



# CSR

MAGAZINE

THE CORPORATE SOCIAL RESPONSIBILITY MAGAZINE IN EUROPE

- December 2003 (PDF only)
- Quarterly

## Exclusive

Results of the  
'CSR in Europe'  
Survey

## Interview

Renaat Landuyt,  
Vice-president  
of the Flemish government

## Special Report

AIDS and access to  
medicine in Africa

- **Impacts of Reporting** – The role of social and sustainability reporting in organisational transformation
- **Exploring Business Dynamics** – Mainstreaming corporate social responsibility in a company's strategy, management and systems
- **Corporate Social Responsibility and the role of investors** – from switchboard to catalyst



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## CSR MAGAZINE

### THE CORPORATE SOCIAL RESPONSIBILITY MAGAZINE IN EUROPE

On the cover:  
Renaat Landuyt

- 4 Editorial

## CSR EUROPE NEWS

- 5 CSR Magazine reviews CSR Europe's trade event and National Partner Organisations survey

## CSR NEWS

- 6 A round up of the latest European CSR News

## SPECIAL REPORT

- 7 Access to medicine for people in Africa suffering from HIV/Aids and the subsequent role business, as employers, can play in assisting their employees



## INSIDE EUROPE

- 10 Interview: Grit Munk, representing the European consumer organisation BEUC, tells us what she expects to see in the European Multi Stakeholder Forum's outcomes

## INTERVIEW

- 11 Renaat Landuyt, Minister Vice President of the Flemish Government, shares his views on job creation, the role of government in CSR and his new project for the Flemish Region; 'service cheques'

## CAMPAIGN UPDATE

- 14 A Review of the CSR Campaign events held in Warsaw, Geneva and Brussels

## ACADEMIC COLUMN

- 15 Mette Morsing from the Copenhagen Business School talks about the importance of sensitising stakeholders



## MARKET RESEARCH

- 16 CSR Pulse special: Results of the CSR in Europe websurvey hosted on CSR Europe's website

## RESEARCH, PUBLICATIONS AND EVENTS

- 18 Listings of the latest research, publications and events.

Dear Reader,

This December PDF issue of CSR Magazine marks the end of an era. The next issue, in March 2004, will see the introduction of the fully relaunched CSR Magazine, which will include an improved editorial and layout. The revival has already begun. CSR Europe recently entered into a partnership with Centurion Publishing in London.

This new joint venture will strengthen the magazine's position as the leading European stakeholder magazine for CSR issues and will provide a unique communications platform for the dialogue between different stakeholders in Europe and in-depth features on CSR related issues. By doing this, we hope to provide you, our reader, with a superior service!

2003 was a good year for corporate social responsibility. This is how 83% of those who completed the November CSR Europe websurvey responded. Interestingly, socially responsible investing, global governance and transparency were perceived to be the most important CSR issues for 2003. Full details of the survey can be found on page 16. 2003 has also been a good and busy year for CSR Europe and its partners. The European Business Campaign for Corporate Social Responsibility catapulted CSR into seven European countries through successful marathon events; the European Multistakeholder Forum on CSR, established by the European Commission in November 2002, developed into a valuable platform for dialogue between all the stakeholders involved in corporate social responsibility.

In this issue you will be able to read Renaat Landuyt's thoughts on CSR. As the Flemish minister responsible for a number of CSR related issues around the European Union's capital Brussels, Landuyt's policy is not without impact on those deciding on CSR at a European level. The European Consumers' organisation has a clear vision of the role politicians like Landuyt should play in stimulating consumers to buy products that are in turn produced by companies that take CSR-principles into account. This edition's main feature deals with a very pressing issue; access to medicine for people in Africa suffering from HIV/Aids and the subsequent role business, as employers, can play in assisting their employees. Some companies even dare take their responsibilities further...

The editorial team of CSR Magazine wishes you a happy new year and looks forward to bringing you the exciting new CSR Magazine in 2004!

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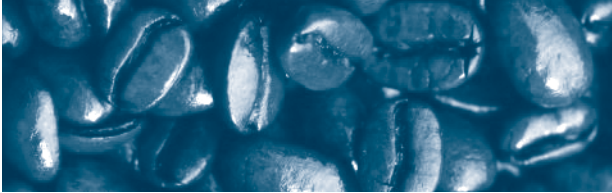
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## Sustainability, responsibility

The business contribution to sustainable trade



The CSR Europe conference on Sustainable Trade – held in Brussels on October 16 and 17, 2003 – brought together for the first time experts and practitioners from the spheres of both trade and CSR to search for common ground and understanding. In two days of debate, delegates sketched out ways to capture common issues and translated them into possible new approaches to trade, both in a business-to-business context and through dialogue with stakeholders.

On the first day, the conference heard among others from Guy de Jonquieres from the Financial Times, Bernard Kuiten representing the World Trade Organisation and Rachel Thompson from APCO. Speakers on the second day included Jose Alfredo Graca Lima, the Brazilian Ambassador to the EU, Antoine Mach from rating agency Covalence and Robert Madelin, European Commission, DG Trade. Corporate delegates included both CSR and public affairs professionals from companies such as Dow, Levi Strauss, Mattel, Carrefour, BT, Nike, Novozymes, Procter and Gamble, ABN-AMRO, Unilever and Nestlé.

Highlights from the discussions included a better understanding of differences between ethical, conventional and fair trade; the practical contributions that mainstreaming corporate responsibility can make to sustainable trade and advantages and disadvantages of codes of conduct. The conference also addressed the possible implications of a 'vacuum' after Cancun, whether business should make its voice heard at international trade platforms, and the role of governments in creating an enabling environment to encourage sustainable trade.

The report of the meeting will be released in January 2004. For more information, please contact Catherine Rubbens, [cr@csreurope.org](mailto:cr@csreurope.org).

## Strengthening bridges across Europe

Survey among CSR Europe's NPO network:

Already present throughout Western Europe, and progressively in Central and Eastern Europe, CSR Europe's network of 18 national partner organisations (NPO) reaches out to over 1400 member companies and tens of thousands of other key CSR players.

