The European Response to Public Demands for Global Corporate Responsibility

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In 1968, Jean-Jacques Servan Schreiber sounded an alarm to European business. In his book, The American Challenge, he warned European companies that America's multinationals and technological prowess threatened the future competitiveness of European firms. Some 34 years later it is European business practices that pose a challenge to American multinationals. Many European firms have embraced corporate social responsibility as a rationale to guide their business practices. [1] In addition, European governments at the national and multinational levels have developed a wide range of policies to encourage socially responsible business practices. As a result, European executives are gaining real world experience at effectively managing their firms' environmental and social impacts on the communities in which the firm operates and on society as a whole. There is a growing body of evidence that markets will reward these companies for their good social and environmental performance.

Corporate social responsibility (CSR) practices are based on ethical values and respect for employees, communities, and the environment. For the purposes of this report, we define corporate social responsibility as "business decision-making linked to ethical values, compliance with legal requirements, and respect for people, communities and the environment."[2] Corporate social

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[1] For example, European companies are more willing to articulate how they try to achieve socially responsible actions. Siemens AG noted in its annual report, "Corporate citizenship is our global commitment. Our knowledge and our solutions help create a better world." See w4.siemens.com/regionen/cc_en/mission.

[2] There are a wide variety of definitions of CSR, but for the purposes of this article, we use that supplied by Business for Social Responsibility. See www.bsr.org/BSRLibrary/Todetail.cfm?DocumentID=138.

responsibility has become so popular in Europe that over 1000 individuals attended the "Conference of the Belgian Presidency: Corporate Social Responsibility on the European Social Policy Agenda," held in Brussels on November 27-28, 2001. The Belgian government designed the conference to showcase European efforts to promote corporate social responsibility and to ascertain how governments at the national and international level could encourage global adoption of CSR strategies.

The European willingness to adopt CSR has helped European companies differentiate themselves from their American and Japanese competitors in the crowded global marketplace. It has also helped these companies retain employees; garner consumer and brand loyalty; lower costs; reduce risks and exposure to lawsuits; and build credibility and good will among the public and investors. Many European executives have become convinced that corporations with stronger social and environmental performance will outperform corporations with poor social/environmental performance. At the November conference, speaker after speaker, from companies as diverse as Adidas (a German sports shoe company); Nestle (a Swiss food products company) and Volkswagen (a German car company) described how their adherence to CSR policies had helped expand their business.

American executives, in contrast, are not as enthusiastic on CSR. This is ironic, for corporate social responsibility was "made in the USA." American pharmaceutical firms such as Merck and Bristol Myers first wrote codes of conduct in the 19th century to advise their stakeholders that these companies' principal objective was to serve public health and by so doing, make profits. An American minister, Reverend Leon Sullivan, developed the first principles for business behavior for firms operating in South Africa, during the last years of apartheid. By the 1980s, the U.S. had over

100 mutual and investment funds that screened investments based on a company's human rights or environmental performance. According to the Social Investment Forum's 2001 Report on Socially Responsible Investing, nearly one of eight dollars invested in professional investments such as pension funds, mutual funds, and foundations is invested in socially responsible investment vehicles. (In 1995, it was one out of 10.) [3]

Europeans seem to be evolving a broad consensus: that policies that promote global corporate responsibility can supplement existing policy tools such as trade and investment agreements to help shape globalization. This research paper will describe these activities and present some theories as to why Europe seems to be innovating in developing CSR policy tools.

Readers may wonder if the rationale for CSR is so clear, why should government play a role in CSR activities at all? Market forces are increasingly pressing companies to act responsibly. However, markets have not succeeded in prodding corporations to "do the right thing" everywhere they operate. Public policies to promote CSR arise, to some degree, out of market failures.

[3] Statistics on social investment at www.socialinvest.org.

Public pressures to promote CSR also stem from inadequate governance at the global and national levels. There are no global rules governing the behavior of investors across borders. (There are however, bilateral investment agreements; trade agreements have rules governing trade related investment mechanisms; and there are voluntary multilateral codes of conduct, such as the OECD Guidelines). Because of the lack of rules, some people believe that corporate executives, under pressure to reduce costs, will shift their operations to nations with lower social, environmental, and transparency rules or nations with weak enforcement of such rules. But there is no evidence that firms deliberately seek locations with inadequate governance to lower their costs.

Public pressure to develop CSR policies also arises out of the failure of voluntary approaches. As this report will show, there are a wide variety of approaches to promoting CSR. The sheer number and complexity of these voluntary approaches send confusing signals to market actors. Policymakers can help provide clarification.

It is important to note that most policymakers (not all) do not want to mandate corporate social responsibility. They are attempting to find a middle way, which holds corporations accountable, while not thwarting the many benefits that companies bring to their stakeholders: the consumers, employees, subcontractors and even competitors.

This report begins with an overview of CSR activities. The authors then describe the type of policies governments can adopt at the multinational and national levels. The report then focuses on our case study nations: the EU, Great Britain, the Netherlands, Austria, Denmark, and Belgium. These nations were chosen because they provide a good mix of strategies and opinions about CSR. It will then conclude with some theories about why public policies to promote CSR have taken off in Europe.

I. OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In Europe as well as in the United States, many executives argue that CSR pressures are unnecessary and unfair to business. They note that corporations are designed to make profits for their shareholders, not to make the world a better place. Yet many corporations (and industry groups) large and small have adopted codes of conduct. Such codes are formal statements of the values and business practices of a corporation (or industry sector). They are designed to guide the employees of the business as they attempt to manage in nations with different political, social, and economic cultures. Clearly many executives want to act responsibly, or they would not have written these codes and tried to make them company or industry wide policies. Thus, CSR is not just a fad.

Codes of conduct do not exist solely at the company or industry wide level. There are a wide variety of codes designed to be universal, to apply to all firms across sectors and countries. Such codes include the Caux Principles, the Global Sullivan Principles, and the Keidanren Charter. The Organization for Economic Cooperation and Development (OECD) recently reviewed 246 codes, some of which are addressed to suppliers and others to employees. (This sample includes company specific codes.)[4]

Codes of conduct are an aspirational strategy: they describe how corporations and their employees should behave. But the sheer number of codes sends confusing signals to market actors. Which one should they follow? In response to the volume and ambiguity of these many aspirational codes, some individuals are calling on governments to promote a competition among these voluntary approaches or to delineate one that firms should adhere to. Moreover, many activists and even corporate officials have grown frustrated with the aspirational codes, because most of them have no mechanism for accountability or follow-up (see Appendix 3). Moreover, many codes do not clarify if they apply to a company's business partners or suppliers. Because of these problems with aspirational strategies, some activists have tried to come up with a strategy that encourages executives to report and monitor their social and environmental performance. Other activists, meanwhile, are pressing governments to develop public policies to promote CSR. In recent years, groups such as CERES and the Council on Economic Priorities (now Social Accountability International) have focused on working with accountants and business executives on reporting standards. The Global Reporting Initiative (GRI) and Social Accountability 8000 tell executives how they can measure and monitor social and environmental performance (and perhaps prove that high social/environmental standards can also yield cost savings and higher profits). Companies have jumped on the reporting bandwagon. According to one study, about 64 percent of the world's largest companies use their Web sites to disclose social and environmental activities and progress.[5] However, there is no uniform approach to social and environmental reporting. While there are widely accepted accounting standards for profit performance, there are no widely accepted standards for social or environmental performance. As a result, some activists and corporate leaders have asked national securities and investment regulatory authorities to develop uniform rules for "triple-bottom line reporting"-reporting on the social, environmental, and profit performance of corporations or

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[4] OECD, *Corporate Responsibility: Private Initiatives and Public Goals* (Paris: OECD, 2001), pp. 31-45.

[5] Survey Compares Global 100's Reports and Web Sites, e-mail on the 2001 Benchmark Survey at www.cutter.com/envibusi/reports/benchmark.html.

investment vehicles.) [6]

Finally, some individuals are calling on national governments to legislate adherence to high standards. These individuals do not want to mandate codes of conduct but they do want firms to adhere to high standards wherever they operate. As example, free market economist Jagdish Bhagwati has said that the United States should pass legislation holding U.S. firms accountable for U.S. standards around the world. He believes that this is a better strategy than enhancing the WTO to include labor standards (which in his opinion would be protectionist) and that it would not impose "serious constraints that these firms do not already impose on themselves."[7] But Bhagwati would not link this to investigations and sanctions. Many on the left, in contrast, would deny firms that do not adhere to such standards access to government contracts.

