

Growth and Development of CSR – Corporate Social Responsibility in Europe.

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Abstract:

This research paper traces the historical evolution of the concept of CSR – Corporate Social Responsibility in the European perspectives. The duration covered under this research work comprises of a period of seventeen years, starting from 1990 to 2007. It chronologically highlights the growth and development that had taken place in different parts of Europe in the areas of CSR. The timeline of this research illustrates Europe's pioneering role in the European CSR movement and strategy, from the European Business Declaration against Social Exclusion in the 1990s until the year 2007, the formation and development of the European Alliance for CSR.

Keywords: Growth and Development of CSR in Europe, CSR Europe, European Commission, European Academy of Business in Society,

Introduction:

United Nations Industrial Development Organization (UNIDO) defines ‘Corporate Social Responsibility’: “Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line- Approach”), while at the same time addressing the expectations of shareholders and stakeholders.” [<http://www.unido.org/en/what-we-do/trade/csr/what-is-csr.html>]

Thus, CSR is a responsibility voluntarily assumed by a company in its enlightened self-interest. It is not something imposed by law. Rather, it is something which a business does beyond what is required by law.

CSR Europe:

CSR Europe is the leading European business network for corporate social responsibility with around 70 multinational corporations and 25 national partner organisations as members. Its mission is to support member companies in integrating CSR into the way they do business, every day. CSR Europe is a platform for:

- Connecting companies to share best practice on CSR
- Innovating new projects between business and stakeholders
- Shaping the modern day business and political agenda on sustainability and competitiveness.

The organization was founded in 1995 by senior European business leaders in response to an appeal by the European Commission President Jacques Delors. It has since grown to become an inspiring network of business people working at the very forefront of CSR across Europe and globally.¹⁷

Since 1995 businesses and European policy makers have been engaged in a dynamic of reinforcing one another's efforts in developing initiatives on CSR and sustainable development. The timeline below illustrates CSR Europe's pioneering role in the European CSR movement and strategy, from the European Business Declaration against Social Exclusion in the 1990s to the current European Alliance for CSR.

Moreover, the timeline provides links to initiatives and resources pooled together through our pan-European network. These examples show how business practitioners are innovating business models and developing practical solutions to socio-economic and environmental challenges. They also highlight how CSR Europe energises the vibrant dialogue, cooperation and competition with social partners, civil society, governments and academia, in and beyond Europe.

1993 The Appeal of President Jacques Delors to business on CSR.

In June 1993, President of the European Commission Jacques Delors makes an appeal to businesses' talents and solutions to address Europe's structural problems of unemployment, restructurations and social exclusion. He invites enterprises to adopt a European Declaration against Social Exclusion.

1994 Pioneering companies design first level playing field for CSR In response to the Delors Appeal, Glaverbel, Levis, BP, Accor, Philips, Bayer, BT, the London Enterprise Agency, the Manifeste Français des Entreprises canter l'Exclusion and Uniapac - with coordination by Patrick Venturini and Jan Noterdaeme for

¹⁷ http://www.csreurope.org/pages/en/about_us.html

the European Commission - define the principles, areas of action and examples for business involvement in joint efforts against social exclusion in Europe.

1995 European Business Declaration against Social Exclusion

On 10 January 1995, 20 business leaders and European Commission President Jacques Delors adopt and announce the European Business Declaration against Social Exclusion. Signatories call for the development of a European network for the exchange of information and experience.

1996 A new European Business Network is born.

Under the umbrella of the King Baudouin Foundation and with the support of the European Commission, the initial group of company signatories of the Declaration appoints Ann Vandenhende and Jan Noterdaeme to set up and coordinate the European Business Network for Social Cohesion (renamed CSR Europe in 2000).

1997 Businesses engage in the European Year against Racism

Among its very first activities, the Network succeeds in mobilizing a critical mass of companies across Europe for sharing best practice and building new knowledge and tools to address discrimination at work and in the community.

1998 Launch of CSR Europe's Online Resource Centre

In October 1998, business leaders together with the President of the European Commission Jacques Santer launched the European Resource Centre on CSR (now CSR Europe's website). In the same year, Viscount Etienne Davignon hosts CSR Europe's first Advisory Board including representatives from IBM, Randstad, Johnson & Johnson, Shell, Accor and Caisse des Dépôts et Consignations.