The network's strong presence has also contributed to developing the capacity and recognition of its component organisations, developments that encourage an upgrading of the network's activities to better drive the CSR agenda forward. To facilitate this process, CSR Europe's NPO unit undertook an extensive survey in November 2003.

According to the survey, which had a 100% response rate, instruments used to address the CSR agenda are relatively similar (events, publications, workshops, research), while the themes addressed vary considerably. There is nevertheless a strong interest (above 50% of respondents) in working together on CSR policy in the areas of; reputation; communication, auditing and reporting; diversity and equal opportunities; and community involvement/ employee engagement. 93% of respondents wish to increase cooperation in their services to members, particularly on mainstreaming CSR into core business practices. Furthermore, partners unanimously expressed a strong interest in establishing European CSR awards, and an annual European CSR survey to companies.

This survey shows clearly that the leadership role CSR Europe has taken in the past 5 years has been pivotal in building a truly pan-European CSR network and in contributing to the development of a number of partner organisations. There is now a unanimous expression of interest to enhance cooperation, in particular through combined services to members, as well as contributing to the wider CSR debate amongst companies and other stakeholders.

For more information on the NPO network, visit [www.csreurope.org/partners](http://www.csreurope.org/partners).

**In the news:**

**9 out of 10 companies against EU corporate governance legislation**

Nine out of ten companies reject the idea of a strict, legally binding code on corporate governance in Europe, according to new research by Hewitt Associates. Yet 60% of respondents agreed that EU guidelines on corporate governance, which are expected to be published in 2004, would be helpful.

Nine out of ten respondents said that their company publishes the compensation package for the board as a whole but only half of the companies surveyed publish the individual pay package of executive board members. The survey also found that 73% of listed companies in Europe, which participated to the survey, already have a written code of conduct and business ethics in place. In most of these cases the code is also publicly accessible to third parties.

*(Source: Hewitt Associates)*



"No EU code on corporate governance" say leading companies



Mary Robinson chairs the UN human rights norm initiative.

**Leading companies endorse UN human rights norms**

Seven major multinational companies (ABB, Barclays, Novartis, MTV Europe, National Grid Transco, Novo Nordisk and The Body Shop International) have announced their willingness to work with new United Nations Norms on the Responsibilities of Transnational Companies. The companies have agreed to join the Business Leaders' Initiative on Human Rights in London, and pledged that they will "give serious consideration to the role [the UN human rights] norms might play in our own work". The initiative is chaired by Mary Robinson, former UN high commissioner for human rights, and seeks to clarify the responsibility of business in promoting and protecting human rights. The seven companies agreed to a list of actions for business to take to address issues raised by the UN norms. "Minimum" actions include compliance with national laws and regulations, while "expected" actions cover such issues as whistleblower protection and

payment of a living wage. "Desirable" actions include HIV/Aids treatment programmes and withdrawal from countries where forced labour is prevalent.

*(Source: Financial Times)*

**UN Global Compact is put to the test**

The United Nations Global Compact (GC) is being put to the test in a recent case involving extractive industries company BHP Billiton. The Global Compact, which presents itself as a set of voluntary corporate guidelines, is reported to be putting pressure on BHP Billiton to listen to trade union demands on the issue of collective bargaining. The move follows the recent highlighting of the issue by labour unions during the company's AGM: unions have argued that BHP Billiton's use of individual employment contracts puts it in violation of the UN Global Compact, of which the company is a signatory. The Global Compact's George Kell has now implicitly supported the unions, saying that collective bargaining and freedom of association are core principles of the Compact, and need to be observed. He said that a letter had been sent to the company outlining this. The UN Global Compact has been controversial among some NGOs for being perceived to lack teeth and being a purely voluntary agreement. This case could be the first real test for the GC as to how it may be used to pressure companies to act according to its principles.

*(Source: Business Respect)*

# The real cost of AIDS

According to the latest UN statistics, there are currently 44 million people in the world living with HIV or AIDS. Of these, 70 percent live in sub-Saharan Africa. The corporate sector is only just beginning to wake up to the risks posed to business operations by HIV/AIDS, and has yet to recognise its wider responsibilities in influencing the social and economic conditions that encourage the spread of the virus.

## By Louise Gardiner

That is at least the conclusion of a recently published study by the United Nations Research Institute for Social Development, entitled "Waking Up to Risk: Corporate Responses to HIV/AIDS in the Workplace". Moreover, a recent deal for cheaper AIDS drugs brokered by the Clinton Foundation has highlighted just how urgently the poorest sufferers need access to lifesaving medicines. However, the potential for the private sector to help fight the HIV/AIDS pandemic goes beyond the cost of treatment



In a world where 1.2 billion people live on less than a dollar a day, the standard AIDS treatment costs \$1.50

and to the heart of the role of business in society.

In South Africa alone, over five million adults are infected in a population of 40 million, and nearly a thousand people die of Aids every day. Such numbers of sufferers from HIV or AIDS have severe implications both in terms of human life and in economic impact. According to the Worldwatch Institute, some countries could lose more than 20 percent of their gross domestic product by 2020 due to the effect of AIDS on their workforce and productivity.

Until a cure is found, treatment remains the best way to manage the disease. But most AIDS sufferers are currently cut off from even this alternative because the costs are too high and access to the most commonly used, triple-drug regimen that could drastically improve their quality and length of life is limited. The new agreement brokered by the Clinton Foundation hopes to change just that.

## Too high a price

This last October, the Clinton Foundation announced a landmark deal with four generic-drug

companies (India's Ranbaxy Laboratories, Cipla and Matrix Laboratories, and South Africa's Aspen Pharmacare Holdings) to cut the price of a standard drug regimen down to around 38 cents a day per patient. This is a third of the price of patented versions. The deal will benefit AIDS sufferers in nine developing countries in the Caribbean and Africa, including Mozambique, Rwanda, South Africa and Tanzania. More importantly, it is a loud wake-up call to all stakeholders in the debate, including international pharmaceutical companies, that even though efforts have been made to lower prices for treatment, the current responses aren't doing enough.