Thus, aspirational strategies and reporting requirements have deficiencies, which limit their ability to help prod responsible behavior. While few businesses want governments to demand corporate social responsibility, a growing number of executives (and activists) want policymakers to provide clarity to the ambiguity and limitations of the plethora of voluntary approaches to CSR. Some policymakers have responded by promoting voluntary adherence to CSR strategies created by international government institutions-the UN, ILO, and OECD.

Strategies Developed by International Institutions

The UN Global Compact

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[6] Workshop B4; Assessing Corporate Social and Environmental Performance," Protestors could be Tomorrow's Investors," at Corporate Social responsibility on the European Social Policy Agenda, at www.social responsibility.be.

[7] Merrill Goozner, "CalPERS Adopts Emerging Market Investment Guidelines,"*Working Capital* (Winter 2001, Vol. 4, No. 1), p. 2. CalPERS, America's largest public employees retirement fund, will soon become the nation's first major pension fund to consider human rights and labor standards when investing in developing nations.

In 1999, Kofi Annan, UN Secretary General, challenged business leaders to enact the Global Compact based on nine internationally accepted principles on labor standards, human rights, and environmental protection. By having companies sign the Compact, he hoped to improve global governance without demanding national or international regulation. But the compact has no mechanisms for accountability. Companies are simply asked to demonstrate their adherence by taking some corporate action and publicizing this action through reports posted on the UN Web site and in their annual reports.[8] The Compact has just developed Advisory Council, which will be working on ways to monitor those firms that have signed the compact. The Council is tasked to "think creatively about measures to enhance the quality and concrete impact of participation in the Compact."[9]

National governments were not given any role in the compact, although some governments have held briefings to promote adherence among their firms. Meanwhile, the UN is struggling to reassure some of its developing country members that the Global Compact will help them attract investment and should not be viewed as meddling or paternalistic.

The ILO Declaration

In 1977, the International Labor Organization adopted a code of conduct for multinational enterprises, the Tripartite Declaration. This Declaration is addressed to workers, unions, governments, and businesses. It covers social justice and human and labor rights, but it does not discuss environmental, corporate governance, or ethical issues. Consequently, many civil society

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[8] See Global Compact web site, www.globalcompact.org.

[9] The Advisory Council includes labor, academic, and business representatives. According to Barbara Krumsiek, CEO of Calvert, a global investment fund, "The establishment of an Advisory Council is a vital next step in extending the global Compact to a broader corporate community. The Council helps ensure that principles are central to the Global Compact initiative and reviewed in an independent and critical way." They did not describe how. See www.unglobalcompact.org/un/gc/unweb.nsf/content/AdvisoryCouncil.htm

groups believe its scope is too limited to serve as a universal code of conduct.

ILO member governments are required to report periodically on how they are implementing the Declaration of principles. Governments and worker organizations may submit requests for clarification of the Declaration. These requests are discussed by the ILO under strict confidentiality rules that were designed to encourage participation of multinationals.

The Declaration has been criticized as opaque and ineffective. Nonetheless, according to Janelle Diller of the ILO, several cases and disputes have helped clarify the purpose of the Declaration, and as a result the ILO has been able to address real world examples where multinationals affected working conditions or worker rights.[10] However, not one government in our research talked about how it planned to use the Declaration to improve human rights around the world.

The OECD Guidelines

The OECD, an international organization, with 33 industrialized nation members, has also taken a multi-stakeholder approach in its strategy for promoting CSR around the world. It was acting in response to the behavior of several multinationals, in particular, American multinationals operating in Chile. [11] It became clear that multinationals needed additional guidance on the rights, as well as the responsibilities of cross-border investors. In 1976, the OECD issued a Declaration on International Investment and Multinational Enterprises. The declaration contained a commitment to

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[10] Janelle M. Diller, "Social conduct in transnational enterprise operations: The role of the International Labour Organization,"in R. Blanpain, ed., *Multinational Enterprises and the Social challenges of the XXIst Century* (The Hague: Kluwer Law, 2000), pp. 20-22.

[11] In the mid 1970s, the owner of Chile's phone company, ITT Corporation, was found illegally channeling funds into Republican Party coffers. Moreover, Anaconda Copper and other multinationals were found trying to buy influence in Chile. www.wsws.org/news//1998/nov1998/cia-n13.shtml.

facilitate direct investment among member nations as well as a set of Guidelines designed to ensure that multinational enterprises operated in harmony with the policies of the countries in which they did business. By setting out the rights and obligations of states and corporations, the architects of the code and its signatories hoped to create a stable and predictable framework. Firms would not abuse citizens or the environment in these countries, and governments would not try to control these firms. [12] The Guidelines were reviewed in 1979, 1982, 1984, and 1991.

In 1998, the OECD again began a review to make the Guidelines more useful and effective. OECD members, as well as observer nations Argentina, Brazil, and Chile, discussed important new issues such as how to deal with child labor and forced labor and how to encourage suppliers and subcontractors to abide by the Guidelines.[13]

The OECD adopted an unusual approach to revising the Guidelines. It hoped to build a broad international constituency by involving a wide range of groups and giving them a stake in the development and implementation of its code. The advisory bodies to the OECD (the Business and Industry Advisory Council and the Trade Union Advisory Council) as well as ANPED (the Northern Alliance for Sustainability in the Netherlands) served as coordinative groups, representing the views of business, labor, and civil society, respectively. Each group organized and presented a common position to the negotiators and OECD staff. The OECD posted these groups= comments, as well as each negotiating draft, on its Web site. This made it easier for a broad swath of business, labor, and civil society groups to comment on the Guidelines and influence their content. Among the civil society

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[12] A 1989 House hearing providing interesting insights into the development of the code. Hearing before the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs, 15 November, 1989, 101st Cong., 1st sess., 1, 19, 36.

[13] See www.oecd.org/daf/investment/guidelines/faq.htm.

groups involved were World Wildlife, Amnesty International, Friends of the Earth, Tradecraft Exchange, and SOMO of the Netherlands. In this way, the OECD embraced a new strategy for the development of international public policy, with a different approach to transparency and public participation. [14]

The negotiators created a national and a multinational government process to monitor and encourage business to "do the right thing." Each of the 33 nations that agreed to the Guidelines committed to the development of a national contact point, which could be a staff unit or a committee. The national contact point (NCP) works to publicize and implement the Guidelines and to resolve disputes over corporate behavior. The signatories agreed to meet annually to review how each nation is implementing the Guidelines. OECD staff is to provide feedback to governments on alternative ways of implementation. Finally, signatories are to issue annual reports on their activities related to the Guidelines.[17] However, in interviews and in documents provided by the OECD, it is clear that the process is not working. The Guidelines language is unclear on implementation. Some policymakers and observers disagree as to can bring complaints about violations of the Guidelines; whether the Guidelines are standards or principles (which have different legal force); and whether firms are responsible for the actions of their contractors and subcontractors. This last issue is extremely important because many companies have thousands of subcontractors. The Guidelines urge firms to be responsible for their contractors, but do not delineate how companies can be held responsible. Thus, the Guidelines leave much to the discretion of governments and multinational enterprises.[15]

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[14] See www.oecd.org/daf/investment/guidelines

[15] E-mail, January 8, 2000, Pieter van der Gaag, Executive Director, ANPED, and NGO contact person for the Guidelines Working Party Chairman, at stopwtoround@onelist.com. Also see www.oecd.org/daf/investment/guidelines/faq.htm

But as of this January 2002 writing, many governments, such as the United States and Mexico, are doing virtually nothing or very little to implement the Guidelines. If, as example, the U.S. does nothing, most citizens will not pressure it to do more, because most Americans have no knowledge that the U.S. and other governments have ever agreed to implement such a code.

Moreover, the OECD Guidelines cannot become an effective policy tool unless non-OECD nations as well as OECD nations implement the Guidelines. It is unclear how non-OECD members-the bulk of the world's nations-can be encouraged to use the Guidelines. The Guidelines urge multinationals to adopt the Guidelines wherever these corporations operate. But this would not solve the problem getting non-OECD governments to adhere to them. The OECD held a December conference to entice non-member economies to adhere to the Guidelines. Many of the participating nations expressed concerns about the development and rationale of the Guidelines.[16] The World Bank signed a "Memorandum of Understanding" with the OECD "to help countries . . . develop their own programs and institutions of getting non-OECD governments to adhere to them."[17] While this effort is laudable, it too does not address the problem of implementing the Guidelines in non-OECD nations. These nations, which include developing and middle income countries as well as several nations from the former Soviet bloc, often do not have strong legal and accounting systems. Hence, these countries will need assistance should they decide to implement the Guidelines.

