

Rhetoric and Realities: Analysing Corporate Social Responsibility in Europe (RARE)

A European Research Project
Funded within the EU 6th Framework Programme



Corporate Social Responsibility in Europe – Rhetoric and Realities

Seven leading research institutions from all over Europe are taking part in a groundbreaking project analysing the impact of Corporate Social Responsibility (CSR) in Europe. Funded within the EU's Sixth Framework Programme (No. CIT2-CT-2004-506043), the three-year project aims to improve the understanding of the effectiveness of CSR as a policy instrument and how it can actually benefit sustainable development in the EU.

Societies are today facing severe challenges to adopt a more sustainable development approach. Contributions are needed from across all sectors of society including business. In Europe, a growing number of companies are committed to CSR. Businesses are voluntarily going beyond legal obligations in the social and environmental spheres and are using a rapidly growing number of instruments and measures, many introduced at civil society's instigation.

For example, businesses are participating in the UN Global Compact by complying voluntarily with ten principles in the areas of human rights, labour, the environment and anti-corruption. Other examples include the OECD Guidelines for Multinational Enterprises, the Global Reporting Initiative, socially responsible investment funds, and stakeholder dialogues.

While some CSR instruments relate to the behaviour of the enterprises and their suppliers abroad – particularly in the Global South – others are concerned with activities in all markets, whether

domestic or international. Being voluntary, such initiatives build on the self-interest of companies and a business case. CSR instruments only rarely require verification of compliance and by definition are unenforceable by law.

In order to promote effective CSR, a number of European governments are pursuing public policies such as company reporting obligations or disclosure requirements for investment funds. The European Union, too, is presently considering a common CSR strategy: "CSR public policies may help shape globalisation in a positive way by promoting good company practices that complement public efforts for sustainable development", states the European Commission in their Communication concerning Corporate Social Responsibility in Europe: "There is a role for Community action to facilitate convergence in the instruments used in the light of the need to ensure a proper functioning of the internal market and the preservation of a level playing field".

Recognising the need to better understand the role of CSR instruments, their effect on the practices of companies and the benefits for society, the EU funds the RARE project. The RARE project addresses two key questions:

- To what extent are CSR instruments only rhetorical?
- How effective are CSR instruments in making companies and societies more sustainable?

RARE Project Design

Theoretical background

The researchers will first look at the meaning of responsibility as it is used in the notion of Corporate Social Responsibility. Building on this insight, they will analyse existing CSR activities of companies, including some of the activities of their representative associations, in three business sectors: the oil industry, the banking sector and the fisheries and fish processing industries (see the diagram on p. 3). Different instruments of corporate responsibility relevant to the business sectors and four policy fields will be researched and examined.

The project will add a structural component to the predominantly actor-oriented perspective of current CSR research through considering specific conditions in the three business sectors related to the four policy fields.

CSR Impact Assessment tool

A specific CSR Impact Assessment tool will be developed. The project team will use this to seek to separate the rhetoric from the real impact of CSR in the selected business sectors. The Impact Assessment will take into consideration both the micro-level of companies and the macro-level of socio-political effects.

Evaluating CSR impact

At the socio-political level, where the focus of analysis lies, the team will strive to evaluate the contribution of CSR to the achievement of the European Union's policy goals in four areas of sustainable development: environmental protection (climate and chemicals policies), resource management, gender equality and the countering of bribery.

Surveys of the three selected business sectors covering some 20 Multinationals in each sector will be made, using among others questionnaires.

In-depth case studies

In a further step, in-depth case studies of selected companies will serve to identify the factors that deliver particularly successful cases of CSR implementation. The project will identify through interviews, the driving forces which contribute to the efficacy of CSR instruments within corporations and in their economic and political environment.

