through financial support or tax reductions (e.g. in some Italian regions) or through steering financial markets and the decisions of public pension funds (e.g. in Sweden). In all of these cases, single CSR policy instruments are applied, but in a rather selective way.

CSR strategies and action plans can be seen as "fourth generation CSR" when countries integrate a broad variety of public CSR policy instruments into CSR strategies and action plans, create coherent policy mixes, and implement governance structures for their implementation and renewal.

National CSR policies, strategies, and action plans strongly depend on the cultural, institutional, and policy context of the respective country. Therefore, the focus and design of the individual CSR policy instruments differ between the different EU Member States, along with the terminology used. In some countries, well-structured strategic documents with a hierarchy of goals and objectives and well-described implementation mechanisms are at hand ("CSR strategies"). In other countries, lists of planned actions without a well-elaborated governance structure are published ("CSR action plans"). Both are in the focus of this Quarterly Report. In other cases, only single CSR policy instruments are implemented, or CSR supporting frameworks were developed to give an orientation to what should be understood by CSR. These cases were not analysed in detail, but are mentioned in the following country profiles.

In our analysis we made use of three different key elements: Objectives, policy instruments, and governance structures.

Objectives refer to one or more main goals supported by sub-goals - these goals may be stated either explicitly or implicitly.

Policy instruments are important to support and foster economic, environmental, and social activities of companies. The variety of policy instruments is enormous; hence, seven categories were used in this analysis:

- **Command-and-control** instruments (directly affect addressees, binding provisions, goal prescriptions such as laws, regulations, directives, decrees, standards …)
- **Economic/market-based** instruments (indirectly affect addressees, steering by material incentives such as taxes, charges, subsidies, tradable permits, incentives …) including public financing (financing of specific activities/measures by the public authorities such as public investments, grants and loans, competitive bidding)
- **Voluntary** instruments (voluntary negotiations and agreements between government and stakeholder/s, cooperative such as environmental or negotiated agreements, public voluntary schemes)
- **Information-based** instruments (provide information; trying to persuade addressees such as information or awareness raising campaigns, Websites, guidelines, labels, education, capacity building, information systems like GIS …)
- **Feedback mechanisms** such as impact assessments (ex-ante evaluation of policy effects such as environmental impact assessment, strategic environmental assessments, sustainability impact assessment), evaluation (qualitative appraisal of policy implementation such as external and internal evaluation, evaluation report, peer review), monitoring (quantitative indicators for steering and monitoring of policy implementation such as indicator sets, monitoring report on indicators)
- **Hybrid Instruments** such as policy strategies (strategic documents that outline objectives, targets, instruments and monitoring of policies such as general policy strategies, sectorial policy strategies, action plans, frameworks) or policy platforms
- **Networks** (steering through cooperation and coordination between/among ministries, stakeholders such as policy networks e.g. ESDN, inter-ministerial commission, stakeholder councils, round tables, working groups, mediation, public-private partnerships)

Governance arrangements or governance structures define how policy-making is structured for certain policies on the political-administrative and stakeholder level. In the context of sustainable development, certain pre-requisites are given as it is a normative concept (e.g. horizontal or cross-sectoral cooperation, participation). For this analysis, we use five categories that are also related to "good governance".

- **Horizontal integration** (inter-ministerial coordination, councils, round tables, steering groups, working groups, stakeholders, etc.)
- **Vertical integration** (coordination of national and sub-national levels) integration
- **Participation** in strategy development
- **Stakeholder management** in implementation

- (Quantitative) **Indicators** (economic, measured in monetary units or ecologic, measured in physical units) and **monitoring mechanisms**
- **Evaluation** review (qualitative)

The variety of documents requires a structured approach of differentiation between strategies and action plans or other CSR supporting frameworks. Very pragmatically, the primary source for the differentiation is the title of the document. As a second way to differentiate, the content determines whether it is a strategy, an action plan or another CSR supporting framework. Strategies describe a clear overall goal and some other objectives and are long-term. Action plans consist of different actions which are coordinated and have one objective per goal. CSR supporting frameworks were developed to give an orientation to what should be understood by CSR.

In preparing this Quarterly report we analysed several documents and websites for gathering background information, such as "Corporate Social Responsibility. National Public Policies in the European Union" (Knopf, Kahlenborn et al. 2011), CSR Europe (http://www.csreurope.org/), Sustainable Development in the European Union – 2009 monitoring report of the EU sustainable development strategy, Corporate Sustainability Reporting (http://www.reportingcsr.org/) and "Towards greater corporate responsibility – conclusions of EU-funded research". One very important source for this QR was the documentation of the CSR day in Austria (http://www.trigos.at/site/projekte/csrtag) and the very helpful and detailed information presented by respACT. Furthermore, we collected CSR strategies and action plans by first investigating governmental Websites, secondly by contacting via email national contact points, and finally by approaching representatives of responsible institutions in all EU Member States.

The presented results are based on information published by official governmental authorities, either stated on their official websites or linked to other institutions authorized by the government as contact point for CSR. In case no English version was available, we investigated the basic information and translated it ourselves. A translation would be far beyond the scope of this QR; hence, the in-depth analysis is done exclusively for countries that have officially published English versions or translations. The analysis is mainly based on the provided documents. Additional information gained from national contact points was added in some cases (e.g. Austria).

In total we analysed 18 main strategy documents (Belgium, Bulgaria, Canada, Cyprus, Denmark, Finland, France, Germany, Hungary, Ireland, Luxembourg, The Netherlands, Norway, Poland, Portugal, Spain, Switzerland, UK), but could only rely on 16 because two of them were not officially approved by the authorities (Hungary, Portugal) and hence not reliable. We also analysed one website (Sweden). Furthermore, we walked through three draft documents (Lithuania, Malta, Slovakia), which were also not approved by public authorities.

In the next chapters we present

- Summary of the main results of the analysis
- Quantitative analysis of the main findings
- A detailed analysis of three best practice cases (Denmark, Germany, the Netherlands)

- Three National CSR strategies and action plans from non-EU Member States
- Country profiles of all investigated countries. These profiles are also available online, integrated into an interactive map.

3.1 Main findings on national CSR strategies and action plans

The following in-depth analysis of national CSR strategies and action plans can be summarized as follows:

- About **two thirds of the EU Member states already have a CSR strategy and action plan in place or are currently developing such a policy document**, while the other third is not active in this area yet:
  - Five EU Member States (Belgium, Bulgaria, Denmark, Germany, The Netherlands) have already adopted and published national CSR strategies and action plans.
  - Five countries (France, Ireland, Luxembourg, Poland, Portugal) have integrated CSR into other national strategy documents, such as national sustainable development strategies (e.g. France) or national reform program (e.g. Poland).
  - Four countries developed other approaches, such as partnerships (Sweden) or national CSR supporting frameworks (Finland, UK, Spain)
  - Three countries are currently developing their national CSR strategy and action plan (Austria, Cyprus); Malta presented a draft National Environmental Policy, which also integrates CSR.
  - Three countries developed national CSR strategies and action plans with the help of EU or UN supporting schemes but have not adopted them yet (Estonia, Lithuania, Slovakia)
  - Six countries (Czech Republic, Greece, Italy, Latvia, Romania, Slovenia), do not have any sort of CSR strategy and action plan at hand and are currently not developing this kind of policy document.
  - From Hungary, we did not get hold of a CSR strategy and action plan, although Hungary is mentioned in the CSR Compendium as one of the countries having a national CSR strategy and action plan in place. We therefore excluded Hungary from the in-depth analysis.
- The **maturity of public CSR policies** (as reflected in the existence of CSR strategies and action plans) **differs among the European Member states** significantly
  - Scandinavia, the Anglo-Saxon region and Central Europe, are leading regions when it comes to CSR strategies and action plans.
  - Among Southern European countries, Spain may serve as a role model due to their mature and integrated approach, integrating CSR into overall goals

- The Baltic States (Estonia, Latvia, Lithuania) and Slovakia are on their way to develop national CSR strategies and action plans
- Among the Eastern Europe countries, many have not published any plan to develop national CSR strategies and action plans at all.
- **Soft policy instruments** are the most common in public CSR strategies and action plans (e.g. information based instruments and voluntary agreements). Network-based policy instruments can be found in 60% of the assessed documents, mirroring the stakeholder orientation of CSR. Although CSR is often perceived as a voluntary approach, 60% of the analysed documents also refer to command-and-control as a policy instrument in CSR (e.g. regulations about publishing annual CSR reports, laws concerning subsidising CSR, regulations concerning transparency requirements).

In terms of **Governance structures,** vertical and horizontal integration of the national CSR strategies and action plans is the most common policy tool. To our impression, this indicates that CSR policies are well co-ordinated with other policy areas, and are looking for their "niche" among sustainable development policies. The rather low number of documents explicitly referring to participation and stakeholder management as implementation tools was rather unexpected, as both are in the core of CSR on the corporate level, and are also key elements of sustainable development policies. The even lower number of CSR strategies and action plans containing indicators and monitoring and evaluation mechanisms raises the impression that these documents are not yet full-fledged strategies, and did not make substantial use of the long-term experiences in implementing sustainable development strategies. We therefore recommend an increased knowledge exchange between policy makers who deal with CSR policies and the members of the ESDN.

3.2 National CSR approaches - overview

This chapter provides an overview on the situation of CSR strategies and action plans or other national CSR supporting frameworks. First, we start with a table presenting an overview on the current situation. Next, we present the quantitative results concerning publishing authorities, policy instruments, and governance structure. Finally, we investigated which international guidelines and principles are predominantly mentioned in the documents.

3.2.1   Overview on national level

Country	National CSR Strategy and Action Plan	Integrated into the National Sustainable Development Strategy	Integration into another National Strategy	Other (CSR supporting Framework, Partnership)	Under Development
Austria					X

Belgium	X				
Bulgaria	X				
Cyprus					X
Denmark	X				
Estonia					X
Finland				X	
France		X			
Germany	X				
Hungary	(X)				
Ireland		X			
Lithuania					X
Luxembourg		X			
Malta					X
Netherlands	X				
Poland			X		
Portugal			(X)		
Slovakia					X
Spain				X	
Sweden				X	
United Kingdom				X	
	6	3	2	4	6

Table 2: CSR approaches in different countries

The table shows how national CSR policies are implemented. Six European countries implemented a national CSR strategy (including Hungary). Six countries integrated their CSR strategy and action plan into other national strategies, and three of them integrated it into the national sustainable development strategy. Four countries pursue other approaches, such as national CSR supporting frameworks or partnerships.

3.2.2 Responsible bodies or authorities

Country	Interministerial Committee / Council	Government Office / Prime Minister	Sectoral / Line Ministries			
				Social Affairs	Environment	Economy (Business)
Belgium		X				
Bulgaria			X	O		
Cyprus	X					
Denmark		X				
Finland			X			O
France		X	X		O	
Germany			X	O		
Ireland			X		O	
Luxembourg			X	O		
Netherlands		X				
Poland			X	O		
Spain		X				
Sweden		X				
United Kingdom			X			O
	1	6	8	4	2	2

Table 3: Responsible bodies or authorities

In terms of responsible bodies or authorities, in six countries the Government Office (respectively, the Prime Minister) adopted the national CSR strategy and action plan or a CSR supporting framework. In France, the government office and a line ministry are the responsible bodies. In Cyprus, the planning bureau is responsible for the CSR supporting framework and the further development of a national CSR strategy and action plan. Interestingly, the assignment, in terms of the topic of the ministries, is commonly under social affairs (including employment).

3.2.3   Policy instruments

We investigated which policy instruments are used in different countries. We only list instruments found. Interestingly, some instruments are mentioned very prominently, such as informational instruments.

Country	Command-and-control	Economic	Voluntary	Information-based	Feedback mechanisms	Hybrid	Networks
Belgium	X	X	X	X	X	X	X
Bulgaria	X	-	X	-	-	-	X
Cyprus				X			
Denmark	-	X	X	X	-	-	X
Finland	-	-	-	X	X	-	-
France	X	X	X	X	-	X	-
Germany	-	X	-	X	-	-	X
Ireland	-	-	-	X	-	-	-
Luxembourg	-	-	-	X	-	-	-
Netherlands	X	X	-	X	X	X	X
Poland	X	X	X	X	X	X	X
Spain	X	-	-	X	-	-	-
Sweden	X	-	X	X	X	-	X
United Kingdom	X	X	-	X	X	X	X
	8	7	6	13	6	5	8

Table 4: Policy Instruments found in national CSR strategies and action plans or CSR supporting frameworks

We investigated policy instruments at different levels. In this table, we state whether policy instruments are present or not, and only in countries that have at least a statement paper in place (not for countries which only have policies). Information based instruments are predominating, whereas hybrid instruments are not presented that much.