Finally, while the Guidelines specify that each nation should develop a national contact point for monitoring and administration, the implementation language is vague. The final revision of the

[16] "OECD Proceedings," Non-Member Economies and the OECD Guidelines for Multinational Enterprises," 12 December 2000, 53, 55, 57.

[17] "Memorandum of Understanding@ in World Bank, "Corporate Governance, A framework for Implementation-Overview," 25-30, at www.worldbank.org/html/fpd/privatesector/cg.

Guidelines required only that national contact points hold annual meetings and issue annual reports. It does not clarify how the contact points should examine matters relating to the Guidelines in non-adhering countries. It remains unclear how the OECD will review national approaches to Guideline implementation.

The first Annual Report of the Guidelines was just released. It contained information discussed at the first Annual meeting, which was held on June 18, 2001. The meeting revealed that many nations had interest in the Guidelines (observers came from Estonia, Latvia, Israel, Singapore, and Slovenia.) But the activities of member nations to implement the Guidelines were mixed. As of July 2001, only 29 of the 33 NCPs had sent reports to the Secretariat. The Brazilian government noted that it is awaiting Congressional approval of the Guidelines before it could establish its contact point.[18] In an interview, Roland Charlier, (the Chair of the Annual Review (and active in the development of the Guidelines since 1976) noted that most governments were doing very little to implement the Guidelines. He cited as exceptions Belgium, the Netherlands, and France. He noted that Germany saw the Guidelines as duplicative of existing national law. [19]

Business groups in the United States and worldwide have responded cautiously to the Guidelines. The leading U.S. business group involved in the development of the Guidelines, the U.S. Council for International Business, is worried that the Guidelines could easily be abused. For example, it argues that a company could make a complaint about one of its competitors and use an investigation to take market share. The Council hopes to make specific recommendations to ensure

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[18] OECD, OECD Guidelines for Multinational Enterprises: Global Instruments for Corporate Responsibility, Annual Report 2001, 12-26.

[19] Susan Aaronson's Interview with Roland Charlier and Jean-Marie Argarkow, November 29, 2001, Brussels, Belgium.

that complainants have standing and are not misusing the Guidelines. Business groups around the world are also worried about their ability to police their subcontractors. Further, business groups insist that the Guidelines are voluntary and are not designed to require or deliver changes to corporate behavior. [20]

Governments have also responded cautiously in implementing and promoting the OECD Guidelines. Many of the signatories, including the U.S., Mexico, Germany and Brazil have done little to promote the Guidelines. The OECD's Trade Union Advisory Committee reported that the NCP's of Brazil, Spain, Italy, New Zealand and Poland had done nothing. In addition, the TUAC expressed concern that one government official staffs most NCPs. This was evidence of a lack of commitment to expanding NCP activity. Finally, the TUAC complained that most of the seminars put on by NCPs were for business representatives only. [21]

But some governments, including Canada and Britain, moved quickly to put the Guidelines on the web and to educate citizens about them. The French, Swedish, and Belgian governments have several cases under review at their national contact point. The Dutch government took the strongest action, linking the Guidelines to taxpayer subsidies. In December 2000, the Dutch Parliament requested the government to link the OECD Guidelines to government subsidies for international trade and investment as well as export credits. The government simply asked all applicants for export subsidies to state that they were aware of and working to comply with the Guidelines. The Business Advisory Group to the OECD complained alleging that this action made the Guidelines "binding."

[20] Susan Aaronson's interview with Steve Canner, U.S. Council for International Business, September 12, 2000.

[21] "TUAC Survey of the Functioning of National Contact Points," Annual Report 2001, 37-44.

The groups submitted a letter to the OECD on this issue. The Dutch government responded, "that it remains convinced that the borderline between recommendations and binding rules has not been crossed. No enterprise is forced to apply for government subsidies...it remains a voluntary decision of the individual company whether or not to apply for official support. The government will not monitor compliance with this "declaration of intent" and sanctions are not foreseen."[22] Thus, the Dutch government's effort to provide an incentive and to promote the Guidelines has led to international business opposition. Yet as noted below in the Dutch country section of this report, the Dutch Government continues to persevere.

An Overview of What Governments Can Do At the National Level

While the Dutch government has used domestic policies to promote the OECD Guidelines, other governments have devised a wide range of national policy tools to encourage CSR. For example, Australia gives preferential tax status to "social companies," firms that prove that they are protecting the environment or workers. The U.S. government encourages public/ private partnerships (with tax credits as well) for firms that donate computer infrastructure to schools. The British (to be discussed later) encourage pension funds to report on the social, environmental, as well as profit performance of their investments. French law now requires companies listed on the stock exchange to describe the social and environmental consequences of their activities in their annual reports. [23]

Some governments, inspired by human rights problems in Nigeria, Chad and Burma, have tried to create their own voluntary codes. For example, in December 2000, the U.S. State

[22] Marinus Sikkel, Chair of the Netherlands NCP to Dr. Bruno Lamborghini, Chairman/BIAC Committee on International Investment and Multinational Enterprises, 10 July 2001. The BIAC represents the international business community at the OECD.

[23] Green Paper, "Promoting a European Framework for Corporate Social Responsibility", July 18, 2001,

Department and the British Foreign Office, in tandem with multinationals, unions, and human rights organizations, announced a statement of principles, the Voluntary Principles on Security and Human Rights. These principles were designed to provide guidance on how business firms can help prevent human rights violations, while at the same time meet legitimate corporate security requirements. The principles were signed by the International Federation of Chemical, Energy, Mine, and General Workers' Unions, several NGOs, and major companies such as Rio Tinto, Texaco, BP Amoco, and Shell. [24]

Governments have also used the power of the purse. The Japan Bank for International Co-operation and the U.S. Export/Import Bank publish environmental guidelines that aim to set environmental standards for companies seeking financial support from those agencies. The Australia and New Zealand Government Procurement Agreement set out procurement guidelines that include a section on integrity and ethics.[25]

And some governments have tried to link codes of conduct to trade policy. As will be discussed below, the British government developed the Ethical Trade Initiative, a cooperative partnership between government, corporate, and labor officials and local civil society groups to improve labor standards at factories in the developing world. The Canadian government proposed linking the Free Trade Agreement of the Americas to a code of conduct. The OAS is currently researching how this link could be achieved without undermining support for this 34-country trade

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COM (2001) 366 final, 17.

[24] Statement by the governments of the United States of America and the United Kingdom, "Voluntary Principles on Security and Human Rights," 19 December, 2000, at www.state.gov/www/global/human_rights/001220_fsdrl_principles.html.

[25] OECD, Corporate Responsibility, 94.

agreement. [26]

NPA has found great creativity in Europe regarding CSR. The following sections describe some of the many steps being taken in Europe.

II. **EUROPEAN ACTIONS AT THE MULTINATIONAL LEVEL**

European interest in CSR began to take off in the mid-1980s. Human rights and consumer activists began to pressure companies to develop tools to ensure that they were acting responsibly around the world. German consumers, for example, demanded guarantees that rugs (and later soccer balls) were not produced with child labor. They developed a certification program, "Rugmark." Rugs certified with this label cost 1% more, and this money goes to schools for the children of the workers producing the rugs. These children get an education and an opportunity to gain greater skills and higher wages. German consumers get a rug with a guarantee that children were not exploited. Business soon responded to this creative initiative. Soon thereafter, industry sectors such as footwear and textile and clothing developed charters and declarations banning child labor.

In the mid-1990s, some European policymakers began to research how government and business could work together to improve social and environmental standards worldwide. EU policymakers noted actions at the national level such as the statutory code of conduct proposed for German companies operating in China and the Belgian proposal to make companies prosecutable for breaches of core labor standards in third countries.[27] They sought to supplement these national efforts with an effort at the EU level, spurred by an activist EU Parliamentarian, Richard Howitt.

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[26] www.summit-americas.org/eng/quebec-summit1.htm, 16.

[27] "Report on EU Standards for European Enterprises operating in Developing Countries," PE 228.198/fin, 11, 14-15.