The high costs of anti-retroviral drugs have become a major sore point for poor countries hardest hit by the HIV/AIDS pandemic. In a world where 1.2 billion people live on less than a dollar a day, the standard AIDS treatment costs \$1.50. As a result, only 50,000 out of four million AIDS sufferers in southern Africa are receiving required treatment.

While many of the leading pharmaceutical companies have

# Special Report

## Access to medicine in Africa

responded to public pressure by announcing successive price-cuts in the last few years, there are still big gaps between the prices of brand-name drugs and those of their generic copycat counterparts.

### More than just pricing

Ultimately, pricing remains just one aspect of providing greater access to medicines in developing countries. Lack of basic infrastructure and health care facilities are just some of the current obstacles to effective distribution and monitoring of treatment once drugs become available.

In working out the cost-cutting deal with the drug companies, the Clinton Foundation found ways to cut down on marketing and distribution costs for already well-known drugs, as well as redistributing the profits from sales of other drugs not related to AIDS.

Besides lowering the price of drugs, the Clinton Foundation has also secured partial funding from wealthier nations to help the countries pay for improvements to their health systems in order to deliver the treatments effectively.

In addition, the business community is showing it has the resources and the will to help both in the delivery of medicines as well as in providing information and education to help fight the spread of the disease. In the last few years, several leading multinationals operating in Southern Africa have announced programmes to supply employees with free AIDS drugs and to invest in AIDS education, prevention and treatment programmes. In 2002, Anglo-American, a member of the Global

Business Coalition on HIV/AIDS, became one of the first big South African companies, alongside mining company Goldfields and SAB Miller, to say it would provide anti-retroviral treatment (ART) to all infected employees.

This October, Anglo-American took one step further and committed to extending HIV/AIDS programmes for employees into surrounding communities. The company, which estimates that about 30,000 of its 124,300 local employees are HIV-positive, will invest €3.7 million over three years in a new community partnership project to prevent and treat the disease in six provinces where the mining group has business units.

### Shaping a role for business

The South African Business Coalition Against Aids, launched in 2001, and the Global Business Coalition on HIV/AIDS (GBC) are just two examples of how the private sector is mobilising to find solutions to the growing crisis. Membership of both has risen rapidly in recent years as the practical implications of the disease start to become apparent. Companies, particularly in labour-intensive industries, are realising that the costs of not addressing the problem far outweigh the cost of doing so. For Anglo, treatment and information programmes for its employees cost \$5 for every ounce of gold produced, whereas the company has estimated that inaction would cost \$9 an ounce.

If anything, the AIDS crisis has highlighted the fact that business is part of the solution.



Anglo American has realised that inaction would cost more than proactive treatment

Commemorating World AIDS day this December, Jurgen E Schrempp, DaimlerChrysler's chief executive and chairman of the Global Business Coalition on HIV/AIDS, said that "the pandemic can only be overcome if all sectors in society, including business, work together".

The Global Business Coalition on HIV/AIDS not only advises its members worldwide on how they can implement workplace prevention and care programmes and policies, but it argues that the business sector itself has the creativity and flexibility to improve the reach and effectiveness of AIDS programmes throughout society. As a third pillar of business' response, the GBC argues that business leaders have a crucial opportunity to use their leadership and advocacy to tackle the stigma and discrimination that has enabled the virus to spread so rapidly. Addressing representatives from business, government and NGOs this November, UNAIDS executive director Peter Piot pointed out that "Business can

play a big role in breaking the silence and reducing stigma". The price of not doing so would severely undermine all other efforts to combat the disease, he added.

## How much profit?

South Africa's Treatment Action Campaign (TAC) states that it is not against pharmaceutical companies making a profit, but believes that drug companies "should not make an excessive profit at the expense of people's health". The companies themselves have responded in a variety of ways, including tiered and preferential pricing for poorer countries, and corporate donations in the form of medicines. However, access to far cheaper generic drugs still seems the best chance for many countries to make any headway in the provision of treatment. But it has also raised much debate.

In April 2001, 39 pharmaceutical firms (including industry leaders Bristol-Myers Squibb, Glaxo-Wellcome, and Pfizer) contested a 1997 South African law that allowed the government to import cheap generic drugs for the treatment of AIDS. The companies argued that the move would put them out of business and was illegal according to international trade rules.

Recognising the dilemma in which developing countries found themselves, the states represented in the World Trade Organisation adopted a groundbreaking declaration on public health at the 2001 conference in Doha. Recognising that access to medicines should have primacy over commercial interests, the Doha declaration makes specific provisions for "emergency" health

concerns that give power back to national governments.

The South African lawsuit was pivotal in drawing international attention to the issues at stake in the debate over drug pricing and access to generic products. Not only did this motivate the companies to drop their case: it encouraged many more drug companies to wake up to the urgency of the situation.

As Jenni Gillies, Company AIDS manager at South African Breweries (SAB Miller), pointed out: "The drug companies have come to the party, although they had to get a slap. They had a legitimate right to make a profit – it was just the degree that came into question."

## Links

<http://www.accessmed-msf.org>

[http://www.who.int/health\\_topics/essential\\_medicines/en/](http://www.who.int/health_topics/essential_medicines/en/)

<http://www.theglobalfund.org>

<http://www.unaids.org>

<http://www.gbcaids.com>

## Companies investing for global health

■ **Johnson & Johnson** commits more than \$7 million annually to fighting HIV/AIDS around the world. J&J and its operating company Tibotec work closely with numerous non-governmental agencies, HIV groups, governmental bodies and others to enhance access to medicines in the world's poorest countries. The company currently supports HIV education and prevention programmes in Africa, Asia, and Latin America, through

research, product donations and prevention education.