3.2.4   Governance structures

Country	Vertical integration	Horizontal integration	Participation in Development	Stakeholder management	Indicators and monitoring mechanisms	Evaluation mechanisms
Belgium	X	X	X	X	X	X
Bulgaria	X	-	X	X	X	X
Cyprus	-	-	-	-	-	-
Denmark	-	X	-	-	-	X
Finland	X	X	-	-	-	-
France	X	X	X	-	-	-
Germany	X	-	X	X	-	-
Ireland	-	-	-	-	-	-
Luxembourg	-	X	-	-	-	-
Netherlands	X	X	-	X	-	-
Poland	X	X	-	-	-	-
Spain	-	-	-	-	-	-
Sweden	-	-	-	-	-	-
United Kingdom	-	X	-	-	-	-
	7	8	4	4	2	3

Table 5: Governance structures, presented in national CSR strategies and action plans or CSR supporting frameworks

As presented in the table, in terms of governance structure horizontal and vertical integration are pictured in the documents quite clearly. To our impression, this indicates that CSR policies are well co-ordinated with other policy areas, and are looking for their "niche" among sustainable development policies. The rather low number of documents explicitly referring to participation and stakeholder management as implementation tools was rather unexpected, as both are in the core of CSR on the corporate level, and are also key elements of sustainable development policies. The even lower number of CSR strategies and action plans containing indicators and monitoring and evaluation mechanisms raises the impression that these documents are not yet full-fledged strategies, and did not make substantial use of the long-term experiences in implementing sustainable development strategies.

3.3 National CSR approaches – current situation

In this chapter of the QR we present the current situation of EU Member States. At the beginning, we present the countries that have documents of their national CSR strategies and action plans. Secondly, we describe other approaches to adopt public CSR policies, either by integration it into national strategies (such as national sustainable development strategy) or by providing documents, websites or

partnerships. Some countries are just developing national CSR strategies. Finally, we present how countries without documents or websites in place approach CSR.

The presented results are based on information published by official governmental authorities, either stated on their official websites or linked to other institutions authorized by the government as contact point for CSR. In case no English version was available, we investigated the basic information and translated it ourselves. A translation would be far beyond the scope of this QR; hence, the in-depth analysis is done exclusively for countries that have officially published English versions or translations.

In this chapter, we describe the different approaches in terms of basic information (title, issuing date, link to the investigated document, link to other version of the document, Website with further information, responsible institution, running time). In terms of **policy instruments and governance structures,** we applied the presented categories.

3.3.1   National CSR strategies and action plans

3.3.1.1   Belgium
Belgium has two complementary documents in place. First, an action plan, (a) which is available in Dutch and French only, published in 2006, and second, a reference framework (b) targeting companies in their approach to CSR, published earlier in 2006. Clearly, we are directing our attention toward the action plan, but will present the framework as well.

Country	Belgium
Title	**Plan d'Action** Responsibilité sociétale des Enterprises
Document link	http://www.icdo.be/uploads/documentenbank/ac16fbc524ddef9dd2d010745dcb7209.pdf
Link to other versions	Dutch Version: Actieplan Maatschappelijk verantwoord ondernehmen in België http://www.icdo.be/uploads/documentenbank/957b88cf9fcd4ba48763bdd511e18780.pdf (Dutch version)
Website	http://www.cidd.be/ http://www.icdo.be/
Responsible institution	Government office
Date of publication	25-Oct-2006 (adopted 21-Dec-2006)
Running Time	-
Length (Pages)	29 pages

Objectives	**Main objective:**
	To stimulate and facilitate CSR in Belgium with the effect that companies integrate CSR in their daily management, debate CSR with greater emphasis, and foster the dialogue between all stakeholders on a mid- and long-term timeframe.
	Sub-goals:
	Concrete key objectives for the short- to medium-term.
	1. Identify different public initiatives on federal and regional levels concerning sustainability and CSR
	2. Identify key expectations of stakeholders in terms of desired actions which should be realized
	3. Elaborate on concrete action that is desirable and/or necessary for the CIDD to achieve the main objective.
	("L'objectif principal du plan d'action est de stimuler et de faciliter la RSE en Belgique, ainsi que d'en promouvoir la qualité, et ce, au moyen d'une série d'actions initiées par les pouvoirs publics. L'effet sociétal visé n'est pas seulement qu'un plus grand nombre d'entreprises intègrent la RSE dans leur gestion, mais aussi qu'une plus large place soit faite, dans le débat sur la RSE, à l'un de ses éléments essentiels, à savoir le dialogue entre toutes les parties prenantes. Cet objectif principal doit être considéré comme un objectif à moyen ou à long terme.
	Dans ce plan d'action, cet objectif est décliné en un certain nombre de sous-objectifs. Il s'agit d'objectifs plus concrets allant du court au moyen terme. Les principaux sont :
	1. inventorier les différentes initiatives publiques au niveau fédéral et régional relatives au soutien et à la promotion de la RSE ;
	2. inventorier les principales attentes des parties prenantes à l'égard d'actions qui, selon elles, devraient être menées par les pouvoirs publics en cette matière ;
	3. élaborer des actions concrètes jugées souhaitables et/ou nécessaires par la CIDD afin d'atteindre l'objectif général.")
Policy instruments	**Command- and-control instruments**
	• Laws, regulations
	Economic/market based or public financing
	• Pension fund depending on specific criteria

	Voluntary instruments • Voluntary social labels, awards **Information based** • Awareness campaign concerning socially responsible investment **Feedback mechanisms (impact assessments, evaluation, monitoring)** • Assessment of the impact **Hybrid Instruments** • Framework **Networks** • Working groups
Governance structure	**Vertical integration** • Working groups, ICSD[1] **Horizontal integration** • Cooperation on federal and regional levels, ICSD **Participation in strategy development** • Involving stakeholders in development of action plan, CSR Forum **Stakeholder management in implementation** • Stakeholder dialogue in implementation **Indicators and monitoring mechanisms** • Indicators and assessment **Evaluation** • Evaluation of actions, schedule per action
Connection to NSDS	Specific actions in **accordance** with the action 31 of the NSDS "Ce plan donne un contenu très concret à l'action 31 du Plan fédéral de Développement durable. Chaque membre du gouvernement s'est d'ailleurs engagé à participer, et à faire en sorte que ces actions soient effectivement mises en oeuvre." (p. 3)

(a) Action Plan

In the Belgium action plan published in 2006, objectives, the development process, an overview on existing governmental actions concerning CSR (listed in the appendix), stakeholder perspectives, and further actions and initiatives to promote CSR are presented. In addition, the vertical and horizontal integration of the action plan into the government structure is described. The main objective and three sub-goals are defined, and the way to reach these goals by actions is presented.

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[1] Interdepartmental Commission on Sustainable Development

The Action Plan was developed in five phases. On one hand, existing governmental actions in the context of CSR were collected and a categorisation scheme was developed (phase 1 and 2). On the other hand, stakeholder involvement, by identifying and addressing stakeholders (phase 3) and a two-day CSR Forum (phase 4), were the main tasks. Based on the results of these four steps, the actions were developed in the next phase. The **working group on corporate social responsibility** of the Interdepartmental Commission on Sustainable Development (ICSD) was involved in this development. A categorization scheme - based on the three pillars of CSR (economic, environmental, and social) and several contextual factors - was developed and used for the selection of the stakeholders that were involved in the development, especially during the two-day CSR forum in 2005. SMEs and social enterprises are special target groups particularly mentioned in the action plan.

Finally, two different types of actions were identified: pure governmental related (sustainable public procurement, supporting foreign trade and investment, public socially responsible investment, contact point for public labels, international CSR policies) and stakeholder involvement (support for learning networks, support for ethical trade in Belgium, continuing the dialogue with stakeholders, sustainability reports, establishment of a joint research program on CSR, cooperation on dissemination of knowledge, sustainable pension funds, evaluation and expansion of transparency principles) actions. The actions are described by their context, action, target group, responsibility, schedule, and budget (see example below). Generally, the implementation of actions is framed on a five-year period. All actions foster the participation of different authorities, which are mentioned. As an example, we present one of the five actions which are seen as governmental-only:

"Make procurement more sustainable"
- Context: EU directives on public procurement were approved by the Belgian Government (2004)
- Action: present a national action plan for sustainable procurement by end of 2007; create support for sustainable procurement; targeting firms of the social economy and SMEs as contractor; provide a guide for sustainable procurement (http://www.guidedesachatsdurables.be)
- Target group: procurement services of various federal agencies, contraction authorities, public agencies contracting for business, and their stakeholders (especially SMEs and social enterprises)
- Responsibility: Federal authorities, Councils of the Personnel and Organisation Federal Public Services, Public Procurement Department of Federal Chancellery, working group of ICSD "sustainable procurement" (amongst others)
- Schedule: depends on implementation of laws, evaluation 2007

The working group creates reports about the activities and the progress made on a yearly basis. All reports are available in French and Dutch at the Homepage of the ICDS (http://www.cidd.be/FR/publications/rapports_annuels). The current one presents activities in 2010 (Rapport Annuel 2010, available in December 2011) and includes an update of the action plan in the appendix.

(b) Framework

The reference framework is part of the realization of actions defined in the Federal Plan for Sustainable Development. It was developed by the ICSD and adopted by the Council of Ministers and the Federal Government in 2006. We present it here in detail, because it serves as a very powerful hybrid instrument.

Country	Belgium
Title	**Reference Framework** Corporate Social Responsibility in Belgium (English version)
Document link	http://www.icdo.be/uploads/documentenbank/5041cce42c650dc33c68d2cb2c2e25f6.pdf
Link to other versions	Dutch Version: Referentiekader Maatschappelijk Verantwoord Ondernemen in België http://rse.wallonie.be/apps/spip/IMG/pdf/CadreRefRSE2006-3.pdf French version: Cadre de Référence de la Responsabilité Sociétale des entreprises en Belgique http://www.icdo.be/uploads/documentenbank/4e8bc28a4e9caea39048a98b98bcbe4f.pdf
Website	http://www.cidd.be/ http://www.icdo.be/
Responsible institution	Government
Date of publication	29-Mar-2006 (adopted 08-Feb-2007)
Running Time	-
Length (Pages)	36 pages
Objectives	"The reference framework … wants to … create a point of reference for a wide public debate on social responsibility of business, in the broadest sense of the word …" (.p 5) "the **object** of this initiative is to **provide a common ground** for governments, companies and stakeholders **and** to **contribute to a more univocal vision, use of language and definition of CSR"** (p. 5) "the reference framework merely wishes to **sketch the outline** of corporate social responsibility. " (p. 6)

Relation to NSDS	The framework is part of the implementation of the Federal Plan for Sustainable Development 2004-2008 (p.5) "The term Corporate Social Responsibility refers to the responsibility which businesses can take in the pursuit of a sustainable society." (p.6) "In the scope of this federal initiative of the ICSD to set up a reference framework for CSR, it is important to indicate how CSR relates to company ethics and the social economy in particular and to Sustainable Development in general." (p. 7)

3.3.1.2   *Bulgaria*

Country	Bulgaria
Title	Strategy for Corporate Social Responsibility[2]
Document link	http://www.mlsp.government.bg/bg/docs/STRATEGIA_KSO_Nov.doc
Link to other versions	Bulgarian version: СТРАТЕГИЯ ЗА КОРПОРАТИВНА СОЦИАЛНА ОТГОВОРНОСТ - http://www.mlsp.government.bg/bg/docs/STRATEGIA_KSO_Nov.doc
Website	http://www.mlsp.government.bg/
Type	Strategy
Responsible institution	Ministry of Labour and Social Policy
Date of publication	Nov. 2009
Running Time	2009 – 2013
Length	33 pages
Objectives	**Main objective**: Achieve sustainable growth and quality of life, support dynamically developing sustainable business

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[2] An English version was not available in December 2011. The presented results rely on a self-translated version.