Howitt, a British Labour MP, claimed that some 85% of American multinationals have codes and it does not affect their competitiveness. Thus, in his view, European firms would not lose but could possibly gain market share if they paid attention to the conditions in which goods and services are produced. Moreover, he stressed, the European Union is the biggest aid donor in the world yet had no strategy to help developing countries put labor and environmental standards in place. Thus, he argued, "an EU code could create a level playing field, reward best practice and drive up standards in underperforming countries."[28]

In December 1996, the European Parliament issued an annual report on human rights, which called for a Code of Conduct for European Companies operating in third countries. In December 1997, the Parliament adopted its report on foreign direct investment in third countries and again called for a code of conduct. In July 1998, the Parliament adopted the Fassa report on Fair Trade with developing countries, once again calling for the development of codes of conduct for European multinationals operating in developing countries.[29] And finally, the EU encouraged and worked with the OECD in the revisions of the OECD Guidelines.

Howitt recognized that a code was not the only way to go; the EU could provide incentives to promote higher standards; or develop stricter reporting requirements for its companies on their social and environmental performance.[30] He seemed to convince many of his EU Parliament

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[28] Ibid., 15.

[29] "The Trading system and internationally recognized labor standards," (A4-0423/98-Sanjoin) EP Committee on External Economic Relations; "EU standards for European Enterprises operating in developing countries: Towards a European Code of Conduct," (A4-0508/98-Howitt) EP Committee on Development and Cooperation; and the Fassa Report for Commission:s action in support of Fair Trade (A4-0198/98-Fassa). Also see PE 228.198/fin, 12-13.

[30] PE 228.198/fin, 16.

colleagues that the legitimate rights of corporations must be matched with respect for labor, environmental and human rights standards through a code that both facilitated and monitored investment. [31]

These actions at the Parliament were not accompanied by similar actions at the Commission. However, in 2001, the Commission took several steps to encourage CSR. First, it tried to bolster the OECD Guidelines. On May 11, the EU sponsored a conference in Brussels on “Best Business Practices for Corporate Social Responsibility.” The Commission agreed to create an internet-based data exchange and discussion forum on the Commission OECD Guidelines website to facilitate networking and exchange of best practices.[32] The Commission also sponsored the First European Conference on Triple Bottom Line Investing in Europe in Lisbon that May. On May 30, the Commission’s Recommendation on the recognition, measurement and disclosure of environmental issues was adopted.[33] In July, the Commission published an outline of how it envisioned corporate social responsibility taking shape within the EU, encouraging all firms to adopt the “triple-bottom line” of economic and social responsibility.[34] In the last 6 months of 2001, the Belgian President of the Commission launched a series of events to promote CSR. Finally, and perhaps most importantly, the Commission issued a green paper, Promoting a European Framework for Corporate

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[31] Ibid., 16 and Opinion for the Committee on Development and Cooperation, PE 228.198/fin, 24-27.

[32] See www.environmentdaily.com/articles/index.cfm?action+article&ref+7906.

[33] On triple bottom line conference, see europa.eu.int/comm/employment_social/soci-dial/csr/csr_conf_lisbon.htm. On the environment, see europa.eu.int/comm/internal_market/en/company/account/news/01-814.htm

[34] europa.eu.int/comm/trade/index_en.htm.

Social Responsibility.[35] Howitt, who was the European Parliament Rapporteur, took to the airwaves, the web, and the lecture circuit to publicize the Green paper and to call for public comments.

The Commission sought public comment on three important questions: the EU's role in promoting CSR; how to develop an overall European framework for CSR, and how to promote consensus on verification of CSR practices. The comment period for the Green Paper ended on December 31. It will be debated and voted on during the first half of 2002, leading to a White Paper with specific proposals for Commission action during the summer of 2002. [36] While there have been quite a few responses to the Green Paper, many have been quite critical. On November 27-28, the European Presidency of the EU sponsored a Conference, "Corporate Social Responsibility on the European Social Policy Agenda." The approximately 1000 participants came from around the world. The conference produced a mixed response about the EU government's role in promoting CSR For example, Solidar, a Belgian based nongovernmental organization (NGO) involved in "social service provision, international cooperation, humanitarian aid, and life-long learning," announced that the EU's effort must build on and not replace existing national legislation and recognize trade unions. However, some business saw even this attempt to encourage creative approaches to promoting CSR the first step towards government-mandated regulations on CSR. Elisabeth Altekoster of Volkswagen warned, "We reject an over-directive approach, which would stifle creativity." Jonathan Austin a consultant on CSR in the U.K. argued that if government starts to legislate, this might slow

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[35] europa.eu/int/comm/employment_social/soc-dial/csr?green-paper.htm

[36] Press Release from Richard Howitt, MEP, "Corporate Social Responsibility First Step Towards Legal Accountability for Multinationals-Says European Parliament." 8 November 2001.

down CSR. [37] Thus, while business was supportive of CSR measures, it did not want mandated CSR.

Conclusion: THE EU Response

Both the EU Parliament and the EU Commission are working creatively to develop both policies to promote CSR at the EU wide level. The Commission is asking the right questions and by asking, gradually helping to build a multi -stakeholder constituency for CSR policies. However, the EU is not yet at a position where CSR policies at the EU level are inevitable. Spain has taken over the EU Presidency and is clearly not as enthusiastic about CSR as the Belgian Presidency. In addition, the events of September 11and the launching of the Doha Round of the WTO in November may lead policymakers concerned about globalization to focus on other policy tools and issues.

What can governments do to promote CSR? From the EU example

- Use a range of tools from triple bottom line reporting to development of a code of conduct;

-Support the OECD Guidelines;

-seek widespread public comment on these initiatives and thereby build a constituency for these efforts.

-use the web and conferences to bring these issues to public attention.

IIII. **EUROPEAN EXAMPLES AT THE NATIONAL LEVEL: CASE STUDIES**

British Governmental Efforts to Promote Corporate Social Responsibility

How is CSR viewed in Great Britain?

[37] Press Release, "Companies Behaving Badly," Solidar, November 27, 2001; and "Transparent but not Repressive in SRI," "Corporate social Responsibility on the European Social Policy Agenda." November 28, 01; and comments of Elisabeth Altekoster, Director of Volkswagen's EU liaison office, and Jonathan Austin, Consultant, U.K., in "The Carrot rather than the Stick to promote CSR," also from the conference. All available at www.socialresponsibility.be.

For the last 20 years, Britain has struggled to find a middle ground between American style capitalism and the more interventionist European model. The British public is extremely concerned about the behavior of its corporations around the world. Moreover, civil society groups (such as Oxfam, Anti-slavery International, Christian Aid, and Friends of the Earth), and prominent leaders including Prince Charles have put pressure on business since the early 1990s to protect the environment. Some British firms, such as the cosmetic company, the Body Shop, inspired by activist employees or stakeholders, have tried to point the way towards responsible business practices. Consumers rewarded these initiatives. Fair trade and ethically produced items are hot items on British store shelves. Thus, one could say market forces in Britain have promoted global corporate citizenship.

Yet more than almost any other government, the British government has also adopted a wide range of policy initiatives to promote CSR. CSR is a key component of development, trade, investment, pension and other public policies. Prominent British leaders including the Prince of Wales speak frequently about CSR issues. As a result, Britain is leading the rest of the world on CSR initiatives. [38] It is not, however, a leader in implementing the OECD Guidelines.

Efforts by the British Government to Promote CSR

In March 2000, the British government became the first (and still only) government to appoint a minister for corporate social responsibility. Minister Kim Howells was tasked not only to help make a business case for CSR, but to coordinate CSR policies across the government. In a document

[38] Hans JH Verolme, Environment Officer, Embassy of the United Kingdom, Washington, D.C., "Global Corporate Citizenship: A UK Perspective," speech in possession of author; Department of Trade and Industry, "Business and Society: Developing Corporate Social Responsibility in the UK," Department of Trade and Industry, March 2001.

published for the British public and industry, "Global Citizenship," the Blair government tried to justify a governmental role. It argued that government should raise awareness of CSR; use public policies to provide guidance; promote consensus on UK and international codes of practice; and promote a framework for social and environmental reporting and labeling. [39] In his inaugural speech, Howells noted, "my role is not about creating new regulatory burdens...it is about raising awareness of the business case for corporate responsibility. Whilst CSR is a business led agenda, Government will have a positive role to play in promoting best practice in corporate responsibility." [40]

The Blair Administration undertook a wide range of actions to promote best practice. For example, in 1999-2000, Britain's Foreign and Commonwealth Office (FCO) worked with the U.S. Department of State, as well as with extractive industry companies and civil society groups, on a voluntary code of conduct. This code was designed to govern their operations in conflict- prone countries. In this instance, the FCO not only spearheaded efforts to write a code, but also participated in its development. Companies signing the statement agreed to report "credible allegations of human rights abuses by government authorities and press for "proper resolutions." The "voluntary principles," received significant press attention and many of the firms were lauded for their work on the voluntary code. However, one of the biggest U.S. oil companies, Exxon-Mobil, was not involved in the development of the voluntary principles. It absence was widely reported as a major stumbling block to the success of the initiative. Since 2000, neither the Bush nor Blair Administration seems to have done much to encourage corporate implementation of these Voluntary Principles around the

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[39] "Global Citizenship," 7.