- The **Shell group** of companies has recently pledged \$18.5 million for health and development projects in Nigeria as part of a \$2 billion a year investment project. The money will be invested in two social partnerships (with Africare and the United States Agency for International Development respectively) to combat malaria in the country, including improving access to effective and affordable anti-malaria drugs. Malaria is estimated to kill 300,000 Nigerians a year.
- Last year, **Glaxo-Wellcome** said it would be cutting the price of five HIV/Aids drugs by up to 33% and the price of two anti-malarial medicines by up to 38% as part of a 'not-for-profit prices' scheme under which Glaxo and other drug companies provide some cheaper drugs to developing countries.
- **Coca-Cola** launched a HIV/Aids prevention and treatment program for its 1,200 employees and their relatives in Africa in November 2000. Last year the company expanded the program to its bottling partners, and 60,000 more people.
- **Pfizer** recently announced that it is due to donate over \$500m of the antibiotic Zithromax to fight trachoma, the leading cause of blindness globally.

*Louise Gardiner is a freelance writer and consultant on CSR and sustainable development issues*

The European Multistakeholder Forum was launched last year by the European Commission to create a platform for dialogue between business, unions and non-governmental organisations on CSR. Danish policy adviser Grit Munk takes part in the stakeholder forum on behalf of the European consumer organisation BEUC. What does she hope to see included in the Forum's outcomes in summer 2004?



Grit Munk

In November, Italy hosted a high-level meeting of the European Multistakeholder Forum on corporate social responsibility (CSR) in addition to the EU-presidency conference on the same subject. Both meetings focused on the role government could play in taking CSR to a higher level in Europe.

According to Munk, one of the most important outcomes of the meetings in Italy, is that the forum is now shifting from exchanging experiences to a more concrete discussion. "We are starting to build up real recommendations on how to take CSR further."

■ **What would you like the common recommendations to be, when the Forum has to advise the European Commission in summer 2004?**

"First of all I hope the dialogue in the forum will lead to more transparency. CSR is a growing concern for consumers. They are increasingly starting to question where products come from and whether they have been produced in a responsible way. Consumers want to buy good products. But currently they do not know what companies are doing. Moreover, the idea that the cheapest is by definition bad, is not always true: expensive t-shirts can just as well be produced in bad circumstances. It is therefore essential that companies are transparent about their activities.

Furthermore, BEUC would welcome help from the forum in identifying tools that could be used to ensure transparency. One option would be a European CSR-

label. However, this would need thorough research and an in-depth, separate, discussion with business. Consumer magazines could publish guides to products based on common ethical aspects, asking for instance if an organisation has a code of conduct, what its CSR policy is, and how easy consumers can access information about a company. Since CSR is a relatively new concept, these tools should be developed over time."

■ **The Multistakeholder Forum brings together business, unions and other interest groups for the first time. Would you say the process is balanced?**

"The European dimension of the forum has definitely meant a lot. It is good to have had the start of dialogue between all parties involved on this difficult and complex issue. It adds a lot of value to be able to share experiences with organisations from other countries as well as other stakeholders. Difficult questions can be answered more easily, because the network available for advice has expanded immensely. Smaller discussion groups, instead of discussing everything in a forum with all participants (more than 70 in total), could have made the process more fruitful, though. This would have left more space for new ideas and suggestions."

■ **What role do you see for the European Commission in further supporting CSR?**

"The Commission has an important role to play in stimulating research on implementing CSR: there are so many tools around now, that it is hard to distinguish the good from the bad. In my opinion, the dialogue should continue after summer 2004. As an impartial player, the Commission would be the best host for this extended platform."

# Finding new solutions

The Belgian government has set itself the challenge of creating 200,000 jobs within the next 2 years. A key player in this challenging project is Renaat Landuyt, Vice-president of the Flemish government and Flemish minister of employment and tourism. He believes that stimulating the social economy is a key factor to creating these jobs. The introduction of the 'service cheque' programme, a user-friendly system where individuals use coupons to pay for partly subsidized social services, plays an instrumental part of his policy. CSR Magazine talks with him about durable job creation, the role of corporate social responsibility, the social economy and of course his champion project; the service cheques.

By Pieter Dumon

The Belgian government promises to create 200, 000 jobs in the following two years. How will the government ensure that this economic expansion does not come at a cost to environmental and social factors?

Job creation today is very different than in the 1970s and 1980s. Then, the government subsidised specific jobs and through the so called 'fake statutes' a third 'employment circuit' was created. Today we want to boost the economy and stimulate entrepreneurship through a wide range of measures in order to create more jobs. But while doing this we also have to keep sustainability, social inclusion and social welfare in mind. During the federal employment conference in September and October we worked out an economic policy

that aims for sustainable growth. Other important issues were education and training and a structural lowering of the labour costs for specific groups like young people, elderly people and long-term unemployed. And last but



certainly not least we also want to create more jobs in the social economy; specifically local services and the non-profit sector."

Nice ideas, but in these times of economic downturn isn't it even harder to ensure that companies don't try to avoid their social responsibility?

It's true that there is less attention paid to corporate social responsibility in a period of economic downturn. This implies that social responsibility is still seen by many businesses as an added extra and not core to their strategy. But social responsibility is much more than that. It is the essence of business and it's even more relevant in times of economic recession when difficult decisions have to be made in a responsible way.



The recent restructuring of the Ford production plant in Genk convinced me of this. I am now more convinced than ever that the way forward is to implement CSR at the core of businesses in their strategic decision making process. As minister of employment, I launched an innovative approach to this issue. The key is to stimulate and support the innovators and at the same time inform a larger group of companies about CSR. Companies can exchange their experiences on CSR related issues through networking. This approach is one of the reasons we organised an entrepreneur-conference during the employment conference. The exchange of ideas between entrepreneurs in the different economic sectors was an ideal way to give our economic and employment policy, with a clear focus on sustainable growth and social well being, an extra boost.

Speaking of the social economy. It is one of the fastest growing sectors in Flanders and you now wish to create another 12 000 additional jobs. Creating jobs in the social economy is one thing, but can you guarantee the quality of these jobs? Isn't there a danger that many of these new jobs will have meaningless content?

