

Eurocrats take on CSR: A case of 'too little, too late'?

By Wayne Visser

The European Commission's softly-softly approach lacks impact.

CSR dips its toes in policy waters

Continuing on the theme of CSR policy and regulation, introduced in my reflections on [Nigeria](#) and [India](#), I want to shine a spotlight on Europe's policies on CSR, which have been evolving for more than a decade now.

In 2001 the European Commission (EC) issued a Green Paper on CSR, which 'provided all interested parties with a platform for further discussion with the goal of policy generation in the CSR area in Europe'. After a year of consultation, the White Paper –entitled 'CSR: A business contribution to sustainable development' – was released, and represented the official policy intention of the EC in the field of CSR. Both papers were based on a broad consensus and had been debated through a multi-stakeholder process that included companies, business associations, governments, NGOs and trade unions.

After the White Paper, all seemed to go quiet on the European CSR policy front. Meanwhile, however, there was significant progress on waste management and climate change policy. In terms of waste, the 2002 WEEE Directives made a great leap forward on the restriction of hazardous substances in electrical and electronic equipment and the introduction of take-back schemes for waste electrical and electronic equipment (WEEE). Significant progress was also made on climate change, with a 2003 Directive laying the foundation for the EU Greenhouse Gas Emission Trading Scheme, which commenced operation in January 2005 as the largest multi-country, multi-sector carbon trading scheme in the world.

The EC re-entered the fray in March 2006 by establishing the European Alliance on CSR. This is an open alliance of European enterprises, launched to further promote and encourage CSR. The alliance is a political umbrella for CSR initiatives by large companies, small- and medium-sized enterprises (SMEs), and their stakeholders. In 2006 a research report was published by CSR Europe, the 'European Cartography on CSR Innovations, Gaps and Future Trends', which was based on an analysis of 545 CSR-related business solutions and 140 networking activities in 19 EU countries.

Smart, sustainable and inclusive

Things seemed to go quiet again and then, in May 2010, I was invited to make a presentation on CSR in Brussels to the EU High Level Group (HLG), comprising 27 Member State representatives. The topic of my presentation was 'CSR and the global financial crisis', and it gave me a fantastic opportunity to talk with some of the people helping to shape the EU agenda. There were a number of trends that I found interesting.

The first was that, whereas formerly CSR was discussed purely as a voluntary activity by business (this was especially clear in the EU's policy statement on CSR in 2006), there was now increasing discussion and even demand for what Susan Bird, CSR co-ordinator in the Directorate-General for

Employment of the European Commission and part of the EU HLG on CSR, called 'a more active role', which may involve 'conditions' being introduced in the future, although this was all still up for debate.

A second insight was how the competitiveness agenda has changed. The first ten-year economic strategy of the European Union – the Lisbon Agenda, which ended in 2010 – was all about competitiveness and paid very little attention to CSR issues. However, the 2008 European Competitiveness Report dedicated an entire chapter to CSR and countries such as Denmark were claiming that responsible, green growth was central to its international reputation and hence its competitiveness. This changing emphasis is also reflected in the new Lisbon Strategy for 2020, which has as its central goal 'smart, sustainable and inclusive growth'.

EU strategy on CSR a damp squib

After my visit to Brussels, I concluded that the sleeping giant of CSR policy in Europe was awakening and that we should 'watch this space'. As it turned out, we did not have to wait very long. In October 2011, 'A renewed EU strategy 2011–14 for Corporate Social Responsibility' was launched. The document itself is only 15 pages long (which is a good thing!) and I recommend that everyone reads it. I review the strategy in some detail in [The Quest for Sustainable Business](#). Here, however, let me briefly make six points about the 17 actions that Europe intends to implement.

1. There is a commitment to create multi-stakeholder CSR platforms for industries. Applying CSR at a sector level makes a lot of sense and a stakeholder engagement approach is always welcome. The concern is that this duplicates many similar initiatives that have already been undertaken by the likes of GRI, WBCSD and industry associations.
2. The launch of a European CSR award scheme may give CSR some gravitas and greater PR mileage. But the world is already awash with CSR award schemes, and when I look at the sorts of companies that win these awards, I find they tend to be the 'usual suspects' who are doing little more than strategic CSR, when what we really need is more transformative approaches.
3. The problem of greenwash is mentioned, although no specific commitment is made. Regulation on this would be a welcome addition and follows existing best practice in Australia, Canada, Norway and the United Kingdom. There is also an action to develop a code of good practice for self- and co-regulation exercises, which could be interesting, although a lot of this work has already been done by AccountAbility and its suite of AA1000 standards.
4. The weakest and most disappointing action is on 'better integration of social and environmental considerations into public procurement', which has the caveat 'without introducing additional administrative burdens for contracting authorities or enterprises, and without undermining the principle of awarding contracts to the most economically advantageous tender.' By including that last phrase, the message is clear: the lowest price will continue to win the day.

Deflecting and devolving responsibility

5. The only action with any teeth is requiring large companies to commit to the UN Global Compact, or the OECD Guidelines for Multinational Enterprises, or the ISO 26000 Guidance Standard on Social Responsibility by 2014. But giving companies the choice between these very different principles and guidelines is laughable. It suggests an equivalence between the minimal efforts required to sign up to the Global Compact's ten principles and the 100 pages or so of detailed guidance across seven core areas in ISO 26000.

6. There is an attempt to extend the EU policy on CSR down to a national level, requiring member states to develop their own plans. It will keep a few bureaucrats busy but I won't be holding my breath. I really don't believe we need more policy or legislation on CSR. What we need is to eliminate the contradictory policies (such as fossil fuel subsidies) and focus on more effective regulation of issues, including labour rights, biodiversity loss and transparency.

Europe has shown policy leadership on many issues, from labour rights and animal rights to environmental management and climate change. However, I can't help but wonder if this new wave of CSR policy development is doing more to confuse and distract than advance the agenda. Time will tell.

Article reference

Visser, W. (2013) Eurocrats take on CSR: A case of 'too little, too late'? *Wayne Visser Blog Briefing*, 28 August 2013.

Source

Part 11 of 13 in Wayne Visser's Searching for Sustainable Business blog series for CSRwire

Part of the WAYNE VISSER BLOG BRIEFING Series

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