	Sub-goals: • Raising awareness of stakeholders • Establishing and strengthening the capacity of experts • Encouraging the creation of a legal and institutional environment that supports the implementation of CSR • Promoting transparency in the implementation of CSR initiatives • Increasing corporate responsibility on environmental protection
Policy instruments	**Command- and-control instruments** • Laws, regulations **Voluntary instruments** • Awards, EMAS **Information based** • Ecolabel **Feedback mechanisms (impact assessments, evaluation, monitoring)** • Environmental Impact Assessment **Hybrid Instruments** • Policy platforms **Networks** • Working groups, round tables
Governance structures	**Vertical integration** • Working groups, advisory board **Participation in strategy development** • Involving stakeholders in development of strategy, dialogue with business **Stakeholder management in implementation** • Partnerships with stakeholders during implementation **Indicators and monitoring mechanisms** • Indicators and assessment **Evaluation review** • Evaluation reports
Connection to NSDS	NSDS is mentioned as one key document

In this strategy, the government presents its **vision and objectives for promoting CSR** with focus on businesses and the way to implement principles of sustainable development. A working group,

consisting of experts, representatives of governmental institutions, business, social partners, NGOs, and international organizations, developed the strategy. The strategy document starts with an **analysis of the situation** and a conceptual explanation of CSR, including some definitions (CSR, Stakeholders, Social Responsibility, social responsible behaviour, social reporting, and so on), followed by an overview on existing national and international documents, and an analysis of the context. The second part presents **vision, objectives, and principles** of CSR. Next, the implementation of the strategy is described. The document integrates sectoral policies and measurements to ensure their realization.

Some **challenges for implementation** are mentioned. Due to the heterogenic landscape in terms of regulations, definitions and responsibilities in Bulgaria, the implementation of CSR will be a complex issue. Before the strategy was developed, CSR as such was not included in laws. Nevertheless, several laws closely related to CSR (especially to the social perspective or the relationship to sustainable development) were already existing. These existing instruments and policies have been integrated into the strategy. Another key challenge for implementation is to strengthen confidence in times of crises. The active role of the government includes the **commitment to create favourable conditions for business to implement CSR**. Monitoring and evaluation mechanisms concerning implementation are mentioned, and a budget is roughly presented. The strategy promotes five objectives and provides actions to achieve these objectives. The implementation process and the plans for the next five years are presented in the document. The implementation of the strategy will be processed in three steps: 2009 - 2010, 2011 - 2012 and 2013. On the Website, yearly plans concerning CSR can be found. The most recent plan includes 2011 and 2012. [3]

In November 2011, the government of Bulgaria provided the "National Reform Program 2010 – 2013" with the objective to implement the EU 2020 Strategy. In this program, "promoting the introduction of corporate social responsibility practices at company's / branches level" (p. 35) is connected to actions reducing undeclared work, but no more emphasis on the topic can be found in the national reform program.

3.3.1.3   *Denmark*

Country	Denmark
Title	**Action Plan** for Corporate Social Responsibility
Document link	http://www.csrgov.dk/graphics/Samfundsansvar.dk/Dokumenter/ Action_plan_CSR.pdf
Link to other versions	Danish version: Handlingsplan for virksomheders samfundsansvar - http://www.samfundsansvar.dk/graphics/Samfundsansvar.dk/Dok umenter/CSR-Handlingsplan_press.pdf
Website	http://www.csrgov.dk/sw49167.asp

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[3] Since there is no English version available it would be beyond the scope of this quarterly report to further investigate this strategy.

Responsible institution	Government office
Date of publication	14-May-2008
Running Time	2008 - 2012
Length	44 pages
Objectives	**Main goal** "to promote social responsibility and help Danish businesses reap more benefits from being at the global vanguard of corporate social responsibility. It will underpin the goal of making Denmark and Danish businesses internationally renowned for responsible growth." (p. 3) **Four key action areas:** 1. Propagating business-driven social responsibility 2. Promoting businesses' social responsibility through government activities 3. Corporate sector's climate responsibility 4. Marketing Denmark for responsible growth
Policy instruments	**Economic instruments** • Procurement **Information based** • Awareness raising action **Voluntary instruments** • Supporting initiatives **Networks** • New social Responsibility
Governance structures	**Horizontal integration** • Council **Evaluation** • Evaluation plan, biennial progress report
Connection to NSDS	"The action plan also supplements the Government's draft proposal for a sustainable development strategy, "Green Responsibility", the environmental technology action plan, the Government's action plan for marketing Denmark globally, the

	Government's trade-policy strategy and the Government's plan for future fiscal policy "Towards new goals – Denmark 2015 – sustainable welfare and growth" (p. 3) It is also seen as a framework and as a comprehensive strategy: "…the Government wants to give businesses the optimum **framework** within which to con- duct their social responsibility work. (p. 3) (…) "The action plan should be seen as a continuation of the Government globalisation **strategy,** in which strategy the Government pledged to support businesses' social responsibility work" (p. 3)

We investigated the Danish action plan in detail due to several reasons. Find the analysis in chapter Denmark: an example of a well-focused national action plan.

3.3.1.4   Germany

Country	Germany
Title	National Strategy for Corporate Social Responsibility – Action Plan for CSR – of the German Federal Government
Document link	http://www.csr-in-deutschland.de/portal/generator/15042/property=data/2010__10__06__aktionsplan__csr__englisch.pdf
Link to other versions	German version: Nationale Strategie zur gesellschaftlichen Verantwortung von Unternehmen (Corporate Social Responsibility - CSR) - Aktionsplan CSR - der Bundesregierung. http://www.esf.de/portal/generator/16576/property=data/2011__06__23__aktionsplan__csr.pdf
Website	http://www.csr-in-deutschland.de/portal/generator/15050/2010__10__06__cabinet__action__plan__for__csr.html
Responsible institution	Federal Ministry of Labour and Social Affairs
Date of publication	06-Oct-10
Running Time	-

Length	38 pages
Objectives	**Main Goal:** "The objective of the Action Plan for CSR is to increase the number of enterprises that recognise and use social responsibility to shape their business strategies in accordance with the principle of sustainable development because socially and environmentally proactive business practices can bring enterprises advantages in the national and international arena." (p. 12) **Sub-Objectives**: "The German government's aim with the Action Plan for CSR is to: • anchor CSR more firmly in enterprises and public bodies, • win over even more small and medium-sized enterprises (SMEs) for CSR, • increase the visibility and credibility of CSR, • optimise the political framework for CSR and • - make a contribution toward shaping the social and environmental dimensions of globalisation."
Policy instruments	**Economic/market based or public financing** • Create incentives for universities **Information based** • CSR made in Germany **Networks** • Strategic partnerships
Governance structures	**Vertical integration** • Regional and municipal governments **Participation in strategy development** • Experts, stakeholder participated **Stakeholder involvement in implementation** • National CSR forum
Connection to NSDS	"The objective of the Action Plan for CSR is to increase the number of enterprises that recognise and use social responsibility to shape their business strategies in accordance with the principle of sustainable development because socially and environmentally proactive business practices can bring enterprises advantages in the national and international arena. "(p. 12) "The Action Plan thus makes an important contribution to the

| | implementation in Germany of the German government's National Strategy for Sustainable Development and to translating the guiding principle of sustainable development into practice in international relations and processes." (p. 9)

"In connection with the National Strategy for Sustainable Development (lead department: Federal Chancellery), the German government will address global challenges and tasks for the future and set forth steps toward their solution. The Strategy's sustainability indicators will be progressively developed as an instrument for measuring and tracking results on a comprehensive, transparent basis. This will raise awareness for the need for sustainable development. The Business and Politics climate protection dialogue sponsored by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety also serves this aim. A review will be conducted of the measures adopted in connection with the 2008 Progress Report on the National Strategy for Sustainable Development. The 2012 progress report will examine the level of sustainability in individual areas such as energy, the climate, sustainable transport, sustainable consumption, the conservation of natural resources, and public finances. It will also explore the inclusion of sustainability in regulatory impact analyses." (p. 30) |
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Germany is one example of a national CSR strategy, which we investigated in detail (see chapter Germany: an example of a comprehensive strategy).

3.3.1.5   *Hungary*

Country	Hungary
Title	GSZT Recommendations on Social Responsibility[4]
Document link	http://www.reportingcsr.org/force_document.php?fichier=document_545.pdf&fichier_old=GSZT_Recommendations_on_Social_Responsibility.pdf
Other versions	Hungarian version: A GSZT Ajánlása a társadalmi felelősségvállalásról http://www.reportingcsr.org/force_document.php?fichier=document_560.pdf&fichier_old=GSZT_CSR_ajanlas_HU.pdf
Website	http://www.kvvm.gov.hu/index.php
Responsible institution	Economic and Social Council Hungarian Government
Date of publication	2007
Running Time	-
Length (Pages)	27

In 2006, the government published a **degree on CSR** ("A Kormány 1025/2006") to stimulate measures of companies in CSR, especially targeting "social responsible employers". In 2006, the Economic and Social Council was instructed by the Government to develop **recommendations concerning Social Responsibility**. In a Working Committee the recommendations were built based on the European Union priorities on CSR. The recommendations were finished 2007 and presented to the Government. The Recommendations on one hand offer **guidelines for companies**, but on the other hand include government and local governments, and civil society as key actors of the economy.

In the recommendations several actions targeting different topics are presented. These topics include stakeholder involvement, governance, strategy, performance management, publication and authentication. The recommendations first present an overview on CSR and the current situation of CSR in Hungary. The goal is "to create a publicly aware society, to promote the nation's cultural, artistic and academic endeavours, and to ensure responsible behaviour and competition" (p. 14). To reach this goal, actions along the topics are presented for companies, the state and local governments, the civil society and media. Media of course is part of the companies' actions, but addressed specifically in stakeholder involvement, strategy, publication and authentication.

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[4] The documents were not available on the governments page

The approach of the Hungarian government to support CSR was supported by the United Nations Development Programme (UNDP) carried out the project "Accelerating CSR practices in the new EU member states and candidate countries as a vehicle for harmonisation, competitiveness and social cohesion in the EU" for the European Commission and lead to recommendations concerning CSR[5]. In the national sustainable development plan, published in 2009, principles of social responsibility are also mentioned: "Businesses' social responsibility must be strengthened, along with cooperation between the private and the public sector" to enable sustainable development (p. 5).

3.3.1.6   The Netherlands

Country	The Netherlands
Title	Government **Vision** on Corporate Social Responsibility 2008 – 2011 "Inspiring, innovating, integrating"
Document link	http://www.rijksoverheid.nl/bestanden/documenten-en-publicaties/kamerstukken/2008/03/25/government-vision-on-corporate-social-responsibility-2008-2011/government-vision-on-corporate-social-responsibility-2008-2011.pdf
Website	http://www.rijksoverheid.nl/documenten-en-publicaties/kamerstukken/2008/03/25/government-vision-on-corporate-social-responsibility-2008-2011.html
Responsible institution	Government office
Date of publication	December 2007
Running Time	2008 - 2011
Length	49 pages
Objectives	"to bring CSR to full maturity 'by playing a stimulating and facilitating role, defined as tangibly and ambitiously as possible'" (p. 1) "The government wants all companies to become aware of the societal effects and responsibilities that accompany entrepreneurship and the opportunities that CSR offers, and it wants companies to make an actual effort to integrate CSR into their core activities." (p. 10) (...)" The government views corporate social responsibility as a permanent fixture, and considers the phenomenon deserving of

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[5] The documents were not available on the governments page

	active support and encouragement."

Policy instruments	**Command- and-control instruments**
	  • Laws
	Economic/market based or public financing
	  • Financial Support, pension funds, subsidies
	Information based
	  • Generating Awareness, promote knowledge
	Feedback mechanisms (impact assessments, evaluation, monitoring)
	  • Evaluation of outcomes
	Hybrid Instruments
	  • CSR platform
	Networks
	  • Partnerships with stakeholders

Governance structures	**Vertical integration**
	
	  • Center of expertise, round tables
	Horizontal integration
	  • Cooperation of ministries
	Stakeholder management in implementation
	  • Initiating acceleration in concert with front-runners

Connection to NSDS	"Ambition: Linking CSR to innovation integrates sustainability into the daily activities of individuals and companies." (p. 18)

The governmental vision on CSR begins by discussing the importance of CSR and defining the concept. After this, the situation in the Netherlands is described. In the next part, the "inspiring, innovating, integrating" elements of CSR are presented, and actions are elaborated. The document states at the end what the governmental role is. We present this approach in detail in the chapter "The Netherlands: an ambitious vision".