[40] "Kim Howells sets out corporate Social Responsibility agenda," 4 May 2000, http://213.38.88.195/coi/coipress.nsf/2b45eleffe909ac892567350059d840/34653265a566fe.

world. [41]

The British government has also proceeded with other strategies. The Department for International Development created a Business Partnerships Department in 1998, to foster partnerships with socially responsible firms and to "improve the enabling environment for productive investment overseas.[42] In recognition that socially responsible business could help shape globalization and improve living and working conditions, in 2000, the Department published a White Paper, *Eliminating World Poverty: Making Globalization Work for the Poor*. This White Paper was designed to promote understanding of development in the business and investment communities.

Finally, in the hopes of prodding British firms to raise labor standards (through pressure on suppliers as well as competitors), the government also developed the Ethical Trading Initiative in 1997. The ETI aims to develop and encourage the use of a widely endorsed set of standards, embodied in codes of conduct, and monitoring and auditing methods that will enable companies to work together with other organizations outside the corporate sector to improve labour conditions around the world. Members of the ETI include government officials, companies such as Levi Strauss and retailers such as Safeway and Marks and Spencer; nongovernmental organizations such as Oxfam and Christian Aid; and think tanks such as the New Economics Foundation. If members do not honor their commitments under the ETI, they will lose their membership status. Thus, the ETI uses

[41] Statement by the Governments of the United States of American and the United Kingdom, "Voluntary Principles on Security and Human Rights." They were signed by Chevron, Texaco, Freeport McMoran, Conoco, Shell, BP, Rio Tinto, Human Rights Watch, Amnesty International, International Alert, Lawyers Committee for Human Rights, Fund for Peace, Council on Economic Priorities, Business for Social Responsibility, Prince of Wales Business Leaders Forum and the International Federation of Chemical, Energy, Mine and General Workers' Unions.
Peter Behr, "Companies Sign Pact on Human Rights," *Washington Post*, 20 December 2000; and Edward Alden, "Oil Groups Back Rules to Guard Human Rights," *Financial Times*, 20 December 2000.

[42] www.dfid.gov.uk/public/news/sp2nov00.html.

shame, rather than sanctions to induce changes to corporate behavior. Although the ETI receives support from the Department for International Development as well as the Department for Trade and Industry, today the ETI is an independent organization.[43]

The British government has also sponsored several conferences on CSR as well as a seminar on the EC Green paper on CSR. Working with the governments of Ireland, the Netherlands, and Denmark, ministers and civil servants formed an informal governmental network on social responsibility in order to share best practices and experiences.[44] Finally, government officials took every opportunity to speak and publish information on the links between CSR and globalization and the potential of CSR.[45]

In our opinion, the most influential action taken by the British government is its decision to require UK pension trustees to disclose how they take account of social, environmental, and ethical factors in their investment decisions. As a result, the pension funds soon started to require more information from the firms they invested in, which forced greater numbers of these firms to publicize information on their social and environmental performance. It became increasingly fashionable for firms listed on the main British stock exchange, the FTSE, to do triple bottom line reporting (social/environmental, as well as profit reporting). To bolster this change, the Department for International Development is financing a project run by two NGOS (Tradecraft Exchange and War on Want) which is producing guidance materials for pension fund trustees, fund managers and

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[43] www.ethicaltrade.org/_html/about/basecode_en_short/content.shtml and www.ethicaltrade.org/_html/about/faq/content.shtml.

[44] www.opm.co.uk/srn/srn_2000-10-11_c.htm; and U.K. Minister for Corporate Social Responsibility Opens European Expo, 17 November, 2000 at http://accoutning education.com/news/news1360.html.

[45] www.dfid.gov.uk/public/news/sp2nov00.html; speech by HRH the Prince of Wales at www.cip.cam.ac.ukbep/message_index.htm; and Global Citizenship, by the Foreign and Commonwealth Office.

pension fund advisors on development related issues. DFID will then convey this information to the investment community through seminars and briefings.[46] This strategy uses transparency and market forces to pressure multinationals to contribute to sustainable and equitable government.

On the domestic side, the government conducted an audit of CSR activities across Whitehall departments and found some 60 CSR related programs. It also developed policies to facilitate "green procurement." Given the diversity of policies and actors, it became clear that policies needed to be coordinated at the prime ministerial level. In October 2001, the UK government issued guidelines on corporate environmental reporting, following a call by Prime Minister Tony Blair for all top firms to start issuing environmental reports.[47] The government also provided guidance on how companies could report on major environmental impacts (greenhouse gas emissions, waste and water use). Meanwhile, the government has set up an interdepartmental group to examine how labeling schemes might be made more consistent and coherent. Finally, the government has announced its future plans for CSR, including, "strengthening international collaboration; engaging wider range of businesses in CSR, especially smaller business, and improving the coherence of government actions through consultation with business and other groups." [48]

The OECD Guidelines - The National Contact Point

The National Contact Point is located in the Department of Trade and Industry and is composed solely of DTI officials. The British NCP consults with other government agencies and asks their help in promoting the Guidelines. It has met with the Confederation of British Industry and

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[46] Ibid.

[47] www.environmentdaily.com/articles/index.cfm?action=article&ref=8601

[48] "Business and Society," 29-32.

Trade Unions Congress (key representatives of business and labor) to market the Guidelines. In this regard, the NCP also sends out copies of the text of the Guidelines as well as commentaries to those who enquire; the texts were deposited in the UK parliamentary libraries; and made accessible on the World Wide Web. The UK NCP web pages get an average of around 485 total hits per month and are regularly updated and refined. A hard copy booklet on the Guidelines was printed and some 500 copies were distributed by the end of April 2001. [49]

The NCP has also issued a telegram to all British posts overseas requesting their active participation in promoting the Guidelines to UK investors and to host governments. The NCP included a one-page summary of the Guidelines and NCP role and which also explains the Guidelines are relevant to all countries receiving foreign investment, even if they are not OECD members. Thus, the government has published a wide range of documents on the Guidelines. It has not, however, developed carrots or stick to encourage British firms to adhere to these Guidelines.[50]

As of April 2001, the British NCP is gathering information on two potential violations of the Guidelines. The NCP admits it has had a hard time communicating the Guidelines to smaller companies, and in establishing whether companies are making use of the Guidelines.[51]

At the 12 December meeting of the NCPs in Paris, Paul Hawker, who is in charge of the NCP, noted that before 2000, the British government had only two cases involving countries operating in non-adhering countries. The British Government used the opportunity "to draw an MNE's (multinational enterprise's) attention to the Guidelines and demonstrate their global

[49] Www.dti.gov.uk/worldtrade/craig/report.htm

[50] Ibid., p. 3.

[51] www.dti.gov.uk/worldtrade/craig/report.htm, 4.

applicability." But Hawker also noted "NCPs might be reluctant to contact nonadhering governments as it may be viewed as unwelcome outside interference."[52]

We could find no British firm that has publicly endorsed the OECD Guidelines, although BP Amoco mentions them in its annual report on its CSR activities. British firms have joined in the business protest against the linkage of the OECD Guidelines to Dutch export subsidies. British civil society groups such as Oxfam and Friends of the Earth were very involved in the renegotiation of the OECD Guidelines and have been frequently consulted by the Government on CSR activities and in particular, OECD Guidelines implementation. Yet, according to representatives of civil society, few view the OECD Guidelines as the key tool that will press business to adopt more responsible behavior in their global actions.[53] They believe that they must press for EU wide rules and sanctions to govern the behavior of multinationals.

What can governments do to promote CSR? From the British example:

- ❑ Build on market forces to promote CSR (using pension fund rules).
- ❑ Develop multistakeholder partnerships that provide standards for business and encourage multisectoral monitoring (such as the Ethical Trade Initiative).
- ❑ Bring attention to CSR by creating a Minister for CSR.

