Corporate social responsibility: implementing the partnership for growth and jobs

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PURPOSE : to present a communication on the implementation of the partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility.

CONTENT : this communication has been prepared by the Commission within the context of the relaunched Lisbon Agenda and the 2005 “Partnership for Growth and Jobs”. It builds on a call, by the Heads of State in Hampton Court, to find innovative solutions to promoting European competitiveness whilst at the same time defending European values on social justice and sustainable development. Corporate Social Responsibility (CSR) acts as a valuable tool in addressing these challenges. By promoting CSR the EU is well placed to reconcile its economic, social and environmental ambitions with the need to defend wider societal needs in the form of social cohesion, social welfare and environmental protection. The core theme of this Report is to make Europe a pole of excellence on CSR precisely because CSR encapsulates and mirrors the core values of the EU: global free economies based on social justice and sustainable development.

Since the concept of CSR was first launched at the European level in 2000, a growing consensus has emerged on its definition namely: “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” CRS is a recognition that successful market economies are built upon coherent legislation and regulation but that, at the same time, a certain amount of self limitation, fairness and trust are essential to nurturing innovation and entrepreneurship. CRS, being non obligatory, asks stakeholders to go beyond existing minimum legal requirements. The Communication recognises the valuable contribution that business provide in terms of employment opportunities and creativity. At the same time, Europe needs socially responsible businesses that take their share of responsibility for the state of European affairs.

For the reasons outlined above, the Commission will give greater political visibility to CSR by acknowledging what European enterprises already do in this field and to encourage them to do more. Part of this backing includes supporting businesses in setting up a “European Alliance on CSR”. This alliance will be an open alliance of European enterprises, for which enterprises of all sizes are invited to express their support. It will act as a political umbrella for new or existing CSR initiatives and will include large companies, SME’s and their stakeholders. It will not act as a legal instrument nor will it be signed by enterprises, the Commission or any public authority. The Alliance will act as a political process in order to increase the uptake of CSR amongst European enterprises. Further, it will seek to promote CSR as a business opportunity creating win-win situations for companies and societies whilst recognising that CSR is a voluntary business approach which reflects the diversity of European businesses.

In other initiatives, the Commission has reviewed the work accomplished on CSR at an EU level, in order to align its approach with the priorities of the Growth and Jobs strategy. Based on its finding the Commission urges European enterprises “to move up a gear” and to strengthen their commitment to CSR. Although CSR is not a substitute for public policy it can contribute to a number of public policy imitative not least: more integrated labour markets; higher levels of social inclusion; investment in skills development; life long learning; a more rational use of natural resources; greater respect for human rights, environmental protection; and poverty reduction through implementation of the “Millennium Development Goals”.

As well as offering backing and support to the European Alliance for CSR, in the coming year the Commission will also promote:

Awareness raising and best practice exchange: The Commission will focus, in particular, on SMEs and some of the new Member States where CSR is less well known. It will also raise awareness amongst consumers on the effects of their consumption and investment choices.

Multi-stakeholder initiatives: The Commission will organises regular review meetings of the Multistakeholder Forum.

Co-operation with the Member States: The Commission will encourage the Member States to make best use of the instruments available to them for the implementation of CSR.

Consumer information and transparency: Together with stakeholders, the Commission will examine the need for further voluntary actions to achieve greater consumer transparency. For example, in the field of public health.

Research: The Commission will explore ways in which the 7th Research Programme can help support CSR activities.

Education: The Commission will invite educational bodies (universities, business schools etc.) to incorporate CSR into their educational portfolios as a cross cutting issue – in particular when addressing future managers and graduate students.

SME's: The Commission recognises that a specific approach is needed to foster CSR amongst SME's and as such the Commission will facilitate the exchange of experience on how best to encourage CSR amongst SME's in Europe.

An international dimension to CSR: Under this action, the Commission will promote CSR globally, through for example, the UN and OECD as well as supporting high environmental standards on an international basis.

To conclude, the Commission strongly believes that CSR matters. It represents an aspect of the European social model. It contributes to sustainable development, whilst as the same time enhancing Europe's innovative potential and competitiveness. Importantly, it contributes to employment and growth. In short, the Commission has committed itself to making Europe a pole of excellence on CSR.