3.3.2   Other approaches

3.3.2.1   *Finland*

Country	Finland
Title	**Signposts** of responsibility for enterprises - **Guidelines** and declarations of international organisations
Document link	http://www.tem.fi/files/27715/Vastuullisuuden_tiennayttajat_engl_130810.pdf
Website	http://www.tem.fi/
Responsible institution	Ministry of Employment and the Economy (TEM)
Date of publication	Oct. 2009
Length	26 pages
Objectives	"Their aim is to increase the understanding of corporate social responsibility and to help organisations be economically, socially and environmentally responsible on a voluntary basis. Awareness, understanding and compliance related to the recommendations and guidelines also improve enterprises' opportunities to participate in international co-operation." "The Ministry of Employment and the Economy considers it vital that all groups in society – enterprises, other work communities, the public administration – pay attention to responsible operating methods that generate added value for citizens, enterprises and the whole of society. Moreover, the public authorities and administration as well as organisations can support the responsible acting and production methods of enterprises."[6]
Policy instruments	**Information based** • Promote CSR **Feedback mechanisms (impact assessments, evaluation, monitoring)** • Report CSR (GRI)
Governance structures	**Vertical integration** • Committee on CSR **Horizontal integration** • Committee on CSR

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[6] Source: Website

Finland has a long tradition in fostering CSR. Although no national CSR strategy and action plan exists, the "**Signpost of responsibility for enterprises"**, issued by the Ministry of Employment and the Economy (TEM), presents how companies should act in order to fulfil their responsibilities. The document itself refers to governmental bodies engaged in CSR such as Ministry of the Environment, Ministry for Foreign Affairs, Ministry of Social Affairs and Health, Prime Minister's Office, and various non-governmental Finnish organisations such as FiBS (Finnish Business & Society) and Committee on Corporate Social Responsibility. Several documents are presented on the Website concerning the topic of CSR. The prominence of international guidelines and principles demonstrates how Finland approaches the topic.

In the National Sustainable Development Strategy, CSR is also mentioned: "Corporate Social Responsibility will be emphasised, because the raw materials used by Finnish industry and the consumer goods utilised in Finland increasingly come from other countries, and our products are consumed in other countries." (p. 20). The Ministry of the Environment started several initiatives e.g. "Enhancing corporate social responsibility in the Finnish food chain with a stakeholder dialogue". Overall, Finland has many regulations (Companies Act, Social Security Legislation ...) which target CSR issues without mentioning the concept explicitly and encourage companies to disseminate figures on CSR-related tasks.

In December 2008, a Government Decree was published to form a Committee on CSR. As an advisory board, the committee works under the Ministry of Employment and the Economy to strengthen the national and international CSR of Finland. It should promote measures, evaluate companies, and promote information and proactive assessment of societal changes in the context of CSR. With the "Corporate responsibility in the SME sector" the ministry of employment and the economy published best cases from the SME sector to illustrate responsible actions of companies. On the Website, the ministry states that "sound and open governance in enterprises promotes their responsibility" and provides a link to the Finnish Corporate Governance Code.

3.3.2.2   France

Country	France
Title	National Sustainable Development Strategy 2010 – 2013 – Towards a green and fair economy
Document link	http://www.developpement-durable.gouv.fr/IMG/pdf/NSDSp60.pdf
Website	http://www.developpement-durable.gouv.fr/
Responsible institution	Interministerial Committee for Sustainable Development (Ministère de l'Écologie, du Développement durable, des Transports et du Logement)
Date of publication	27-Jul-2010

Running Time	2010 - 2013
Length (Pages)	60
Policy instruments	**Command- and-control instruments** • Laws, regulation **Economic/market based or public financing** • Subsidies, taxes **Voluntary instruments** • Voluntary business initiatives **Information based** • Eco-labels **Hybrid Instruments** • Reference frame, policy framework
Governance structures	**Vertical integration** • Working group **Horizontal integration** • Working group, dialogue between stakeholders **Participation in strategy development** • Involving stakeholders in changes

Based on "Le Grenelle Environnement", France basically includes CSR into the National Sustainable Development Strategy. Several actions concerning "Encouraging business to commit to an advanced social responsibility approach" are mentioned, such as **promotion of CSR** by applying EMAS, reporting, development of ecolabels, and encouraging voluntary business initiatives. Stakeholders in terms of civilian and public service representatives participated together in the discussion and the development of the strategy and action plan.

In a background paper (La responsabilité sociétale des entreprises ou RSE), published in November 2011, the "Commissariat General au Développement durable" (Interministerial Committee for Sustainable Development) explains how CSR is connected to sustainable development. Furthermore it describes the impact of existing policies on CSR. CSR is seen as a **voluntary** approach that targets social and environmental issues and integrates them into daily business of companies. CSR is beneficial for companies because it strengthens the brand and image and opens the way to green growth. CSR plays an important role for SMEs and huge companies. Huge companies are obliged to disseminate information concerning social and environmental issues in an appropriate form annually. This idea will be further developed in 2012 and supported by a new decree. The government commits to support companies in their approach. Besides this, a framework for the promotion of CSR labels may be developed.

3.3.2.3   *Ireland*

Country	Ireland
Website	http://www.djei.ie/ http://www.environ.ie/
Responsible institution	Department of Enterprise, Trade and Innovation Department of Environment, Communication and Local Government

Ireland has different ways to approach CSR. In the national sustainable development strategy 1997 – 2002, CSR was already one of the topics discussed for achieving more sustainable production and consumption. In the document "Making Ireland's Development Sustainable – Review, Assessment and Future Action", CSR is seen as being consistent with greater eco-efficiency. Special emphasis is put on producer responsibility initiatives, which include waste management and cleaner production. This is coherent with the current draft version "A Framework for Sustainable Development for Ireland", presented in December 2011, where producer responsibility is one topic.

Other ways to approach CSR are either sectoral or driven by specific public authorities. On one hand a "Credit Institution (Financial support) Scheme 2008" exists. It was published as a statutory instrument and asks financial institutions to follow disclosure. These guidelines state "Each covered institution shall procure that the Irish Banking Federation, on behalf of all covered institutions, submits a bi-annual report to the Minister on goals and targets laid down by the Minister in relation to Corporate Social Responsibility, including the goals and targets with respect to the objectives of this Scheme, the delivery of the national payments strategy, the promotion of financial inclusion, the development of financial education and the implementation of the next phase of the Government's Social Finance Initiative" (p. 12). Furthermore, it requests "Promotion of the highest standards of corporate social responsibility in the banking system overall." (p. 19).

The **Department of the Environment, Community and Local Government** states "While the Department of Enterprise, Trade and Innovation enjoys lead responsibility for co-ordinating policy in relation to CSR, the Department of the Environment, Community and Local Government contributes to the development of CSR in a community and local development context through a range of supports and structures such as partnerships, community development projects and Leader groups". The Department offers funding to Chambers Ireland, a business network engaged in CSR, to support the Corporate Social Responsibility Awards.

3.3.2.4   *Luxembourg*

Country	Luxembourg
Title	National Sustainable Development Plan
Document link	http://www.developpement-durable-infrastructures.public.lu/fr/developpement-durable-infrastructures/plan-national/PNDD_FR.pdf
Responsible institution	Ministry of Transport and Labour
Website	http://www.developpement-durable-infrastructures.public.lu/fr/index.html
Length	36 pages
Publication date	May 2011
Policy instruments	**Information based** • Informational campaigns
Governance structures	**Horizontal integration** • Interdepartmental commission of sustainable development

The Ministry of Sustainable Development and Infrastructure published the ministerial portal for sustainable development and the national sustainable development plan in May 2011. According to these, the government will support projects that intend to implement good CSR practices in companies. This should be realised by developing a sustainable behaviour codex for companies, integrating CSR criteria into governmental labels, financially supporting consultancy, fostering non-financial disclosure, and monitoring the compliance of laws and voluntary measures.

CSR and socially responsible behaviour is also a way to overcome problems of the employment of older workers. This will be supported not only by companies, but also by government and labour unions in supporting life-long learning. The Ministry of Transport and Labour published a Communication on CSR (2006) to emphasise the importance of CSR. According to this, the status of CSR in Luxembourg must be investigated, especially to discover the main actors, the current situation, and which approaches may be applicable for enterprises in Luxembourg. Since then, the situation was analysed.

3.3.2.5   *Poland*

Country	Poland
Title	National Reform Program
Document link	http://ec.europa.eu/europe2020/pdf/nrp/nrp_poland_en.pdf
Website	http://www.mg.gov.pl
Responsible institution	Ministry of Economy Ministry of Labour and Social Policy
Length	53 pages
Publication date	April 2011
Policy instruments	**Command- and-control instruments** • Laws **Economic/market based or public financing** • Public procurement **Voluntary instruments** • Awards **Information based** • Popularise CSR, reporting **Feedback mechanisms (impact assessments, evaluation, monitoring)** • Reporting and disclosure **Hybrid Instruments** • National Action Plan on green public procurement **Networks** • Partnership foundation
Governance structures	**Vertical integration** • Group of corporate social responsibility issues **Horizontal integration** • Group of corporate social responsibility issues

An umbrella document called "Corporate Social Responsibility in Poland" concerning the role of CSR in the National Reform Program describes several tasks, documents, and initiatives. In fact, CSR in Poland is part of the National Reform Program, published in 2011 in accordance to Europe 2020, where CSR is mentioned as one task. The National Reform Program mentions the creation of CSR networks.

3.3.2.6 Portugal

Country	Portugal
Responsible institutions	Ministry of Labour and Social Solidarity (MTSS) Ministry of Economy and Innovation (MEI)

Although the Compendium mentions Portugal having published a "Support Program for the Development of Social Economy" in March 2008 (Knopf, Kahlenborn et al. 2011, p. 14), the document was not accessible for the ESDN Office while running this investigation and no further developments were reported. In the Programme of the XIX constitutional Government: Government plan 2011, social responsibility is mentioned in terms of activities in the field of labour and employment for disadvantaged groups, partnerships between pharmacies and local authorities, but not in terms of CSR as business obligation. More often, the term "responsible producer" is used to target the production sector directly. In the "Programa do XVIII Governo Constitucional 2009 - 2013" it is stated that it is important to continue the dialogue between all stakeholders concerning CSR.

3.3.2.7 Spain

Country	Spain
Title	Sustainable Economy Law
Document link	http://www.boe.es/boe/dias/2011/03/05/pdfs/BOE-A-2011-4117.pdf
Responsible institution	Government office
Date of publication	05-March-2011
Length	203 pages (document),
Policy instruments	**Command- and-control instruments** • Laws, regulations **Information based** • Promotion of CSR
Governance structures	-

The current CSR policy in Spain relies on several different documents; the most recent one is the Sustainable Economy Law, published in 2011. All these documents build together a CSR supporting framework in Spain:

- In 2011, the Ministry of Labour and Social Security published a report on CSR for the years 2008 – 2011.
- In 2009, a law concerning subsidising CSR activities (Orden TIN/3440/209) was published.
- A state board for CSR exists since 2009: "The state board for Corporate Social Responsibility is an organization registered with the Ministry of Labour and Immigration, the main aim of which is to provide consultation". This board is committed to the promotion of corporate responsibility policies and is considered a milestone in the development of this topic in Spain". It provides information about laws and regulations, fosters a multi-stakeholder dialogue, and evaluates the development of CSR in Spain, but has not been updated since mid 2011.
- In addition, a CSR white paper "Report for Promoting CSR in enterprises" was adopted by the Ministry of Work and Immigration in 2006. This document also covers several definitions of CSR.

3.3.2.8   Sweden

Country	Sweden
Title	Swedish **Partnership** for Global Responsibility
Document link	-
Website	http://www.regeringen.se/sb/d/2657/a/180442
Responsible institution	Government office
Date of publication	(2002)
Policy instruments	**Command- and-control instruments** • Laws, regulations **Voluntary instruments** • Awards **Information based** • Promote CSR, role model **Feedback mechanisms (impact assessments, evaluation, monitoring)** • Reporting guidelines **Networks** • Globalt Ansvar (partnership)
Governance structures	-

Instead of having one document in place, the Swedish way to promote CSR is a **partnership**, relying on **EU and UN guidelines and principles**. Detailed information for companies and individuals interested in CSR is presented on a Website.

Besides this, the government published many statements and guidelines concerning CSR. In 2005, the government offices of Sweden published a document called "What do we know about Corporate Social Responsibility?". It is a kind of summary on the activities of Globalt Ansvar, and it outlines the situation in Sweden. It describes actors, rules, business, and many other topics based on research results.