SME study

Through a complementary SME-study, the project will also provide insights into the performance of European small and medium-sized companies (SMEs) in the field of Corporate Social Responsibility. As SMEs tend to lack resources and have a lower public profile and stakeholder accessibility than big corporations, they are frequently less active in beyond-compliance activities. Therefore, CSR impact and its drivers in SMEs will be considered in a comparative perspective. Specific evidence will be gained by analysing the role of environmental CSR in two SME networks, one in an old and one in a new EU Member State.

Political and public policy dimensions

The project will also tackle political and public policy dimensions of Corporate Social Responsibility. The researchers will evaluate the contribution of CSR instruments to sustainable development in relation to the problem-solving capacity of public policy instruments. Against the backdrop of EU enlargement, they will also analyse the relevance of CSR activities to the integration of the new Member States into the EU. They will consider questions such as which policy areas are suitable to be tackled by CSR and whether a political framework – voluntary or mandatory – will be necessary to make CSR an effective instrument. The team will, finally, formulate policy recommendations for companies, national governments and the EU, promoting elements of a European approach to CSR.

RARE Project Design

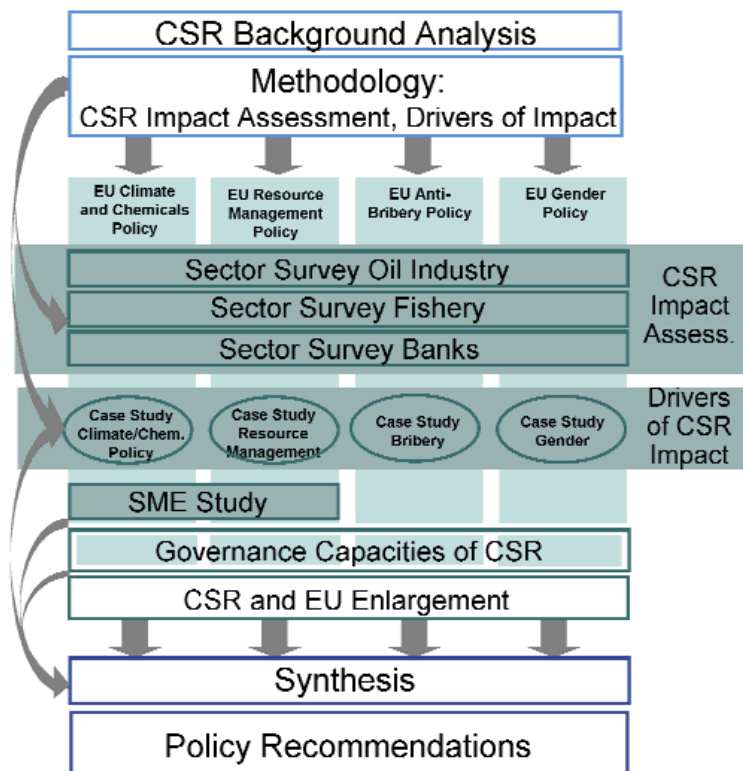


Figure: RARE Research Design

Expected results

The RARE project aims to make a significant contribution to the European Research Area with interdisciplinary insights into Corporate Social Responsibility and by advancing method development among researchers from all over Europe. Key expected results of the project are:

- Increased knowledge about the impacts of CSR in Europe and especially on structural differences in CSR performance according to company size, sector, and issue area;
- Increased knowledge about the efficacy of CSR and the role it could play in achieving public policy goals;
- Policy recommendations for companies, national governments and the EU, promoting elements of a European approach to CSR.

Duration and Funding



The project started in June 2004 and will end in May 2007. Funding is provided within the EU's Sixth Framework Programme (Contract No. CIT2-CT-2004-506043).



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Project coordinator
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Case Study Resource Management
Study on CSR Governance Capacities



The Fridtjof Nansen Institute

CSR Impact Assessment methodology
Sector Survey Oil



Case Study Environment



Modelling CSR Drivers
Sector Survey Banking



SME Study
Study on CSR and EU Enlargement



Case Study Gender Equality

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Case Study Countering Bribery