1999 The European Day - "Business & Government Joining Forces for Employment and Social Cohesion"

The forthcoming Portuguese EU Presidency invites Etienne Davignon and other leaders of CSR Europe and The Copenhagen Centre to provide input into the European Summit on Employment, Economic Reform and Social Cohesion to be held in Lisbon in March 2000. President of the European Commission Romano Prodi and European Commissioner Anna Diamantopoulou provide strong backing for this Portuguese invitation.

2000 European business leaders present plans for promoting CSR to Portuguese Prime Minister.

Top European business leaders meet with Prime Minister Antonio Guterres on 8 March 2000. Twenty CEOs address to all Heads of State and Governments and propose 12 concrete ways to: build an entrepreneurial and inclusive knowledge society; develop a culture of communication and multiplication of best practices; expand teaching of corporate social responsibility, corporate citizenship and business ethics; invest in public-private partnerships for effective responses to economic and social challenges. For Etienne Davignon, the Lisbon Summit is the right moment for governments and the European Commission to recognise that businesses can successfully combine economic competitiveness and social responsibility.

2000 European Heads of State and Governments make an Appeal on CSR

In the conclusions of the European Lisbon Summit, 15 Heads of State and Governments make an appeal on the business case for responsibility, placing CSR at the heart of the Lisbon Strategy 2010: *"To make Europe the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion by 2010."*

2001 Belgian EU Presidency Conference on CSR

In the closing debate of the Belgian EU Presidency Conference on CSR, and in reply to ETUC's request to negotiate a European Directive on CSR Transparency, Viscount Etienne Davignon proposes to set up a European Multi-Stakeholder Platform on CSR. At the gala evening organised by CSR Europe, Mr Davignon and Alan Christie share with the 400 participants some of the European Campaign's aims, tools and planned activities. These include: preparing the future generation of tomorrow's managers through the European Academy of Business in Society; helping SMEs to evaluate and strengthen their social responsibility by using the SME Key toolkit; equipping the European investment community with the SRI Compass, an online reference guide to all 285 green and ethical funds in Europe.

2002 First European Commission Communication on CSR

In response to the Lisbon Appeal on CSR and on the basis of a wide consultation (Green Paper), the European Commission releases its first Communication on CSR. Highlights include: a European definition of CSR (*"CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis"*); the principle of a

European Multi-stakeholder Forum on CSR; and the way in which the European Commission relates CSR to specific European policies.

2002 Launch of the European Academy of Business in Society

CSR Europe and The Copenhagen Center team up with universities and business schools to found the European Academy of Business in Society (Eabis). Its mission is to be a world-class reference point for the integration of CSR into the mainstream of business practice, theory and education, and to enhance models for sustainable business success. Viscount Etienne Davignon, Mads Ovlisen (Chair TCC and Novo Nordisk) and European Commissioner Philippe Busquin set the ground for new European support for CSR research through the European Research Framework Program.

2002 European Commissioner for Trade challenges business

In December 2002, in the presence of Georg Kell from the United Nations Global Compact, European Commissioner for Trade Pascal Lamy challenges CSR Europe's General Assembly to forge business to business alliances towards trade for aid activities. He urges CSR Europe members to provide best practice information to businesses worldwide and to contribute fully to the European Multi-stakeholder Forum on CSR.

2003 CSR Europe adopts new strategy to mainstreaming CSR

After 5 years of intense campaigning, awareness raising and knowledge building across Europe, CSR Europe member companies decide to renew the organization's mission: to help enterprises mainstream CSR into business strategy and practice. CSR Europe's Board of Directors appoints Bernard Giraud from Danone as the first Executive Director of CSR Europe.

2004 The European Multi-Stakeholder Forum on CSR

Starting October 2002, together with ETUC, Businesseurope and the European Platform of NGOs, CSR Europe coordinates the European Multi-Stakeholder Forum on CSR hosted by the European Commission. A Final Report is presented in June 2004, including common principles and values; a base line understanding on CSR; nine recommendations for future CSR knowledge and capacity building in and beyond Europe.