In 2004, the Swedish Ministry of Foreign Affairs investigated CSR in the context of the supply chain. In 2005, they published a study concerning "CSR and the Business of Law". The Website of the partnership for global responsibility (Globalt Ansvar) consists of links to international guidelines (e.g. Global Compact), but also presents other topic areas on the pages. Content includes human rights, labour law, environment, anti-corruption measures, internet freedom, and cooperation.

Since the government is always striving to be a role model, several guidelines directly target state-owned companies. In the "guidelines for external reporting by state-owned companies" reporting requirements are presented in detail, and support the idea of publishing ethical principles, code of conduct, sustainability issues and so on. This idea of the state as role model extends past CSR related issues (see e.g. Annual report of State-owned companies 2008").

3.3.2.9   *United Kingdom*

Country	United Kingdom
Title	2009 Corporate Responsibility Report
Document link	http://www.bis.gov.uk/files/file50312.pdf
Website	http://www.bis.gov.uk/policies/business-sectors/low-carbon-business-opportunities/sustainable-development/corporate-responsibility
Responsible institution	Minister of State, Department for Business, Enterprise and Regulatory Reform
Date of publication	2008
Running Time	-
Length	37 pages
Objectives	Main Objective: "We want everyone to satisfy their basic needs and enjoy a better quality of life but to do so without compromising the quality of life for future generations"

Policy instruments	**Command- and-control instruments** • Standardisation **Economic/market based or public financing** • Socially Responsible Investment (SRI) **Information based** • Promote CSR, support business events **Feedback mechanisms (impact assessments, evaluation, monitoring)** • Reporting guidelines **Hybrid Instruments** • Framework **Networks** • Partnerships between Government and third sector
Governance structures	**Horizontal integration** • Council on Social Action

In the United Kingdom, CSR has a long tradition. A ministry of CSR was even implemented in 2002, but since 2006 its concerns are integrated into several other ministries. The former Minister presented the statement paper "Corporate Social Responsibility - A Government update". As a further development, the Minister of State, Department for Business, Enterprise and Regulatory Reform published a **new report in 2008**, which describes the situation and the approach of the government concerning CSR.

It starts by describing how CSR is seen: "Specifically, we see Corporate Responsibility – which was previously described as Corporate Social Responsibility – as the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society". The government supports this idea by creating a policy framework which is able to support wider responsible behaviour. To encourage business in adopting CSR, the **business case for CR** is presented by stressing the positive impacts of CR on the companies' competitiveness. The government commits to **develop a policy framework**, support awareness, and supports businesses in their efforts to act responsibly. Preconditions for the development of CSR were already set in the Companies Act 2006.

Next, "Shaping a new environment for Corporate Responsibility" describes what was done in the last years to support Corporate Responsibility. After this, **CSR in the context of the government** is presented. This includes several action fields, such as poverty reduction actions, providing support to business, promoting Corporate Responsibility internationally, CR tackling disadvantage at home, CR in the workplace, environmental and volunteering issues as well as social enterprises. Finally, "Corporate Responsibility Values in Government" shows what the government has done to implement Corporate Responsibility. At the end, links are presented such as links to Business in the Community (BITC), an organisation of UK's top companies engaging in corporate responsibility or the Cabinet Office.

3.3.3   Countries with national CSR strategies and action plans under development

In this part, we present countries that have stated that they are developing a national CSR strategy and action plan. In these countries, either an established set of policies exist (e.g. Austria) or they must start from scratch (e.g. Cyprus). We describe these countries based on the intentions they published, present institutions involved, timeframe, and Websites. Most countries provide a definition of how CSR is currently understood on the national level. The special case of new EU Member States, which participate in several EU or UN supporting schemes to develop national CSR policies, is presented in the next chapter.

3.3.3.1   Austria

Country	Austria
Responsible bodies	Federal Ministry of Economy, Family and Youth Federal Ministry of Labour, Social Affairs and Consumer Protection Federal Ministry of Agriculture, Forestry, Environment and Water management

The development process started in September 2011, and was officially announced at the CSR Day Austria on Sept 29th 2011. The Action Plan will be finalized and published in summer 2012.

Three Ministries are **jointly steering the development process** (this is an outstanding example of inter-ministerial co-ordination in the development of a CSR action plan):

- Federal Ministry of Economy, Family and Youth
- Federal Ministry of Labour, Social Affairs and Consumer Protection
- Federal Ministry of Agriculture and Forestry, Environment and Water Management

A broad **stakeholder dialogue is scheduled for spring 2012** in which NGOs and companies will be involved as well as ministries, business associations, and labour unions.

The content of the Austrian CSR action plan will follow the core elements of the new CSR communication of the European Commission as well as the three best practice cases of Denmark, Germany and The Netherlands. It will focus on the international context of CSR, education for CSR, quality control of CSR and the role of public authorities and the administration in CSR (e.g. through public procurement, socially responsible investment and public companies). It will encompass a reporting and reviewing mechanism so that the action plan will have the key characteristics of a learning strategy.

The Austrian CSR action plan will refer to several other Austrian documents which are of relevance for CSR:

- The **Sustainability Strategy of the Federal Republic Austria** was published in 2002 and expanded to a common strategic and organisational framework including the nine Federal Provinces of Austria in 2009. In both documents, as well as among the respective progress reports and initiatives, CSR plays an important role. http://www.nachhaltigkeit.at/filemanager/download/80254/

- The **Austrian External Trade Policy Statement** was published in 2008. It refers to sustainable development, environmental technologies and human rights and highlights CSR as one of ten prerequisites for Austria's global competitiveness http://www.en.bmwfj.gv.at/EXTERNALTRADE/INTERNATIONALISATIONINITIATIVE/Seiten/Austrianexternaltradepolicystatement.aspx

- The **Guiding Vision for CSR in Austria** was developed in 2003 and renewed in a broad stakeholder dialogue in 2009. The final document "Success and Social Responsibility - A guide to Future-Proofing Your Business" lists objectives for responsible business activity based on five fields of action: Leadership, Marketplace, Workforce, Environment and Society. http://www.respact.at/leitbild/en/home

Austria's Provinces can refer to 20 years of experience in implementing **consulting programs for corporate sustainability issues,** in which CSR has played a more and more important role during the last years. By now, more than 2000 companies participated in one of the programs, implemented more than 5000 measures, and received a broad variety of knowledge and (partly financial) support. Some of these programs (e.g. EcoProfit, EcoBusinessPlan Vienna) have already been successfully transferred to other European countries and beyond (Martinuzzi/Windsperger 2011)

3.3.3.2 Cyprus

Country	Cyprus
Responsible institutions	Planning Bureau

In the National Reform Plan, published in May 2011, the planning bureau states that "Promoting CSR is among the priorities of the Planning Bureau as the National Coordinator for CSR. Promoted actives will comprise two priority sectors: (A) Promoting CSR as part of business' sustainable development and, (B) Socially responsible actions by the Government". Further, there are plans to perform informational campaigns with all social partners in order to encourage accountability and provide information in the annual reports of companies. According to the Progress Report 2009, the policy priority is to encourage companies in developing their Corporate Social Responsibility. "Various steps are being made in the context of the promotion of Corporate Social Responsibility (CSR) in an effort to encourage the business sector to undertake more actions towards achieving the targets on climate change, improving the working conditions of employees, providing high quality work and increasing trust among consumers."

In the Strategic Development Plan 2007 - 2013 published in 2007, CSR is mentioned in terms of „Encouraging Involvement of the Voluntary Sector and Local Authorities" – Introducing cooperative programs between volunteers and businesses to increase the social contribution of the business sector

in the context of the EU directive for Corporate Social Responsibility" (p. 86). The role of companies is to assume their responsibilities for future generations.

3.3.3.3   Malta

Country	Malta
Responsible institution	Office of the Prime Minister

The Government of Malta presents **several national policies** which are closely related to CSR (sustainable development, social development, environmental development) but do not name CSR as such. In the national sustainable development strategy, a campaign to foster corporate social responsibility is mentioned because CSR may be a way to support fair competition legislation. Hence, promoting a culture of corporate social responsibility in major firms is one of several strategic points in regard to reliance on market forces and fair trade.

In the Draft National Environment Policy published in 2011 by the Office of the Prime Minister - Tourism and Sustainable Development Unit, CSR could be helpful in the transition to a green economy in being the business contribution to this transition. The private sector is encouraged to engage further in environmental management, which could be realized through greater CSR measures. Companies should improve their environmental performance and publish CSR reports. One action in the NEP is to encourage companies quoted on stock exchange to have CSR policy:

- Outcome: Promotion of environmental improvements within Corporate Social Responsibility programmes
- Measure: Encourage companies quoted on stock exchange to have CSR policy (ongoing) (Stock Exchange)
- Indicator: Number of private greening schemes in practice (p. 33)

The Chamber for Commerce, Enterprise and Industry, in cooperation with the Bank of Valletta, started a project to evaluate and promote CSR, which is still running.

3.3.4   Supporting schemes for new EU Member States

The EU and UNDP created some supporting schemes to foster CSR activities in new EU Member States. "The EU Commission (Directorate-General for Employment and Social Affairs) is supporting the United Nations Development Programme in a project called 'Acceleration CSR in new Europe', which will enable the measuring and monitoring of CSR performance in Bulgaria, Hungary, Lithuania, Poland and Slovakia"

The most prominent schemes are:

- UNDP Acceleration CSR in New Europe (2006/2008; 2009/2010) – enable measurement and monitoring of CSR performance as well as level of excellence achieved in CSR practices – participants: Lithuania, Slovakia, Hungary, Poland, Bulgaria
- CSR Platforms - EU Support for CSR in Central and Eastern European countries – funded promotion of CSR and development of a CSR network in Croatia, Estonia, FYROM, and Slovakia

The current status of these countries is presented here in brief (excluding Bulgaria and Hungary, which were already presented).

3.3.4.1   Estonia

Country	Estonia
Responsible institution	-

Although, several recently published national strategies exist (National Reform Program Estonia 2020, Estonian Strategy for Competitiveness 2009 - 2011) due date, Estonia has not adopted a CSR strategy and action plan. Nevertheless, several initiatives on form NGOs are recognizable. The Estonian Business Forum for example presents an initiative to create a national CSR platform in Estonia and provides information for business. A toolkit to foster CSR in local business is available, too.

3.3.4.2   Lithuania

Country	Lithuania
Responsible institution	Ministry of Social Security and Labour Ministry of Economy

An Action Plan for the Implementation of the National Programme for the Development of Corporate Social Responsibility 2009 - 2011 exists. This action plan proposes the creation of legal and institutional requirement for the development of CSR, promote better awareness of CSR and raise social and environmental consciousness, and strengthening the competence of enterprises and other interest groups in the field of CSR within the period of 2009 – 2011. This action plan was not officially approved.

3.3.4.3   *Slovak Republic*

Country	Slovak Republic
Responsible institution	Ministry of Labour, Social Affairs and Family

In a resolution the Ministry of Labour, Social Affairs and Family of the Slovak Republic "Resolution concerning the promotion of sustainable enterprises" mentions CSR as a beyond legal compliance concept on voluntary base. Sustainable enterprises are encouraged to apply CSR and governments are fostered to support it. A non-official document called "The strategy for corporate social responsibility support in the Slovak republic for 2008 – 2018". Since the genuineness was not approved by public authorities, we did not investigate this document.

3.3.5   How EU Member States approach CSR without integration into policy frameworks

Some EU Member States have not published a national CSR approach. This does not necessarily mean that these governments ignore CSR, but they have not adopted a strategy and action plan so far. For each country we provide general information and a short description to complete the picture.

3.3.5.1   *Czech Republic*

Country	Czech Republic
Responsible institution	Ministry of Labour and Social Affairs Ministry of the Environement of the Czech Republic

In the Czech Republic, CSR is targeted from different sides. For example, the Ministry of Labour and Social Affairs states "In the area of labour law and social affairs concerning relationships between employees and employers, the principle of corporate social responsibility is asserted e.g. through the institute of collective bargaining, mainly thanks to the existence of enterprise-level collective agreements and higher-level collective agreements (http://www.mpsv.cz/cs/3619), that enable certain obligations to be agreed voluntarily above the statute-given minimum and further thanks to the institute of extension of binding force of higher-level collective agreements (http://www.mpsv.cz/cs/1505; http://www.mpsv.cz/cs/3856)."

