

Awareness Raising for Corporate Social Responsibility (CSR) Sustainable Public Procurement and Socially Responsible Investment

Outline of the project
"Analysis of national policies on CSR"
commissioned by DG Employment

Project website: www.sustainability.eu/csr-policies

The project

This project analyses three fields of CSR policy making by national/federal governments in the EU, namely public initiatives that

- raise awareness for CSR
- facilitate Sustainable Public Procurement
- foster Socially Responsible Investment

The project was commissioned by DG Employment and Social Affairs (Tender No VT/2005/063) and it is conducted by [RIMAS at the Vienna University of Economics and Business Administration](http://RIMAS.at) between May 2006 and April 2008. For further information, please contact Reinhard Steurer at reinhard.steurer@wu-wien.ac.at.

Format of the analyses

The project supports a structured exchange on CSR policies in Europe among the members of the EU High-Level Group (HLG) on CSR. Each of the three analyses consists of the following **three steps**:

- A survey among public administrators gives a broad overview of EU Member State initiatives on the issue in question. In the survey we also identify the target groups of the initiatives, some success factors and obstacles.
- The survey is followed by an in-depth analysis of three good or interesting practice examples (case studies) per topic.
- Finally, the survey results and the case studies are synthesised to conclusions.

CSR awareness raising

CSR is basically about businesses that exceed legal social and environmental minimum standards on a voluntary basis. Consequently, the CSR performance of companies depends essentially on how important economic, social and environmental CSR issues are perceived by companies and their stakeholders (such as investors, consumers and the public). For this reason, raising awareness for CSR among both businesses and their stakeholders is a key challenge for governments.

In the survey of CSR awareness raising initiatives we found 85 initiatives. Almost half of them have an informational character (trainings, conferences, guidelines, websites and campaigns), about 25 percent are hybrid tools (such as action plans, strategies and centres for CSR), and about 15 per cent are partnering instruments (such as agreements and networks on CSR). Mandatory (legal) instruments and economic incentives play a rather marginal role. One important finding regarding target groups is that relatively few



awareness raising initiatives target SMEs in particular, although they are regarded as key target group when asked generally.

The case studies describe the following three initiatives:

- Knowledge and Information Centre on CSR in the Netherlands (platform/centre)
- People & Profit in Denmark (programme)
- Globalt Ansvar in Sweden (partnership)

For further information on the CSR awareness raising study, see the presentations and reports on the project website www.sustainability.eu/csr-policies.

Sustainable Public Procurement (SPP)

The public sector is a major player in the European single market. Therefore, an important aspect of credible sustainable development (SD) and CSR policies is that governments live up to their respective commitments in their procurement activities. By fostering SPP, governments lead by example and provide economic incentives for implementing SD and CSR in the private sector.

In the survey we found 103 SPP initiatives launched by national/federal governments in EU Member States. Although all SPP initiatives provide economic incentives for CSR in an indirect way, none can be categorized as economic instrument as such: 35 per cent of the initiatives are legal (not always mandatory) instruments (laws, decrees, circulars that enable SPP), followed by 33 per cent hybrid instruments (most EU Member States are working on an Action Plan for SPP) and 31 per cent informational instruments (guidelines, websites, studies etc.).

The case studies on SPP will be conducted in summer 2007, and the final report on SPP will be available at the project website www.sustainability.eu/csr-policies in autumn 2007.

Socially responsible investment (SRI)

Starting out as a small niche market, SRI became a major issue for the financial sector, and subsequently also for publicly traded companies. SRI integrates ethical, social and environmental aspects into investment decisions. Consequently, it favours companies that are known for an above-average CSR performance as well as high-quality CSR reports, and it often excludes companies of certain industries (tobacco, alcohol, gambling).

So far, some countries (such as Belgium, Germany, Sweden and the UK) facilitate SRI indirectly by requiring pension funds to declare whether they apply ethical, social and environmental criteria. In France In France, public sector pension funds are required to consider CSR issues. A study for Switzerland has shown that major public sector pension funds have been the main reason why Switzerland's SRI volume has more than doubled to €6.72bn from 2001 to 2005.

The results of this study will be available in early 2008 at the project website www.sustainability.eu/csr-policies.