2005 The first European Marketplace and the Roadmap on CSR

CSR Europe celebrates its 10th anniversary with the first European Marketplace on CSR, where 400 business and stakeholder practitioners come together to share practical CSR solutions. At this occasion, Frank Welvaert, Chair of the Board of CSR Europe, presents the European Roadmap for Businesses - "Towards a Competitive and Sustainable Enterprise". In response to the Roadmap, European Commission President Manuel Barroso offers businesses a new partnership. Commissioners Günter Verheugen (Enterprise and Industry) and Vladimir Spidla (Employment and Social Affairs) invite Etienne Davignon and CSR Europe's member companies to elaborate on this partnership (see the European Alliance for CSR launched in 2006).

2005 First Sino-European International Conference on CSR in Beijing

Frank Welvaert, Chair of CSR Europe's Board of Directors, and European Commissioner Vladimir Spidla open the Sino-European International Forum on CSR co-organised by CSR Europe and WTO China in Beijing (September 2005). One year later, CSR Europe and ORSE release a joint publication on CSR in China aimed at supporting investors in China who are looking to combine performance requirements and sustainable development priorities.

2006 Second European Commission Communication on CSR and the European Alliance for CSR

Building upon the outcomes of the European Multi-stakeholder Forum and further consultations with business leaders, the European Commission renews its policy on CSR through a communication to the European Parliament, the Council and the European Economic and Social Committee. The communication entitled *"Implementing the partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility on CSR"* entails key elements such as: the integration of CSR within relevant European policies - with a strong focus on development and trade; the European Multi-Stakeholder Forum on CSR; the European Alliance for CSR; the High Level Group of Government Representatives on CSR; support for CSR Research.

2006 The second European Marketplace and the European Cartography on CSR

More than 500 practitioners gather at CSR Europe's second European Market Place on CSR on 22 June 2006. More than 120 company solutions on CSR are presented in and around the ten priority areas defined in the European Business Roadmap and the European Alliance for CSR. Together with its national partner organizations, CSR Europe launches a European Cartography on CSR. Based on a survey of over 500 business solutions and 140 business-networking activities, it provides valuable indications on how and where in Europe CSR business innovation is occurring. It also highlights some remaining gaps in the area of CSR and identifies different types of constraints companies face when implementing CSR.

2007 Three high level meetings in light of the European Alliance for CSR

First High Level Meeting of the European Alliance for CSR

The Vice President of the European Commission Günter Verheugen and European Commissioner Vladimir Spidla invite business leaders to a first High Level Meeting of the European Alliance, in Brussels on 8 February 2007. The objective is twofold: to review progress of the Alliance and to have an open debate on the linkages between CSR and competitiveness, in support of the European Strategy for Growth and Jobs. After a fruitful discussion, the intention of the EU Commission is to convene the next meeting in March 2008.

European Commission Director Generals meet business practitioners to explore synergies

On 10 October 2007, Viscount Etienne Davignon together with Director Generals of Employment (Mr van der Pas) and Enterprise (Mr Zourek), host representatives from Suez Tractebel, BASF, Microsoft, L'Oréal, Telecom Italia, IBM, Danone and HP to meet with Director Generals and Directors from DG Development, DG Aidco, DG Trade, DG External Relations, DG Enterprise and Industry, DG Employment and Social Affairs, DG Sanco, DG Regional Policy, DG Internal Market, DG Research and Development, and DG Information and Society. Together they explore how to better link some CSR priority issues - as set in the Alliance in 2006 and currently being addressed in CSR Laboratories - with specific European policies and initiatives.

High-Level Group of National Representatives on CSR

The High-Level Group of National Representatives on CSR coordinated by the European Commission holds a meeting on 16 October in Brussels. Representatives of EU Member States, CSR Europe and Business Europe participate in this information and discussion session on the progress of the European Alliance for CSR, in particular on the CSR Laboratories. Expressing their interest in these initiatives, some national delegates advocate for improved and more inclusive communication about the Laboratories.

2007 The third European Market Place and a new website section on the European Alliance for CSR

More than 600 company and stakeholder representatives attended the third European Market Place on CSR in November 2007 to share innovative solutions to today's business challenges and to tackle pressing societal issues together. Around 90 new CSR solutions were shared among 650 company representatives, European policy makers and other stakeholders. The event also introduced a new format of co-inventing CSR solutions in CSR Laboratories. At the Market Place, CSR Europe also launched its renewed website, making over 600 company CSR solutions available in the public domain.¹⁸

¹⁸ <http://www.csreurope.org/pages/en/history.html>