In the "State Environmental Policy of the Czech Republic" responsibility of the producer for the product and the whole life cycle is targeted. Objective 2 of "The Strategic Framework for Sustainable Development in the Czech Republic" (adopted by the government in May 2011) is to promote entrepreneurship and competitiveness, which includes the improvement of management in organizations and the implementation of environmental management systems such as EMAS, ISO 14001.

3.3.5.2   Greece

Country	Greece
Responsible institution	Ministry of the Environment

Ethical and labour issues, regulations and subsidies exist, which are in context with CSR, but are not mentioned as such. In principle, several regulations exist targeting towards environmental protection and the role business plays in this context.

3.3.5.3   Italy

Country	Italy
Website	http://www.lavoro.gov.it/nr/rdonlyres/dfba1602-a5ad-4358-9259-a34f14988ccb/0/2guidafirstpeoplea4b.pdf
Responsible institution	Ministry for Labour and Social Affairs

The Ministry for Labour and Social Affairs states that CSR is the obligation of companies in terms of social action. Companies are in favour to assume responsibility for their environmental impacts and consequences arising from their business activities. The role of the Ministry of Labour and Social Affairs is to promote, initiate, and inform on CSR activities, to support cooperation with regions and local authorities, and to participate in international issues, particularly in issues of the EU. The Ministry is involved in the adoption of the ISO 26000 in Italy. Cooperation between Italian regions and Autonomous provinces serves as possibility to exchange best practice in CSR.

In 2004, the Ministry for Labour and Social Politics established the Multistakeholder CSR Forum Italy (Forum Italiano Multi-Stakeholder per la Corporate Social Responsibility). The Ministry also states that it will undertake action to promote, inform and support CSR activities. The national contact point for CSR is the "Punto di Contatto Nationale", further information is also supported by "ICSR Italian Centre for Social Responsibility".

3.3.5.4   Latvia

Country	Latvia
Responsible institution	Ministry of Environmental Protection and Regional Development

The Saeima of the Republic published the Sustainable Development Strategy of Latvia until 2030 in June 2030. CSR as such is not mentioned in the strategy, neither in the in the "Declaration of the Intended Activities of the Cabinet of Ministers". Nevertheless some key topics are presented such as employment or eco-investment. In the "Latvia's Sustainable Development Strategy 2030 Background Review" social

responsibility is mentioned as "Both civil society and business should cooperate in promoting the practices of a sustainable lifestyle".

3.3.5.5   Romania

Country	Romania
Website	http://www.mmuncii.ro/
Responsible institution	Ministry of Labour, Family and Social Protection

CSR is not a big issue for the Rumanian Government. Nevertheless, in the Strategic National Report Regarding Social Protection and Social Inclusion (2009 – 2010) raising awareness for social responsibilities of trading companies is mentioned.

3.3.5.6   Slovenia

Country	Slovenia
Responsible institution	Government

Slovenia created a **working group** for the promotion of CSR in 2005. Since then, CSR was included in several governmental documents. These documents mostly target labour issues, such as "Analysis - the national Programme Safety and health at work", published by the Ministry of Labour, Family and Social Affairs in 2007. In this paper, CSR is seen as an important business contribution to the topic, due to the fact that responsible behaviour includes respect of workers and their safety and health. In the Social Agreement 2007 – 2009 (2007 – 2009) signed by the government and social partners, CSR is defined as voluntarily integration social and environmental concerns in business activities, and is an instrument which will maintain the balance between the three pillars of the Lisbon Strategy. The government will promote CSR by raising awareness, promoting best practices in companies, participating in the development of standards, reporting on measures to promote CSR, developing a system of annual reporting, and including this into the procurement criterion. Several other documents mention the role of CSR, and NGOs play an important role too.

3.4 Non-EU Member countries

In addition to EU Member States, we investigated three non-EU Member States: Canada, Norway, and Switzerland. We have chosen these three countries for several reasons. The European countries in this section are meant to complete the European picture of CSR. An analysis of these countries shows how close they are to the EU. The country outside Europe (Canada) is one example of a country with a national CSR strategy and action plan in place that targets one sector, and therefore presents a very different way of seeing CSR.

3.4.1   Norway

Country	Norway
Title	Corporate social responsibility in a global economy Report No. 10 (2008-2009) to the Storting
Document link	http://www.regjeringen.no/pages/2203320/PDFS/STM20082009 0010000EN_PDFS.pdf
Link to other versions	Norwegian Version: - Næringslivets samfunnsansvar i en global økonomi http://www.regjeringen.no/pages/2146192/PDFS/STM20082009 0010000DDDPDFS.pdf
Website	http://www.regjeringen.no
Responsible institution	Norwegian Ministry of Foreign Affairs
Date of publication	23-Jan-2009
Running Time	-
Length	109 pages
Objectives	"However, social responsibility is relevant irrespective of the market the company is operating in, and also applies to activities in Norway. Many Norwegian companies and branches are experiencing the effects of the global financial crisis. An active policy is needed to reverse the economic downturn" "Furthermore, companies can strengthen their long-term competitiveness and position by having a responsible relationship to employees, consumers, owners and other interested parties. In this way, CSR does not involve a conflict of interests, but is a community of interest that brings together companies, the authorities and other actors. " Key issues: • The first is exercising social responsibility in the Government's own activities. • The second is conveying society's expectations to Norwegian companies. • The third is developing and influencing the framework for CSR, both nationally and

	internationally. "This white paper is based on the premise that Norwegian companies should be among the best at practising CSR, thereby helping to strengthen the status of human rights, create decent working conditions, protect the environment and combat corruption."
Policy instruments	**Command- and-control instruments** • Laws, regulations **Economic/market based or public financing** • Pension fund, tax havens **Voluntary instruments** • Voluntary partnerships **Information based** • Information and guidance **Feedback mechanisms (impact assessments, evaluation, monitoring)** • Evaluation of companies, monitoring body (ombudsman) **Hybrid Instruments** • Ethical Guidelines, Framework for the Management of State Ownership; Governments Ownership Policy, **Networks** • Centres to of expertise to support purchaser networks
Governance structures	**Vertical integration** • Consultation with stakeholders, cooperation with other actors **Horizontal integration** • Bilateral cooperation **Stakeholder management in implementation** • Expert platforms **Indicators and monitoring mechanisms** • Grievance and monitoring mechanisms

	Evaluation review • Official report

Norway has chosen another way to promote CSR. The White Paper is on one hand an opportunity **to raise awareness**; on the other hand it offers **guidance and measures** between the stakeholders. The document is dedicated to Norwegian companies engaging abroad, and it details how the government sees CSR and can support such companies. It defines the role and responsibilities of the authorities, the role of the private sector, and CSR in a development perspective. Furthermore, it presents the evaluation of legal instruments and **instruments strengthening CSR**. Finally, it looks at administrative and economic **consequences of CS**R. As in Sweden, the Norwegian approach directly addresses the **role model function of state-owned companies**: "State-owned enterprises must lead the way in exercising social responsibility".

3.4.2   Canada

Country	Canada
Title	Building the Canadian Advantage: A Corporate Social Responsibility (CSR) **Strategy** for the **Canadian International Extractive Sector**
Document link	http://www.international.gc.ca/trade-agreements-accords-commerciaux/ds/csr-strategy-rse-stategie.aspx?view=d
Website	http://www.international.gc.ca/trade-agreements-accords-commerciaux/ds
Responsible institution	Minister of International Trade and Minister for the Asia-Pacific Gateway
Date of publication	2009
Running Time	2009-2014
Length (Pages)	11 webpages (core information)
Objectives	Through its CSR policy, the government will: 1) Support initiatives to enhance the capacities of developing countries to manage the development of minerals and oil and gas, and to benefit from these resources to reduce poverty. 2) Promote, primarily through the Department of Foreign Affairs and International Trade and Natural Resources Canada, the

	following widely-recognized international CSR performance guidelines with Canadian extractive companies operating abroad:
	- International Finance Corporation Performance Standards on Social & Environmental Sustainability for extractive projects with potential adverse social or environmental impacts; - Voluntary Principles on Security and Human Rights for projects involving private or public security forces; and, - Global Reporting Initiative for CSR reporting by the extractive sector to enhance transparency and encourage market-based rewards for good CSR performance. - Canada has applied to join the Voluntary Principles on Security and Human Rights as a Participating Country.
	3) Set up the Office of the Extractive Sector CSR Counsellor to assist stakeholders in the resolution of CSR issues pertaining to the activities of Canadian extractive sector companies abroad.
	4) Support the development of a CSR Centre of Excellence within an existing institution outside of government to encourage the Canadian international extractive sector to implement these voluntary performance guidelines by developing and disseminating high-quality CSR information, training and tools.
Policy instruments	**Command- and-control instruments** - Legal incentives **Economic/market based or public financing** - Financial incentives, taxes **Voluntary instruments** - voluntary performance guidelines **Information based** - High-quality CSR information **Feedback mechanisms (impact assessments, evaluation, monitoring)**

	• Reports **Hybrid Instruments** • framework of the Canada Pension Plan Investment Board **Networks** • Partnerships with the private sector
Governance structures	**Vertical integration** • Partnerships with the private sector **Horizontal integration** • interdepartmental committee **Stakeholder management in implementation** • community of practice" web-based public platform **Indicators and monitoring mechanisms** • Annual reports **Evaluation review** • evaluating the environmental and social impacts of projects

3.4.3   Switzerland

Country	Switzerland
Responsible institutions	Federal Department of Economic Affairs DEA - State Secretariat for Economic Affairs SECO FEON Federal Office for the Environment SDC – Swiss Agency for Development and Cooperation, Federal Department of Foreign Affairs

In the National Sustainable Development Strategy, companies are asked to act responsibly. They are able to support sustainable development by integrating sustainable action into their daily business. Companies can follow several standards and regulations concerning environmental management systems or social responsibility.

Besides the NSDS, SECO (State Secretariat for Economic Affairs SECO) and other public bodies (FEON Federal Office for the Environment, SDC – Swiss Agency for Development and Cooperation, Federal Department of Foreign Affairs) have their own CSR approaches. The CSR Concept of SECO was published in 2009 and presents CSR as an important way to support sustainable development. The objective of

SECO, in this context, is to foster the support of CSR in and outside of the country in order to demonstrate that the state plays a complementary role in the field of CSR. The implications given by the national sustainable development strategy on CSR are presented. SECO wants to contribute to the development of CSR policies in Switzerland.

3.5 Best case countries

Besides listing the status of EU Member States and some examples from non-EU Member States, we present three countries in depth and examine why they are outstanding and could, therefore, become role models for other countries that are about to/plan to develop their own national CSR strategy and action plan. We selected these three examples based on different criteria. Firstly, we wanted to present three very different approaches: The Netherlands, having an ambitious vision, Denmark having a well-focused action plan and Germany relying on a comprehensive strategy. Secondly, all three presented examples very clearly state their objectives and actions to achieve them. Thirdly, these examples were published between 2007 and 2010 and hence somehow portray the changing situation in Europe. Countries developing or refining a strategy and action plan can benefit from the variety and are able to choose the appropriate measure from different approaches.

3.5.1   The Netherlands: an ambitious vision

In the "Government Vision on Corporate Social Responsibility 2008 – 2011 - Inspiring, innovating, integrating" published in December 2007, the main objective is to affect the behaviour of entrepreneurs and to influence the overall attitude towards CSR (pp. 9-10).

In other words, the Dutch government wants all companies to become aware of the societal effects and responsibilities that accompany entrepreneurship, and the opportunities that CSR offers, and it wants companies to make an actual effort to integrate CSR into their core activities (p. 10). This main objective will be achieved through **7 ambitions**[7], which are intended to convey CSR policy and make it transparent (p. 10):

- Continuing to promote knowledge and awareness;
- Improving transparency and accountability;
- Focusing on the CSR boosters;
- Linking CSR to innovation;
- Strengthening international CSR diplomacy;
- Getting to work on CSR in the international chain;
- The government as a role model.

The Netherlands' 7 ambitions

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[7] The policy proposals will be developed in more detail within these ambitions. The first three ambitions are familiar aspects of CSR policy; they will be updated and expanded. The following three present new activities. A seventh ambition concerns the CSR behaviour of the government itself.