[52] OECD Proceedings, "Non-Member Economies," 49-50.

[53] Presentations at NPA conference, June 15, 2001, "Can Governments Promote Global Corporate Responsibility," and informal interviews with Oxfam, New Economics Forum, and Friends of the Earth on the OECD Guidelines. Also interviews with NCPs from other countries.

Dutch Governmental Efforts to Promote Corporate Social Responsibility

The Dutch public believes that business can and should act responsibly everywhere it operates. Thus, one can walk into any supermarket in the Netherlands and find a "fair trade section," where merchants sell not only typical "fair trade" products such as coffee and chocolate, but cheeses and breads. [54] CSR is spilling up rather than trickling down, because Dutch consumers are demanding products made responsibly. But Dutch policymakers have taken an unusual approach) to encouraging CSR. As will be discussed below, they are using the market clout of the government to encourage CSR policies, specifically the OECD Guidelines.

Dutch policymakers believe that "CSR forces us to rethink the traditional roles and responsibilities of the business community, government and social organizations." According to the Minister for Foreign Trade, Dr. G. Ybema, CSR cannot be imposed from the top down. Firms must take on greater responsibility and internalize patterns of good citizenship. But government must take on greater responsibility too. According to Ybema, "in addition to being a legislator, regulator and stimulator, the government is also an active participant in the market. As a procurer and contractor, it is more than just another market party. As an international actor, my government seeks to strengthen the international legal system in various international bodies. For example, we support the International Labour Organisation's efforts to develop mechanisms for compliance with basic labour standards."[55]

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[54] Comments of Marinus Sikkel, Ministry of Economics, the Netherlands; Pieter van der Gaag, Executive Director, ANPED; and Johan Wempe, of KPMG Peat Marwick, discussing CSR in the Netherlands at NPA=s June 11, 2001 Conference, *Can Government=s Promote Global Corporate Citizenship?*

[55] Speech by the Minister for Foreign Trade, G. Ybema, 11 September 2001, 5-10. Speech in possession of author.

Efforts by the Dutch Government to Promote CSR

In a September 11, 2001 speech in Washington D.C., Minister Ybema described what he called 3 levels of plans for CSR. At the local level, the Dutch government will support participants in local CSR partnerships. Such partnerships, in his opinion, could improve the delivery of services (such as education). At the national level, "the Netherlands government will: establish an information center on CSR;" improve CSR reporting at the corporate level; engage private enterprise to solve environmental problems; and build CSR criteria into the government's play book as a market participant."[56] The Dutch government will take steps to increase the percentage of companies that include corporate social responsibility in their reporting.[57] He did not specify what steps policymakers have in mind to encourage CSR reporting.

The OECD Guidelines - The National Contact Point

The key component of the Dutch Government's CSR policy is the OECD Guidelines. During the 1998 revision of the Guidelines, Marinus Sikkel of the Dutch Economics Ministry played a key leadership role. Sikkel is the Head of the Investment Policy and International Organizations Division in the Dutch Ministry of Economic Affairs. He also supervised the Dutch NCP. Dutch policymakers and legislators have tried to find ways to encourage CSR and particularly the OECD Guidelines.

Since 1998, the Dutch Parliament and government officials have been trying to find ways to encourage Dutch firms to adhere to the Guidelines. In 2000, the Parliament asked the Trade Ministry to "investigate how to link CSR criteria-and the OECD Guidelines in particular-to the subsidies government provides for international trade promotion, investment and export credit insurance."

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[56] Ibid., 13-14.

[57] Speech by Marinus Sikkel, "Corporate Social Responsibility: The Netherlands Government Perspective," 6.

Ybema responded to this Parliamentary question by noting "when direct and indirect government support is given to Dutch companies that are active in foreign markets, there is a certain implied co-responsibility of the government in those activities." In the Dutch political context, it is unacceptable for taxpayers' money to be used to support projects obtained by bribing officials, or projects that pollute the environment or ones that involve child or forced labor. "Dutch taxpayers wouldn't support this and thus, neither should Dutch policy." Ybema's response was adopted by the Cabinet and endorsed by Parliament.[58] The Dutch government argues that the Guidelines remain voluntary and are not designed to "become a legal instrument under which governments were given a set of transparent and enforceable rules for their subsidy and guarantee programs." Nor do they see their effort to encourage the Guidelines as creating such a legal instrument. "Companies wanting financial support will be required to declare in writing that they are familiar with the Guidelines and that--within the limits of their ability--they will attempt to apply the Guidelines to their own actions. The Government will not monitor compliance with this 'declaration of intent' and sanctions are not foreseen."[59]

No company is forced to apply for government subsidies or guarantees, and thus, the Guidelines remain essentially voluntary. However, the Dutch strategy has led the Business Industry Advisory Council of the OECD to complain vociferously (as noted in the Overview section). And many Dutch officials seem deeply disturbed by this response. Minister Ybema wrote a letter to Dr. Bruno Lamborghini, the head of the Business Advisory Council, stressing that he rejects the conclusion that the Dutch Government's strategy in any way changes the OECD Guidelines from a voluntary to a

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[58] Ybema speech, 11 September 2001, 16-17.

[59] Ibid., 19-21.

mandated strategy. [60]

The Dutch government seems dedicated to using the clout of government to encourage CSR and particularly the OECD Guidelines. As of this writing, the Finish government has taken the position that Finish companies that receive export credits "are assumed to observe the Guidelines."[61] Meanwhile, the main global business associations, under the leadership of the Business Industry Advisory Committee (BIAC), seem determined to prevent other governments from linking government benefits and adherence to the Guidelines. The Dutch government has hard a difficult time countering the business community's condemnation of the Dutch government's approach.

What can governments do to promote CSR? From the Dutch example:

- ❑ Rethink the relationship and responsibilities of government, business, and civil society in making markets work both equitably and efficiently.
- ❑ Set a good example as a procurer and contractor, and use government's market clout to encourage global corporate responsibility.
- ❑ Require companies that want taxpayer funded subsidies or assistance to declare in writing that they are familiar with the Guidelines and that they will make an effort to apply the Guidelines in their own activities within the limits of their ability.
- ❑ Use taxpayer benefits as an incentive.

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[60] Interview with Marinus Sikkel, Dutch Economics Ministry, 22 November 2001; and letter from Minister Ybema to Bruno Lamborghini, Chairman, BIAC Committee on International Investment and Multinational Enterprises, 10 July 2001.

[61] TUAC, "TUAC Survey of the Functioning of National Contact Points," 2001, at www.tuac.org. TUAC believes "that the Guidelines should be used as a reference point for those companies receiving voluntary state assistance including export credits."

Danish Governmental Efforts to Promote Corporate Social Responsibility

How is CSR viewed in Denmark?

The Public

Danes are divided on CSR. Some officials believe that the Danish public maintains a relatively minor interest in CSR, while others state that the Danes are extremely active in demanding that businesses behave responsibly.[62] Nevertheless, while the issue of the OECD Guidelines versus the UN Global Compact is probably not a debate routinely heard on the streets of Copenhagen, certain aspects of CSR are very well known among the Danish public. For example, the public is very concerned about child labor. Moreover, the Danish public is willing to pay higher prices for ethically made goods as long as the price increases are reasonable. A European wide poll conducted by CSR Europe noted that over 60 percent of Danes would be willing to pay higher prices for ethically produced goods, compared to the Italians (15 percent); the Germans (30 percent) or the Swedes (50 percent).[63]

The Business Community

Danish businesses have responded favorably to CSR efforts. The Confederation of Danish Industries (DI), which represents over 5,800 business enterprises, endorsed the UN Global Compact (UNGC) and advises its industries to support the UN Global Compact. DI members report that Danish companies like the simplicity of the Compact as compared to the more complex OECD Guidelines. The Guidelines could play a role, however, in supply chain management if the Danish

[62] Interview with Dr. Margaret Jungk, Researcher, The Danish Centre for Human Rights, 26 November, 2001 and interview with Frank Bill, Director, Environment, Confederation of Danish Industries, 26 November, 2001.