"The quality of the jobs is as important as the quantity. Not only in the social economy, but this of course applies to all other sectors. I have taken a number of important measures to ensure this quality. The recognition of VOSEC (Vlaams Overlegplatform Sociale Economie en Meerwaardeconomie) for example, is an important factor in this matter. This organisation, groups together about 90 social economy organisations and together they have developed a very useful guideline on job quality. In addition to this, start up centres

and advice-bureaux have been established and together these play an instrumental role in ensuring quality control and in making the sector more professional.

You have played a key role in establishing the service cheques programme, a user-friendly system established to stimulate the service economy. There was even a little riot between the Flemish and

**"We want to boost the economy and stimulate entrepreneurship through a wide range of measures in order to create more jobs. But while doing this we also have to keep sustainability, social inclusion and social welfare in mind"**

the Walloon governments regarding the division of the funds for these service cheques. Why then, have the service cheques become so popular in Flanders in contrast to the Walloon provinces where they are almost never used?

Because I am a Flemish and not a Walloon minister (laughs). No seriously, in Flanders we have made the ratification procedure for companies who want to work with the service cheques much easier. Also the conditions for the recruitment of specific target groups and the sorts of employment contracts that can be used are less strict. In Flanders, for example, the interim-sector can subscribe to the service cheques while in the Walloon provinces that is not possible. I believe that it's not necessary to issue really strict rules concerning the people who can enrol on the programme. I also got rid of the advanced control on the quality of the work or the services provided. The only thing that the companies enrolled have to do is sign an agreement in which they guarantee to provide high quality services and personnel management.

Are service cheques unique for Belgium or are they also used in other European countries?

"While several European countries use service cheques to subsidize the service economy only France has a similar system. In France the 'cheque emploi service' is a huge success. By the end of 2002 there were approximately 1,1 million users. And with already 506, 995 service cheques sold in a period of six months the system is doing really well in Flanders too. The system that is used in France and Belgium differs from that in other

**"The recent restructuring of the Ford production plant in Genk has convinced me that now more than ever the way forward is to implement CSR at the core of businesses in their strategic decision making process"**

European countries in the amount of services that can be paid with the service cheques. The supply of possible services is much bigger. In the UK and Finland for example the cheques are almost exclusively used for childcare and other social services. France and Belgium are also the only two countries where bringing in unemployed people is an important aim of the service cheques. In Denmark, for example, there's the Home Service Scheme but that project aims mostly at semi –and unskilled workers."

The service cheques are one possible way of helping the so called 'risk groups' get a job. But how is Belgium, with all the efforts being made, doing on a European scale. Has the success of the service cheques given Flanders a head start?

"When seen in a European context Flanders still has a very low labour participation for people belonging to 'risk groups'. For example, only 25% of the elderly people between 55 and 64 years are in employment and in 2002 only 45,1% of the unskilled active population and 37,5% of the non-EU inhabitants had a job. It is no surprise that striving for a higher employment rate for these 'risk

groups' is one of the priorities of the Flemish government. In 2002 we sat around the table with our social partners and made mutual engagements concerning education and guidance of job-seekers in the so called 'Pact van Vilvoorde'.

Under the influence of European guidelines, the entire Flemish policy concerning job-seekers became remarkably more preventative. We no longer wait until people are long term unemployed and then provide them with a job that is subsidized by the government. Now we try to provide them as fast as possible with a suited course of education and guidance. We've come a long way, but we can still learn a lot from other European countries. One example is providing work experience as the first step in integrating people into employment. We have taken the first step with regards to this issue with the introduction of the 'experience certificate' which in the future will give employees the chance to their acquired competences on the job floor acknowledged."

**"With already 506,995 service cheques sold in a period of six months the initiative is doing very well in Flanders"**

For further information on the Flemish Government's policies and initiatives visit:  
[www.vlaanderen.be](http://www.vlaanderen.be)

**Pieter Dumon** is a freelance journalist based in Gent



# CSR Campaign reaches Poland, Switzerland and Belgium

## CSR Campaign arrives in Poland ...

In October, the Responsible Business Forum Poland and the World Bank hosted the Polish leg of the European Business Campaign on Corporate Social Responsibility in Warsaw. The event saw the launch of a new report on CSR in Poland, entitled "Polish managers and CSR – Knowledge, Attitudes, Practices". Prepared by the Responsible Business Forum Poland, the World Bank and the Academy for the Development of Philanthropy in Poland, the study surveys managers employed within the 500 largest companies in Poland. To read the English summary of the report and find out more about CSR in Poland please visit

## ... and stops in Switzerland and Belgium

The European Business Campaign on Corporate Social Responsibility made two more stops in November - in Geneva, Switzerland, and Brussels, Belgium. CSR Europe's national partner organisations Philiias and Business & Society Belgium



Business & Society Belgium,s representative Frank Welvaert (Johnson & Johnson) hands the CSR smile to a member of the Czech Business Leaders, Forum, Jana Martincova (American Express)

hosted the first Swiss and Belgian national conference on corporate social responsibility, representing the 12th and 13th stops of the CSR Campaign Marathon. Both conferences featured high-level involvement from the business and political world: in Switzerland, the conference was opened by David Syz, the State Secretary for Economic Affairs, and Pierre-Francois Unger, President of the Social Services Department; while in Belgium, the sustainable development minister Freya Vandenbossche faced CEOs from Glaverbel, Axe Group, and Ecover in a panel discussion. The CSR smile has now been handed over to the Czech Business Leaders' Forum, who will host the following

CSR Campaign event early next year.

*For further information about the organisations mentioned in the article:*

- [www.responsiblebusiness.pl](http://www.responsiblebusiness.pl)
- [www.philiias.org](http://www.philiias.org)
- [www.businessandsociety.be](http://www.businessandsociety.be)

*For more detailed information about the outreach of the campaign please visit:*

[www.csrcampaign.org](http://www.csrcampaign.org)

*or contact Anduela Gjergi, Campaign Manager at*  
[ag@csreurope.org](mailto:ag@csreurope.org)



## CSR is not true or false - It's an ongoing dialogue

By Mette Morsing

Modern societies are not moral societies. They describe themselves in terms of politics, technology, economy, science and art. Each of these domains has since the Renaissance liberated themselves from morals. With the introduction of corporate social responsibility (CSR) there is a new quest for integrating morals into the sphere of economics. It is not an easy task, since there is no consensus as to what moral demands are.