Ambition	In practice	Activities
Continuing to promote knowledge and awareness	The government will focus on the improved provision of CSR information to companies via the CSR centre of expertise at the Ministry of Economic Affairs, among other channels	• *Intensifying involvement of the CSR centre of expertise in the Netherlands;*
Improving transparency and accountability	The government aims to have the Dutch business community be among the best in Europe in CSR transparency	• *Moving towards a world-wide standard of reporting with the Global Reporting Initiative (GRI);* • *Providing accountability for integrity;* • *Increasing the visibility and impact of the Transparency Benchmark;* • *A three-year impetus for the National Contact Point for the OECD guidelines;*
Focusing on the CSR boosters[8]	By strengthening cooperation between the CSR boosters and the government, the Cabinet aims for maximum activation of other players in the CSR field	• *Initiating acceleration in concert with front-runners* • *Stronger involvement by non-governmental organisations (NGOs) and the social partners in CSR policy;* • *Maintaining CSR momentum and expanding CSR in the financial sector;* • *The role of private funds;* • *CSR and corporate governance;* • *Remuneration and sustainability (study);* • *Reliable and verifiable information for consumers;*
Linking CSR to innovation	Linking CSR to innovation integrates sustainability into the daily activities of individuals and	• *Better utilisation of innovation to solve issues in society;* • *Linking CSR and innovation in the*

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[8] Boosters are represented by those companies that are taking the lead in CSR (front-runners), NGOs, social partners, stakeholders, the financial sector, private funds and the consumers.

	companies	• *existing subsidy instruments;* • *CSR in science and education;*
Strengthening international CSR diplomacy	Working in international bodies on the creation of coherent, transparent and applicable guidelines for CSR and on public awareness in other countries of the importance of CSR, by ensuring that the Netherlands takes an active and leading role in those bodies.	• *CSR as an inherent part of promoting international enterprise and economic diplomacy (including economic missions);* • *The Netherlands plays a leading role in international bodies;* • *Europe;*
Getting to work on CSR in the chain	Working with front-runners to integrate CSR in a chain context	• *SER advisory report;* • *Intensifying existing initiatives for Round Tables on natural resources and biodiversity;*
The government as a role model	This government wants to set an appealing example by consistently and coherently implementing sustainability in its operational management and policy	• *Integrating CSR into its own core activities;* • *Integrating CSR (more) into financial instruments offered to the business community;* • *Viewing CSR policy in light of the policy programme of this government;*

One very interesting detail is the fact that The Netherlands set the target to *have 100% of national government procurement be sustainable no later than 2010* (p. 24).

3.5.2   Denmark: a well-focused national action plan

Published in May 2008 with the title "*Action Plan for Corporate Social Responsibility*", the Danish experience gives us a genuine example of a well-structured and particularly well-focused **action plan** on CSR. With this attempt, the Danish government strives to *give businesses the optimum framework within which to conduct their social responsibility work – in both Denmark and the global markets* (p.3).

The idea behind the whole action plan is that of '**business-driven social responsibility**', which suggests that *a business should strive to combine responsibility and its core business* (p.6). In other words, **business-driven social responsibility** is when a business *actively utilises its expertise and core competences for the benefit of both the business and society*, so that *social responsibility is integrated throughout the business organisation*. *In this way, the business helps solve social problems while also opening new growth opportunities for the business itself* (p.16).

As stated in its document, the Danish government wants to promote social responsibility and help Danish businesses reap more benefits from being at the global vanguard of corporate social responsibility (p.3), and therefore has the goal of making Denmark and Danish businesses internationally renowned for responsible growth (p.3). The message is very clear: Danish businesses must actively take on global challenges by integrating social and environmental considerations into their business strategies (p.7).

The action plan is described by a series of **30 initiatives** that are allocated to **four key action areas**:

1. Propagating business-driven social responsibility;
2. Promoting businesses' social responsibility through government activities;
3. Corporate sector's climate responsibility;
4. Marketing Denmark for responsible growth.

In the following table we summarised those initiatives to offer the overall picture of the action plan.

Denmark's 30 initiatives

Key action areas	Initiatives
Propagating business-driven social responsibility	• Encourage Danish companies and investors to continue and develop their commitment and CSR work; • Make it mandatory for large businesses to report on CSR in the management's review of the annual report; • Make it mandatory for institutional investors and unit trusts to report on CSR in the management's review of the annual report; • Set up the Social Responsibility Council, charged with making recommendations for the Government, the corporate sector and associations; • Establish a new social responsibility communication portal (www.samfundsansvar.dk); • Organise campaign activities on business-driven social responsibility; • Intensify counselling on innovation and social responsibility for small and medium-sized businesses in the regional growth houses; • Organise international conference 'Danish Business innovating for World Challenges' to identify innovation areas for Danish businesses; • Set up a knowledge network among organisations, researchers and advisors on business-driven social responsibility and responsible supplier management; • Advise businesses through Danish representations in other countries; • Work to ensure a transparent market that promotes social responsibility considerations in consumer purchasing. The Government will launch a study of consumers' role in CSR; • Prepare a biennial progress report on Danish businesses' observance of and commitment to Global Compact and PRI, first time in 2010;
Promoting businesses' social responsibility through government activities	• Ensure that, in future, joint state supply contracts will systematically embed requirements for social responsibility as articulated in the conventions that provide the foundation for the UN Global Compact; • Ensure that all state procurement officers can access the guidelines for embedding social responsibility; • Open up dialogue with local authorities and regions with a goal of disseminating experience in the task of embedding social responsibility in their areas; • Make it mandatory for state-owned public limited companies to report on CSR in the management's review of the annual report; • Ensure that all major state-owned public limited companies accede to the UN Global Compact;

	• Ensure that the Vækstfonden accedes to the UN principles for responsible investment (PRI); • Ensure that the Eksport Kredit Fonden (EKF) accedes to the UN Global Compact; • Continue its work of embedding social responsibility in Danish development work; • Ensure that the Industrialiseringsfonden for udviklingslande (IFU) and the Investment Fund for Central and Eastern Europe (IØ) accede to the UN Global Compact; • Organise conferences on businesses' social responsibility in developing countries jointly with Danish representations outside Denmark, local players, and businesses; • Ensure that the regional trade and industry development system contributes to propagating business-driven social responsibility; • Strive to ensure that international investment banks embed social responsibility in their business and investment strategies;
Corporate sector's climate responsibility	• Encourage businesses to include sections of climate responsibility in their reports on CSR in the management's review of the annual report (see the mandatory requirement in key action area 1); • Jointly with the Confederation of Danish Industries, develop the Climate Compass – a web-based climate tool aimed at helping businesses prepare climate accounts and climate strategies; • Initiate four partnerships on climate responsibility in relation to investors in the retail sector, the construction sector, and the maritime sector;
Marketing Denmark for responsible growth	• Promote Danish tools and competences in the area of corporate social responsibility; • Head up a 2010 international summit on international standards for social responsibility in Copenhagen (ISO 26000); • Organise an international conference on responsible investments aimed at creating the basis for better targeted and usability-oriented research;

Summary of Policy Instruments

The policy instruments incorporated in the national CSR strategy are kind of balanced. As well **economic** instruments, **information based** instruments, **voluntary** instruments and **networks** are implemented.

Policy instruments
Economic instruments
Procurement (State as purchaser) (pp. 25 - 26), include CSR even more systematically and consistently in state procurement policy, thus using the policy to underpin Denmark's image as a country with responsible growth: • ensure that in the future, joint state sup- ply contracts will systematically embed requirements for social responsibility as articulated in the conventions that provide the foundation for the UN Global Compact • ensure that all state procurement officers can access the guidelines for embedding social responsibility • open up dialogue with local authorities and regions with a goal of disseminating experience in the task of embedding social responsibility in their areas State as investor and credit facilitator (pp. 27-28): • the Government aims for the state to promote the objective of responsible growth through its investments and when it makes export credits available • the Government will ensure adherence to the UN principles of social responsibility among the organisations that manage state funds as either investments or export credits State owned public limited companies etc. (p. 31), the Government wants state-owned public limited companies to observe international principles for social responsibility through their CSR work. The Government will there- fore launch the following initiatives: • make it mandatory for state-owned public limited companies to report on CSR in the management's review of the annual report • ensure that all major state-owned public limited companies accede to the UN Global Compact
Information based instruments
Awareness raising (pp. 22 - 23): • set up a Knowledge network on global CSR between researchers, organisations and advisors • advising businesses through Danish representations in other countries • communicate knowledge and inspiration through a new communication portal – www.samfundsansvar.dk

- sector campaigns on business-driven social responsibility
- centre on business-driven social responsibility connected with innovation by giving businesses and entrepreneurs tools and knowledge. Focus will be on innovation in relation to both products and processes
- reinforce regional counselling on innovation and social responsibility based on the results of a Nordic project on innovation and social responsibility
- organise a conference entitled "Danish Businesses Innovating for World Challenges" to be attended by international experts and business representatives
- survey of consumer roles in corporate social responsibility
- prepare a progress report to follow up Danish businesses' compliance and accession to the UN principles of social responsibility

Voluntary instruments

"The Government will launch several supporting initiatives aimed at providing businesses with knowledge and tools for working on their voluntary business-driven social responsibility in practice – nationally and internationally" (p. 19)

Networks

Social responsibility council

"The Council can seat representatives form trade associations, the financial sector, unions, the Danish consumer council and other NGOs". (p. 22)

"The Council chairman will serve as an "ambassador" for Danish businesses' and investors' CSR work by participating in international settings, meetings and conferences" (p. 22)

"The new Danish Center for Corporate Responsibility under the Ministry of Economic and Business Affairs (Danish commerce and Companies Agency) will function as the Council secretariat" (p. 22)

Summary of Governance structures

Denmark on one hand set up a council, which is part of the horizontal integration. On the other hand, evaluation is an important point in the approach.

Governance structures
Horizontal integration
Social responsibility council "set up the Social Responsibility Council, charged with making recommendations for the government, the corporate sector and associations" (p. 7) "To ensure that the Government's objectives of propagating business-driven social responsibility are embedded more widely, the Government will set up the "Social Responsibility Council" to make recommendations and advise the Government on the design of concrete supportive initiatives" (p. 21) "Against this backdrop, the Council can also identify actual key action areas. The Councils is meant to replace the board of governors for the "The Copenhagen Center" which has been closed down" (p. 22)
Vertical integration
"The Government wants to … • open up dialogue with local authorities and regions with a view to dissemination experience in embedding social responsibility in their areas" (p. 25) "the Government will open up a dialogue with Local Government Denmark and Danish Regions to determine how to disseminate experience with including social responsibility." (p. 26) "Local authorities and regions can already join the joint state procurement programme" (p. 26)
Evaluation
"In 2012, the Government will take stock of the work to realise the action plan for promoting corporate social responsibility" (p. 9) Biennial progress report on Danish businesses' observance of and commitment to Global Compact and PRI (first time in 2010) (p. 19) "the Government will legislate to ensure that major businesses, institutional investors and unit trusts report on their CSR work in the management's review of the annual reports. Institutional investors comprise pension funds, life-insurance businesses, the Labour Market Supplementary Pension Fund and LD Pensions. (p. 21)

"The duty to report for major businesses, institutional investors and unit trusts will entail an obligation to report on their CSR policies and how they implement the policies in practice. Businesses and investors must also report if they have yet to set up policies for the area. This fact should appear from the management's reviews of the businesses' annual reports." (p. 21)

"The duty will apply to the 1,000 largest Danish businesses. It will also apply to the institutional investors who are, under the Danish Financial Business Act, obliged to present management's reviews as well as unit trusts." (p. 21)

"Urging businesses to include climate responsibility in managements' reviews The Government will urge businesses to include climate responsibility sections in their reports on CSR in the management's review (see the mandatory requirement in key action area 1). In this way, the Government encourages businesses to relate to the global climate challenge when they report on their CSR work" (p. 37)

3.5.3 Germany: a comprehensive strategy

The German CSR strategy represents a very interesting example of a **general strategy** on CSR among the EU Member States. Another intention is to provide a **framework** for CSR actions of German companies.

"The National CSR Strategy now has the task of developing a framework that focuses on allowing market forces to develop and, at the same time, seeks to square freedom of action with the active assumption of responsibility. This is intended to support the economically-stable, socially-equitable and environmentally-compatible development of business."