[63] Confederation of Danish Trade Unions (LO). "Consumers can make a difference," LO newsletter. Page 28.

companies are encouraged by their clients or feel the need to copy their competitors. [64]

Relative to businesses in other countries, however, most Danish industries view CSR strategies positively, both as a potential marketing tool and a method of easing the process of environmental requirements. Ruko A/S, a 300-employee electronic and mechanical security product firm based in Herlev, is certified by the environmental standardization of ISO 14001.[65]

"Being certified," says technical manager Jørgen Kastrup Jørgensen, "makes many of our tasks easier. For instance, it is easier to meet our customers' requirement that we document our environmental profile, and it also simplifies the renewal by the authorities of our environmental approval, since we already have all the information required. The improved cooperation with local authorities also means that they are invited to attend the meetings of our environmental committee, which in turn provides a much better dialogue and an early solution to many arising problems. Last but not least, certification improves our image, creating respect and credibility."[66] Dansk Industri echoes this last point, noting that "a high [socially responsible] profile can be a successful tool in marketing the company, for sales purposes as well as in the competition for the best-qualified labour."[67]

The accounting and consulting firm Deloitte-Touche is working with CSR strategies in a

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[64] Interview with Frank Bill, Director Environment, Confederation of Danish Industries, November 26, 2001 and www.di.dk

[65] ISO 14001 is a certification program that provides companies with methods to document their environmental policies, practices, and help identify potential harm to the environment. For more information, visit: www.iso14000.com

[66] Confederation of Danish Industries. "Business enterprises as citizens of the world." Dansk Industri. September 2001. Page 40.

[67] Ibid.

number of ways. The company hosts a Global Resource Center located in Copenhagen on sustainable development and helps companies manage social risk; keep up the company's reputation; engage stakeholders; report on and verify internal CSR initiatives; and ensure that healthcare benefits are extended to the families of workers - a policy that can be seen as a CSR activity.[68]

While the view of CSR differs greatly, of course, from company to company and industry to industry, most Danish industries caution that the role of the Danish government is to set the foundation for standards and to allow market influences to raise those standards to a higher level. In this view, each country should decide its own levels and standards. The role of government in CSR should be to provide useful and balanced information for the public on CSR initiatives.[69]In short, Danes do not think government should take a leading role in promoting CSR.

The OECD Guidelines - The National Contact Point

The Danish NCP is a tripartite body with representatives primarily from Danish government but also from business and labor. The NCP did not invite NGO=s into the structure of the NCP, as there could potentially be a conflict of interest, since NGO's will most likely be the organizations to bring cases before the NCP.[70] However, the Danish government tried to incorporate a wide range of ministries within the structure of the National Contact Point. The NCP is in the Ministry of Labor, but the Ministries of Trade and Industry, Environment, Economy and Foreign Affairs are also involved with all NCP activities.   In this way, the NCP has a bureaucratic culture that is more domestically oriented rather than outward looking, as might have been the case had the Ministry of

[68] Interview with Jens Shierbeck, Deloitte-Touche, December 3, 2001.

[69] Interview with Frank Bill, Director Environment, Dansk Industri, November 26, 2001.

[70] Interview with Einar Edelberg, Deputy Permanent Secretary of State, and Elisabeth Rasmussen, Head of

Foreign Affairs housed the NCP.[71] The NCP also includes representatives from the Confederation of Danish Trade Unions (Landsorganisationen), the Confederation of Danish Employers (Dansk Arbejdsgiverforening), and the Central Academic Organization (Akademikernes Centralorganisation).[72] As of this writing, the NCP has not been presented with cases for review. NGOs have not been active in reporting cases to the NCP. Nonetheless, the National Contact Point meets approximately four times a year to review activities.

Other efforts by the Danish Government to Promote CSR

The Danish Government is undertaking other options to promote best business practices B primarily focused on encouraging social partnerships and the funding and encouragement of research. After the 1995 UN World Summit for Sustainable Development and the 1997 Copenhagen Conference on New Partnerships for Social Cohesion, the Danish Government established the Copenhagen Center (TCC). TCC promotes voluntary partnerships between business, government, and civil society in the belief that social cohesion is a necessary component if society is to succeed both politically and economically.[73]

The Copenhagen Centre has developed, in conjunction with the Prince of Wales International Business Leaders Forum and CSR Europe, a five-year CSR business campaign. The aim of the

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Section, Ministry of Labour, November 26, 2001.

[71]Interview with Einar Edelberg, Deputy Permanent Secretary of State, Ministry of Labour, November 26, 2001.

[72]Danish National Contact Point. Vejledning om OECDs Retninglinjer for Multinationale Virksomheder. May 2001, 12.

[73] Interview with Jens Erik Lund, Director, The Copenhagen Center, November 26, 2001, and www.copenhagencentre.dk (accessed December 2001).

campaign is to popularize the business case for CSR.[74] One aspect of the campaign is the establishment of a European Academy on CSR, which will hold its first conference in July 2002 in Paris. The Academy will be a platform for ongoing dialogue between business and academia through the stimulation of research on CSR. Additionally, the Academy will encourage the teaching of CSR principles and business strategies in European universities and business schools. The Academy will also coordinate a European Internship Program focused on CSR.[75]

TCC has just begun a European CSR Tour with 10 national conferences each hosted by a different European state and organized by the local national business organization affiliated with CSR Europe. To get attention, TCC has designed a European CSR "Olympics" in 2004 and a CSR award ceremony. Finally, the campaign will develop 30,000 European CSR Toolkits to be distributed to the European business community to further business understanding of CSR.[76] The Centre is also working on a paper to rationalize international codes of conduct. The TCC authors will try to make a robust case that business should adopt social responsible business practices.

The Danish government has also funded a CSR project developed by the Danish Center for Human Rights. The Center was established at the behest of the government to verify the Danish government's adherence to human rights agreements and oversee governmental policies. The Center is developing a Human Rights Impact Assessment (HRIA). The HRIA is based on over 80 international human rights agreements and treaties. It will be available as a computer program on June 1, 2002 and allow companies to voluntarily evaluate their business practices and identify

[74] Copenhagen Centre, CSR Europe, and Prince of Wales International Business Leaders Forum. The European Business Campaign 2005 on Corporate Social Responsibility, 2.

[75] The European Business Campaign 2005 on Corporate Social Responsibility, 3-4.

operations that subsequently directly or indirectly violate human rights.[77] The project is two-thirds funded by the Industrialization Fund for Developing Countries (a government agency) and a third by the Confederation of Danish Industries.[78]

The Danish government has also funded the development of a Social Impact Assessment so that businesses can examine their practices to determine whether or not their operations exclude traditionally under- represented groups in society. Finally, the government is compiling an Ethical Database in the Consumer Information Center at the Ministry of Commerce where companies file their responses on how they deal with recognized labor standards.[79]

What can governments do to promote CSR? From the Danish example:

- ❑ Actively seek a social partnership between business, labor, and government.
- ❑ Structure the National Contact Point to include social partnerships.
- ❑ Create organizations such as the Copenhagen Centre to help foster social partnerships.
- ❑ Encourage and support research into CSR.
- ❑ Encourage and support business research on CSR issues.

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[76] The European Business Campaign 2005 on Corporate Social Responsibility, 3-4.

[77] Interview with Dr. Margaret Jungk, Researcher, the Danish Centre for Human Rights. November 26, 2001.

[78] Ibid.

[79] Interview with Jens Schierbeck, Deloitte-Touche, December 3, 2001.

- ❏ Document business observance of ethical labor practices.

Austrian Governmental Efforts to Promote Corporate Social Responsibility

How is CSR viewed in Austria?

The Public

Austrian consumers are not very concerned about CSR. Our sources could think of only one recent example of consumer activism on product standards. In 2000 Austrian consumers demanded that hens should not be placed in egg hatching batteries with very tight quarters that allow little maneuvering for food, water, exercise, and other activities. Consumers wanted eggs to be made "ethically," with enough room for the hens to live comfortably. As a result, one of Austria's largest grocery stores, Hoffer, no longer sells eggs made from battery hatcheries.[80]

Austrian consumers have also called for the labeling of coffee, coca, and GMO-free products. However, Austrian officials stress that these examples are the exception, not the rule. There is little public demand for the implementation of other labeling efforts, and Austrian consumers seem unwilling to pay for ethically or socially made goods if they are at a significantly higher price.[81]

The Business Community

Austrian businesses see government initiated but nonbinding efforts such as the Guidelines as a step towards binding rules for international business. And they don't want such binding rules.

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[80] Interview with Walter Gagawczuk, Chamber of Labor, November 30, 2001 and Dr. Manfred Schekulin, Director, Export and Investment Policy, Federal Ministry of Economy and Labor, November 30, 2001.

[81] Interview with Dr. Manfred Schekulin, Director, Export and Investment Policy, Federal Ministry of Economy and Labor, November 2001.