Much of the current CSR literature subscribes to the idea that the very vision of CSR could inspire managers and create a silent revolution. In this view, the idea of CSR is self-motivating and should inspire the entire business world irrespective of other considerations such as profits. In opposition, theories of a more neo-liberal propensity tend to view social responsibility as a mere tool for promoting the reputation and by that the profit of the organisation. The meaning of CSR in this view is profit and growth.

There is no logical link between a moral and an economic outlook. Even in studies indicating a positive causality, it is not possible to decide what is cause and what is effect. Even if private organisations have profit as their official goal, in daily practice managers have to balance many different values, including social responsibility and profit. It is not possible to subscribe to one type of value.

**Organisations are not only responding to societal demands but also setting the scene for these same economic and moral demands.**

Whether managers do CSR because they believe in it or because they have a cynical view about the economic benefits of acting according to social responsibility standards, they have to take CSR into

account. An organisation is a moral agent even if it cannot be tested according to its authenticity. So the important thing is whether the organization accepts to use CSR as premises for its decisions and actions.

But what does this mean in practical terms? There are no official CSR standards and no international CSR law. There is not even a shared agreement among managers as to what CSR means. The meaning of CSR depends on trade, size, nationality, etc., and demands change as issues emerge or disappear. The practical implication is that no matter whether managers want to be good or whether they just want to make money – to address the two extremes - organisations have to exhibit a sensibility towards the demands of society. Hence, organisations have to operate in a sphere where these premises exert critical power.

To be sensitive, on the one hand, organisations have to engage in an ongoing dialogue with many stakeholders. On the other hand, organisations also have to sensitise stakeholders, i.e. raising stakeholder awareness of business' concerns and activities. Organisations are not only responding to societal demands but also setting the scene for these same economic and moral demands. As sociologist Anthony Giddens has noted, organisations are both constructed by and help construct society. Organisations need sensory systems to make them aware of what the moral and economic atmosphere of society is in order to react, but equally important to pro-actively set the scene for future decisions and actions: sensing and sensitising. This means that they must engage in an ongoing dialogue with their stakeholders where morals and economics are confronted, influenced and renegotiated.

CSR is the construction of an ongoing dialogue. CSR is a way of potentially avoiding blindness, raising organisational sensitivity, reorganizing the premises for decision-making by constructing a motivating vision of the future. In this way, an organisation might hope to be able to control the uncontrollable. The outcome of the dialogue is not given once and for all. There is no guarantee of success. But for an insensitive organisation, there is guarantee for failure.

**Mette Morsing, Ph.d.**

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# 2003 – a good year for CSR

In November a special CSR Pulse websurvey was launched on the CSR Europe website to assess CSR in Europe for 2003. The results, exclusively available here, give a very good indication of how CSR Europe’s web-visitors perceive key CSR issues; what has concerned them most in 2003 and their predictions for 2004.

An overwhelming majority (82%) said that 2003 has been a good year for CSR in Europe, reflecting the growing importance that CSR has for both business and its wider stakeholders (See figure1). Media coverage of CSR is on the increase and this can often be seen through the coverage of national CSR awards. 55% of those surveyed were able to name specific CSR awards in their home country.

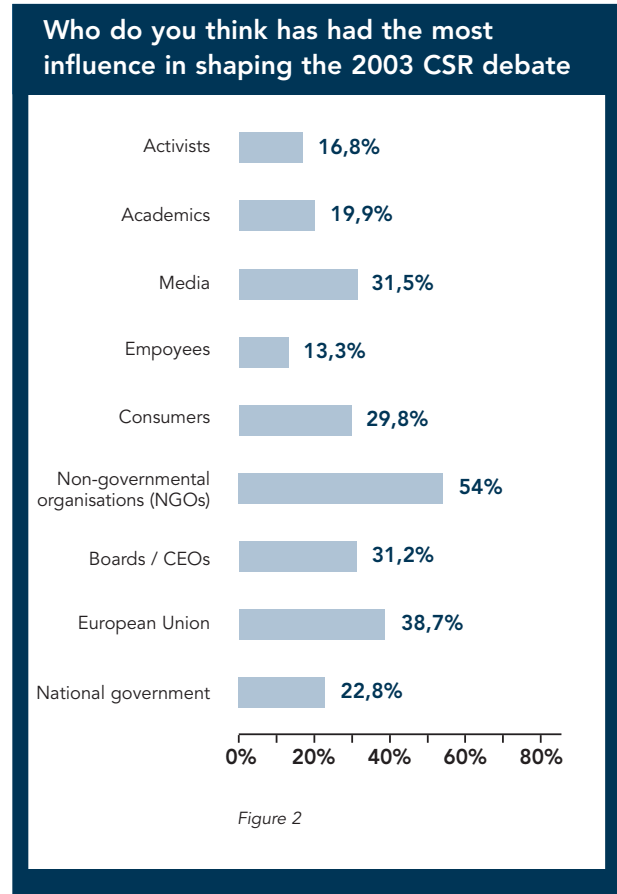
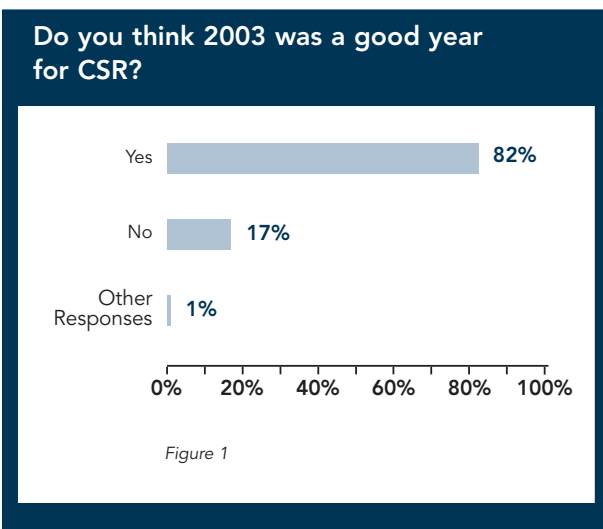
## NGOs most influential in shaping 2003 CSR debate

Interestingly, NGOs (54%) were seen to have the most influence on the CSR debate during 2003. When the same question was asked in the first CSR Pulse in spring 2003, company boards and CEOs were voted the most important with 48% (Figure 2). This grouping has now fallen to 31%, which is trailing behind both the European Union (38,7%) and the media (31,5%).