Why this strategy makes a 'best practice' example:

1. It represents an interesting attempt in Europe towards a **general and comprehensive** strategy that encompasses the form of an action plan together with a broad and coherent framework;
2. It is an example of *a **joint process*** of strategy development where different stakeholders were involved;
3. Objectives are **clearly defined** and are followed by a series of concrete and well-explained actions and measures;
4. It is an example of an **explicit commitment** by the German government to CSR.

In terms of **objectives**, Germany wants to increase the number of enterprises that recognise and use social responsibility to shape their business strategies in accordance with the principle of sustainable development (p. 12). On the one hand, Germany has the will to advance a framework for allowing market forces to develop, on the other hand at the same time seeking to square freedom of action with the active assumption of responsibility (p.7).

The "Action Plan for CSR" encompasses five **strategic aims** (p. 12):

1. Anchor CSR more firmly in enterprises and public bodies;
2. Win over even more small and medium-sized enterprises (SMEs) for CSR;
3. Increase the visibility and credibility of CSR;
4. Optimise the political framework for CSR and;
5. Make a contribution toward shaping the social and environmental dimensions of globalisation.

Each strategic aim is then described by a series of **objectives** that the German government wants to achieve. Therefore, a number of concrete measures are presented in order to reach the mentioned objectives. The following table offers a summary of the German practice[9].

Summary of strategic aims, objectives and concrete measures/actions

Strategic Aims	Objectives	Measures/Actions
Anchor CSR more firmly in	*Win over more enterprises for corporate social responsibility and*	• familiarise small and medium-sized enterprises with CSR:

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[9] Please note that the formulation of the strategic aims slightly changes according to the document analysed.

enterprises and public bodies	*sustainable management;*	• launch a guidance and coaching programme for small and medium-sized enterprises (SMEs);
	Encourage small and medium-sized enterprises in particular to understand corporate social responsibility increasingly as a business and strategy concept and to practise CSR in their own core business;	• promote regional and national activities and 'round tables' that target the sharing of information and experience; • continue the research being conducted on CSR in SMEs; • will improve the advisory and guidance services provided to SMEs; • use CSR 'beacons' and strategic partnerships to disseminate the subject of corporate social responsibility: • develop strategic partnerships and networks; • foster public recognition of CSR activities by awarding a new CSR prize; • assist multinational corporations with bringing their business practises into line with internationally-recognised instruments and initiatives; • issue a manual on the OECD principles; • Foster responsible micro-enterprises: • assist responsible micro-enterprises (i.e. the German government has set up a microcredit fund); • revision of the Investment Act (that has made it possible to sell microfinance funds in Germany); • support responsible micro-enterprises in foreign countries;
Increase the	*Make information about CSR and*	• bundle information regarding CSR

visibility and credibility of CSR	*the civic activities being undertaken by enterprises more widely known among the public with the aim of increasing transparency and improving decision-making guidance;* *Promote a positive image of Germany's social market economy abroad and underscore German businesses' assumption of social responsibility and the sustainability of their production processes and products and thus boost Germany's ability to compete for qualified skilled workers, investment and market share;*	and the involvement of individual ministries; • expand existing governmental website on CSR (see for instance http://www.csr-in-germany.de); • support of international CSR portals (i.e. anti-corruption website http://www.business-anti-corruption.com or information portal http://baseswiki.org); • examine the development of a central portal for information on corporate responsibility; • communicate CSR to a broader public and raise awareness particularly among consumers and investors; • develop a plan for linking the idea of "CSR – Made in Germany" at international level with German industry's product quality and sense of responsibility;
Integrate CSR into education, training, science and research	*Improve the economic skills and the knowledge of CSR being taught starting in secondary school and continuing through vocational training and university training and extending through continuing education and training;* *Establish incentives for attaching greater importance to CSR-related topics in the research and teaching being done at German universities; set up cross- disciplinary research networks and foster a dialogue between theoreticians and practitioners;*	• foster stronger links between schools and business in conjunction with the respective chambers; • improve initial and continuing training on CSR issues for instructors and have practical instruction materials developed; • foster international research networks that focus on the management of socio-economic aspects in businesses; • examine the possibility of developing these networks into an interdisciplinary centre of excellence; • create incentives for universities

		in the area of corporate social responsibility; • make the Principles for Responsible Management Education (PRME) of the United Nations Global Compact known to a broader public; • conduct a number of measures to assist enterprises with their development of CSR activities; • create incentives to encourage business to practice CSR; • provide assistance to universities and academic networks in developing and newly-industrialising countries; • examine the possibility of setting up a 'round table' on the development of standards for basic knowledge in the area of business and values;
Strengthen CSR in international and development-policy contexts	*Strengthen at international level the existing CSR regime for sustainable business conduct which encompasses legally-binding rules and regulations and is based on joint, recognised standards;* *Attach greater importance to corporate social responsibility in international contexts and in development cooperation in order to support successful approaches and implement development policies as global structural policies;*	• intensify the international dialogue on the CSR regime in relevant forums such as the United Nations, G8, G20 and the European Union; • promote the continued development of the OECD Guidelines for Multinational Enterprises; • continue providing political and financial support for further CSR instruments and initiatives such as the UN Global Compact or the Global Reporting Initiative; • step up its awareness-raising and information activities in order to increase knowledge of and compliance with internationally-recognised CSR instruments and

		initiatives;
		• assist enterprises interested in doing business in regions where they can make a contribution to sustainable social, environmental and cultural development;
		• promote the establishment of fair working conditions and the implementation of the United Nations' Millennium Development Goals and the ILO's Decent Work Agenda in partner countries;
		• develop and refine bilateral and regional development cooperation projects in the area of corporate social responsibility;
CSR's contribution to meeting societal challenges	*Foster sustainable personnel management systems that take a diversity-driven approach to age, gender and migrant backgrounds, using the benefits of social diversity to ensure a productive working world that can meet the challenges of the future and to open up fair employment opportunities for all groups equally;* *Boost enterprises' and organisations' capacity for innovation in order to be able to cope in responsible ways with global challenges and tasks of the future such as climate change and shortages of raw materials;*	• support positive conditions for life-course- oriented and employee-oriented personnel management systems that are responsive to demographic shifts; • foster life-course-oriented business policies on a targeted basis; • foster social diversity in company workforces and better employment opportunities for previously underrepresented groups; • help businesses develop solutions for fair pay (i.e. project Logib-D); • address global challenges and tasks for the future and set forth steps toward their solution (in connection with the National Strategy for Sustainable Development); •
Continued development of	*Gear public tenders and public procurement activities where*	• strengthen and progressively develop sustainability as a

a CSR-friendly environment	*appropriate more strongly to ecological and social criteria;* *Call attention to the dynamic force of the growing market for socially responsible investment (SRI) and put it to use in investment decisions in Germany and as input in connection with development policy.*	criterion in public procurement practice; • issue informative CSR reports by individual federal ministries, in keeping with their role as models and pacemakers in the area of social responsibility; • examine whether and to what extent new incentives could be conducive to the progressive development of socially responsible investment and the capital market for sustainable development; • use information activities to encourage investors to become signatories to the United Nations' Principles for Responsible Investment.

Summary of Governance structures

Germany very clearly describes the governance structure in terms of **vertical integration**, **participation** in the development of the strategy, and **stakeholder involvement**.

Governance structures
Vertical integration
"The German government will also see to it that the measures foreseen in the National CSR Strategy and the National Engagement Strategy as well as the activities pursued by state, regional and municipal governments in the area of corporate social responsibility follow the same aims and dovetail as much as possible with one another." (p.34) "The participation of all stakeholders and social groups has proven not only to be extremely worthwhile in efforts being undertaken to foster corporate social responsibility but also guarantees a continuous dialogue with all stakeholders and social groups." (p. 34)
Participation in strategy development
"Involving key societal players in the development of Germany's National CSR Strategy was a prerequisite for ensuring that it would be widely accepted and supported. In January 2009, the

Federal Ministry of Labour and Social Affairs set up the National CSR Forum comprised of 44 CSR experts from business, unions, non- governmental organisations and the political sector. The National CSR Forum was tasked with supporting the German government during the development of the National CSR Strategy." (p. 11)

Stakeholder involvement in implementation

"The National CSR Forum will continue its work even after submission of its Recommendations Report to the German government. One of the Forum's foremost tasks will subsequently be to advise and assist the German government in the implementation of the Action Plan for CSR." (p. 34)

"The German government will also see to it that the measures foreseen in the National CSR Strategy and the National Engagement Strategy as well as the activities pursued by state, regional and municipal governments in the area of corporate social responsibility follow the same aims and dovetail as much as possible with one another." (p. 34)

Summary of Policy Instruments

The policy instruments incorporated in the national CSR strategy are mainly **information based**, but **economic** instruments and **networks** play also an important role.

Policy Instruments

Economic/market based or public financing

Foster responsible micro-enterprises:

1) assist responsible micro-enterprises in Germany;
2) already set up a microcredit fund [making] it easier for micro-enterprises and new businesses to borrow money;
3) the revision of the Investment Act has made it possible to sell microfinance funds in Germany;
4) Germany's development policy work supports responsible micro-enterprises (and microfinance initiatives in particular) in foreign countries.

- create incentives for universities in the area of corporate social responsibility and make the Principles for Responsible Management Education (PRME) of the United Nations Global Compact known to a broader public.
- already conducting a number of measures to assist enterprises with their development of CSR activities and is creating incentives to encourage business to practise corporate social responsibility
- strengthen and progressively develop sustainability as a criterion in public procurement practice

- examine whether and to what extent new incentives could be conducive to the progressive development of socially responsible investment and the capital market for sustainable development.

Information based

- guidance and coaching programme for SMEs
- promote regional and national activities and 'round tables' that target the sharing of information and experience between larger companies and SMEs and/or their suppliers
- continue the research being conducted on the subject of CSR in small and medium-sized enterprises as target-oriented research for the purpose of disseminating corporate social responsibility
- improve the advisory and guidance services provided to SMEs
- foster public recognition of CSR activities by awarding a new CSR prize [and] continue to support existing prizes and awards
- assist multinational corporations with bringing their business practises into line with internationally-recognised instruments and initiatives (ex. issuing a manual on the OECD principles.)
- bundle information regarding corporate social responsibility and the involvement of individual ministries on a centralised basis and, for this purpose, significantly expand its existing website on the subject of CSR;
- supports international CSR portals (e.g. the anti-corruption website www.business-anti-corruption.com and the information portal http://baseswiki.org)
- examine the development of a central portal for information on corporate responsibility
- communicate the subject of corporate social responsibility to a broader public and raise awareness of this issue particularly among consumers and investors
- develop a plan for linking the idea of "CSR – Made in Germany" at international level with German industry's product quality and sense of responsibility
- will foster stronger links between schools and business in conjunction with the respective chambers
- - improve initial and continuing training on CSR issues for instructors and have practical instruction materials developed
- - German universities are to be encouraged to adopt these principles on a voluntary basis
- - As part of development cooperation measures, assistance will be provided to universities and academic networks in developing and newly-industrialising countries to help them with the implementation of CSR content
- - step up its awareness-raising and information activities in order to increase knowledge of and compliance with internationally-recognised CSR instruments and initiatives
- assist enterprises interested in doing business in regions where they can make a

contribution to sustainable social, environmental and cultural development

- support positive conditions for life-course- oriented and employee-oriented personnel management systems that are responsive to demographic shifts
- foster life-course-oriented business policies on a targeted basis
- foster social diversity in company workforces and better employment opportunities
- with Logib-D, the German government is conducting a project which helps businesses develop solutions for fair pay
- Individual federal ministries will issue informative CSR reports, in keeping with their role as models and pacemakers in the area of social responsibility

Networks

- develop strategic partnerships and networks with the aim of using positive business examples and good experiences to disseminate corporate social responsibility and facilitate its successful implementation
  - foster international research networks that focus on the management of socio-economic aspects in businesses and will examine the possibility of developing these networks into an interdisciplinary centre of excellence
  - examine whether setting up a 'round table' on the development of standards for basic knowledge in the area of business and values would be conducive to achieving the targeted objectives, and whether a round table could be used to foster the exchange between theoreticians and practitioners on this subject
  - intensify the international dialogue on the CSR regime in relevant forums such as the United Nations, G8, G20 and the European Union
  - In its development cooperation work, the German government will continue to actively promote the establishment of fair working conditions and the implementation of the United Nations' Millennium Development Goals and the ILO's Decent Work Agenda in partner countries
  - progressively develop and refine bilateral and regional development cooperation projects in the area of corporate social responsibility

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