NGOs, who were third in the spring survey moved up from 38%. According to the latest survey, employees (13,3%) come last in determining the CSR debate.

## SRI and governance issues most important in 2003

Socially responsible investing (46,2%), global governance (43,5%) and transparency (42,1%) were



voted the three top issues on the CSR agenda in 2003 (Figure 3). The latter two issues come as no surprise following a number of corporate scandals worldwide and subsequent initiatives being put in place to counter issues of corporate malpractice. It is positive to see that SRI scores so highly, as recent research by CSR Europe shows how pivotal the Investor Relations Officer (IRO) is in analyzing CSR issues from a risk perspective and then acting as an interface between business and the financial community.

.. and 2004

Unsurprisingly, the three same issues came top in the survey regarding CSR trends for 2004. In this instance, however, global governance comes out on top with 51,6%, followed by SRI (47,8%) and transparency (46,3%) respectively (Figure 4). The top issues in the survey seem to indicate that there is a growing tendency to link CSR to materiality especially through adopting a mainstreaming approach.

Which specific CSR issues do you feel have dominated the CSR agenda in 2003?

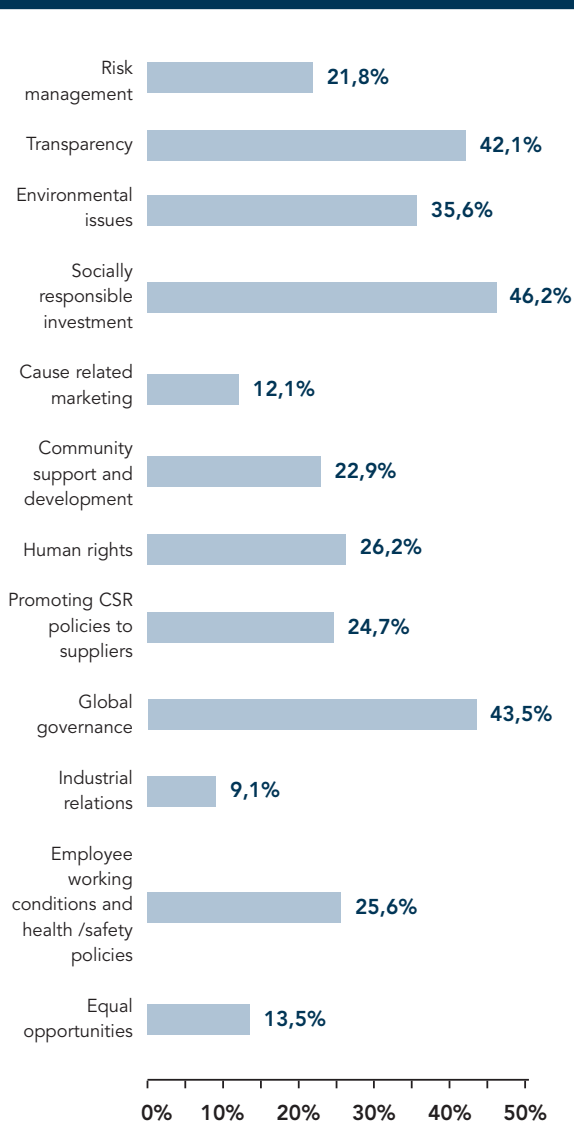


Figure 3

Which specific CSR issues do you feel will dominate the 2004 agenda?

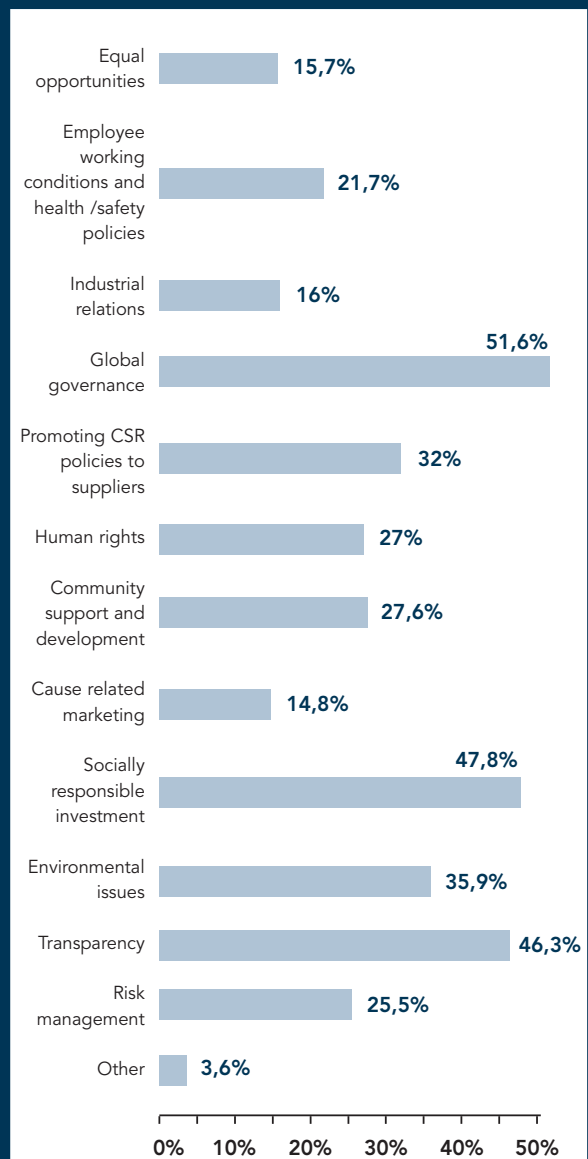


Figure 4

# Research, publications and events

Visit [www.csreurope.org](http://www.csreurope.org) for research, publications, events and CSR news – updated daily.

## Research

We bring you the latest published research on issues related to corporate social responsibility. To read these articles contact your nearest university library, if they do not have the journals you are looking for they should be able to arrange an interlibrary loan. Otherwise, you can buy individual articles online from sites such as [www.ingentaselet.com](http://www.ingentaselet.com), or contact the journal's publishers directly.

## Abstracts

Alberic, Pater and Van Gils, Anita. **Stimulating Ethical Decision-making in a Business Context: Effects of Ethical and Professional Codes.** European Management Journal; December 2003, Vol. 21 Issue 6, p762, 11p

This mostly US-based research examines the effectiveness of ethical and professional codes in the Dutch management consulting industry. The results reveal, surprisingly, that the presence of an ethical code has a negative effect on individual ethical decision-making. The enforcement of compliance with professional codes is - in an indirect way - positively associated with the organisation's ethical climate.

Verschuur, Curtis C. **Corporate Responsibility: High Priority for CEOs.** Strategic Finance; October 2003, Vol. 85 Issue 4, p2,

In an insightful global survey of chief executive officers (CEOs), PricewaterhouseCoopers reveals that CEOs assign considerable priority to maintaining a high degree of corporate responsibility. On one hand North American CEOs prioritise supporting community projects over workplace safety in their definition, while on the other hand Central/South American and

European CEOs say workplace safety is most important. Most CEOs agree, however, that corporate social responsibility doesn't amount to public relations "spin", that corporate social responsibility is vital to profitability and that it must remain a priority, even in the current economic downturn.

Starck, Kenneth and Kruckeberg, Dean. **Ethical obligations of public relations in an era of globalisation.** Journal of Communication Management; November 2003, Vol. 8 Issue 1, p29

Throughout this article, the authors argue that corporations out of their own self-interest must embrace a global approach in fulfilling their social responsibility. They also emphasise that public relations professionals have an obligation to carry out that responsibility by recognising in their practices that the most important 'corporate' stakeholder is society itself.

## Publications

### The Corporate Responsibility Code Book

Deborah Leipziger

Publisher: Greenleaf Publishing Ltd; ISBN: 1874719780

The Corporate Responsibility Code Book is a guide for companies trying to understand the landscape of corporate responsibility and searching for their own, unique route towards satisfying diverse stakeholders. There is no one-size-fits-all approach. A company may face quite different challenges if it operates in more than part of the world. And yet stakeholders, especially consumers and investors, are keen for some degree of comparability with which they can evaluate corporate performance. There are

countervailing forces at work within corporate responsibility: on the one hand is the need for convergence in order to simplify the large numbers of codes and standards; and, on the other hand, the need to foster diversity and innovation.

## **The Planetary Bargain: Corporate Social Responsibility Matters**

Michael Hopkins

Publisher: Earthscan; ISBN: 1853839787

This book suggests a co-operative strategy, following CSR review, that creates prosperity both for corporations and for the people they serve. It brings out the case for a worldwide agreement between private and public sectors and discusses the implications of this idea. The book contains case studies of international companies who have adopted socially responsible programmes and analyses research in this area across 20 years.

## **Ants, Galileo and Gandhi: Designing the future of business through nature, genius and compassion**

Edited by Sissel Waage

Publisher: Greenleaf Publishing Ltd; ISBN: 1874719 764

This collection, developed from The Natural Step's conference on Sustainability and Innovation in 2002, provides radical ideas for generating a new perspective on the dynamics of business systems. 'Ants' symbolise the lessons to be learned from nature and the dependence of individual beings on broader, complex systems. 'Galileo' embodies brilliance in perceiving and proving that the current paradigm is flawed. 'Gandhi' exemplifies exceptional compassion in fighting for fundamental change.

## **Leading Change Toward Sustainability: A Change-Management Guide for Business, Government and Civil Society**

Bob Doppelt

Publisher: Greenleaf Publishing Limited; ISBN: 1874719640

Noting the limited amount of information available in regards to mainstreaming sustainable development within organisations, Leading Change Toward Sustainability provides a theoretical framework and methodology for those embarking upon an organisational change strategy in a simple yet

efficient manner. More specifically, the book highlights the issues of environmental impacts, the benefits of adopting sustainable practices, and how to overcome the formidable institutional barriers for implementing sustainable practices. Bob Doppelt provides a refreshing perspective on how the manager from both the private and public sectors can embrace sustainable development within their own organisation.

## Events

### MARCH

- 1-2 Corporate Responsibility in Practice: Risks, Liabilities and Corporate Performance**  
Royal Institute of International Affairs,  
London, United Kingdom  
Contact: [conferences@riia.org](mailto:conferences@riia.org)  
<http://www.riia.org>
- 8-12 Development Priorities and the Role of Tertiary Education**  
Wilton Park Conference Centre,  
West Sussex, United Kingdom  
Contact: Sandry Koo at  
[sandry.koo@wiltonpark.org.uk](mailto:sandry.koo@wiltonpark.org.uk) or visit  
<http://www.wiltonpark.org.uk/web/welcome.html>
- 30-31 Corporate Responsibility and Investing in China**  
Ethical Corporation,  
London, United Kingdom  
Contact: Peter Carkeek at  
[peter.carkeek@ethicalcorp.com](mailto:peter.carkeek@ethicalcorp.com) or visit  
<http://www.ethicalcorp.com/china2004/>

# CSR Europe Members



## CSR Europe Mission

To help companies achieve profitability, sustainable growth and human progress by placing Corporate Social Responsibility (CSR) in the mainstream of business practice