Many Austrian businesses argue that because domestic law is so rigorous, they are already acting ethically. These firms say they don't need CSR policies at the national or international level.[82] Moreover, business leaders are adamant in their opposition to regulations to promote CSR that could interfere with market forces.[83]

Nevertheless, one of Austria's principal business organizations, the Austrian Economic Chamber, actively engages in discussions and activities on CSR in general and the Guidelines in particular. In addition to sitting on the Advisory Committee (detailed below), the Economic Chamber marketed the Guidelines to its constituency of over 15,000 exporting businesses shortly after the Guidelines were revised in 2000. The Chamber developed and sent out articles in order to inform businesses of the Guidelines existence and functionality. Some Austrian firms responded favorably to the educational campaign by inquiring further into the function of the Guidelines. Most businesses, however, did not respond to the campaign and no Austrian businesses have come out to publicly support the Guidelines.[84]

The OECD Guidelines - The National Contact Point

The National Contact Point of Austria is in the Export and Investment Policy Division in the Federal Ministry of Economic Affairs and Labor. The NCP has an advisory committee with representatives from other federal government departments; the country's largest trade union, Ostereichischer Gewerkschaftsbund; the Economic Chamber; the Chamber of Labor; Austrian

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[82] Interview with Dr. Manfred Schekulin, Director, Export and Investment Policy, Federal Ministry of Economy and Labor, November 2001.

[83] Interview with Dr. Susanne Schrott, Wirtschaftskammer (Economic Chamber), November 29, 2001 and interview with Dr. Manfred Schekulin, Director, Export and Investment Policy, Federal Ministry of Economy and Labor.

[84] Interview with Dr. Susanne Schrott, Wirtshaftskammer (Economic Chamber, November 29, 2001.

Federation of Industries; and among other NGOs, the Working Association for Development Cooperation (AGEZ). While the advisory committee has strong influence over the activities of the NCP, the Ministry of Economic Affairs and Labor has the ultimate say over its direction.[85]

No cases have been brought before the Austrian NCP and there are no efforts being made by either trade unions or NGO's to bring cases in the immediate future.[86] Austrian law and standards are so strict, both business and labor say, that any case presented before the NCP would have to be very serious, since there are so many legal filters for a violation to go through before a case could be brought to the NCP.[87] Additionally, union officials noted that supplying sufficient evidence for a case for the NCP could be more expensive than a strike. Therefore, Austrian unions plan to promote higher labor standards in multilateral and bilateral trade negotiations.[88]

The Austrian NCP uses the Guidelines as a platform to shape the discourse on international business between social partners (business, labor, government, and NGOs). The Advisory Committee functions as the primary mechanism to foster this relationship. For example, representatives from Daimler-Chrysler, attending the March 2002 meeting of the Advisory Committee, will present their experience from a pilot project that uses the Guidelines as a reference point for business operations in Southern China. The Export and Investment Policy Department hopes that this project will provide a model as to how the Guidelines can be applied in a non-adhering country. The Advisory Committee will serve as a forum for the social partners to discuss each other's concerns,

[85] Interview with Dr. Peter Macalka, Federal Ministry for Economy and Labor, November 29, 2001.

[86] Interview with Dr. Peter Macalka, Federal Ministry for Economy and Labor, November 29, 2001.

[87] Interview with Dr. Susanne Schrott, Wirtschaftskammer (Economic Chamber), November 29, 2001 and interview with Ernst Tüchler, Õstereichischer Gewerkschaftsbund, November 29, 2001.

[88] Interview with Ernst Tüchler, Õstereichischer Gewerkschaftsbund, November 29, 2001.

recommendations, and experiences in this effort. In this way, the NCP hopes to reassure executives that the Guidelines are not a tool to punish corporations.[89]

At the November 28, 2001 meeting of the Advisory Committee for the NCP, the committee responded to a request from CIME on whether there could potentially be a conflict between the Guidelines and Austrian business operations in Burma/Myanmar. A representative from AGEZ noted that there were protests in early November in front of Triumph International, a Swiss-owned retail chain store. But the NCP Advisory Committee agreed that although Triumph's investments are channeled through the company's Vienna office, this situation does not constitute an intervention by the Austrian NCP since Triumph is a Swiss company. The Committee, therefore, recommended no further action. The committee also discussed whether the Guidelines should be linked to government procurement. The business representatives felt that this was not necessary, while the NGOs and unions continue to recommend such a linkage. It is doubtful that Austria will adopt this step in the immediate future.[90]

The NCP is also taking several steps to promote the Guidelines. The Advisory Committee is reviewing a brochure on the OECD Guidelines and the NCP is due to launch its new Web site at the beginning of 2002.

Austria will consider linking the Guidelines to export credit guarantees, as have Germany, Sweden, and Finland. Each business applying for export-credits will receive a folder with an explanation of the Guidelines, but firm will not be directed to follow the Guidelines or report on

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[89] Interview with Dr. Manfred Schekulin, Director, Export and Investment Policy, Federal Ministry of Economy and Labor, November 30, 2001.

[90] Interview with Dr. Susanne Schrott, Wirtschaftskammer (Economic Chamber), November 29, 2001.

adherence to the Guidelines.[91]

We could not find other examples where the Austrian Government has tried to promote CSR, other than through the OECD Guidelines. One of our interviewees thought that “triple bottom line reporting” would not catch on as in Austria.[92] Finally, most officials were unaware of the UN Global Compact and had not plans to promote it.

What can governments do to promote CSR? From the Austrian example:

Actively encourage a social partnership advisory process that includes NGO=s in the National Contact Point.

Create an Advisory Committee to serve as a venue for fostering debate between social partners on international business practices.

Recommend the Guidelines as a basis for international standards and encourage business to use the Guidelines while operating in non-adhering countries.

Use the Guidelines as a platform for a public discourse on international business practices.

Use export credit guarantee applications to educate corporations on the Guidelines.

[91] Interview with Dr. Manfred Schekulin, Director, Export and Investment Policy, Federal Ministry of Economy and Labor, November 30, 2001.

[92] Interview with Dr. Susanne Schrott, Wirtschaftskammer (Economic Chamber), November 29, 2001.

SNAPSHOTS OF PUBLIC POLICIES TO PROMOTE CSR: Short Country Overviews

Belgium

Corporate social responsibility is a huge issue in Belgium. While Belgium is home to many multinationals (such as Food Lion and Ranstad Belgium), beginning in the 1970s, government officials became concerned about the behavior of multinationals within Belgium. Because Belgian labor costs were relatively high, some companies simply abandoned their plants or facilities. Thus, as early as the 1970s, Belgian policymakers were committed to CSR policies and determined to ensure that big companies treated their Belgian stakeholders properly. [93]

In recent years, policymakers have relied on a wide range of tactics to promote responsible behavior by Belgian multinationals and foreign multinationals operating within Belgium. These steps include disclosure regulations (such as the British model for pension fund reporting), a social label (a label describing production conditions), and a strong commitment to the OECD Guidelines. Belgium has also been a leader of CSR activities at the EU level.

Last year, the Belgian Council of Ministers approved a regulation similar to the pension fund disclosure regulation in Great Britain. It will require pension funds to reveal how and whether they weigh the ethical, environmental and social performance of the stocks they invest in. [94]

Belgium was the first nation to approve a social label. In 2001, the Belgian parliament drafted legislation, which aimed to "create a label for companies to put on their products if a company adhered to criteria and standards recognized by the International Labor Organization." The

[93] Interviews with Jean-Marie Agarkow and Roland Charlier, Brussels, Belgium, 28 November, 2001. Mr. Agarkow and Mr. Charlier helped draft the Guidelines in 1976-1977.

[94] Europa.eu.int/comm/employment_social/soc-dial/csr/country/belgium6.htm.

government set up a committee to monitor which products could carry the label. But the legislation is controversial and is currently under review at the European Commission to ensure that it does not violate WTO rules or Community consensual trade policy.

The Belgian social labeling legislation was also discussed at a March 30 meeting of the WTO's committee on technical barriers to trade. Ironically, although many developing countries do not like the idea of establishing such a label, it is not a revolutionary change. The US and the EU already condition market access on respect for labor standards through their respective Generalized System of Preferences (GSP) programs. For example, in 2000, the US suspended duty-free access to imports from Belarus for its failure to provide internationally accepted workers' rights. In 1998, EU ministers adopted a regulation granting additional trade preferences to GSP beneficiary countries that can demonstrate their adherence to core ILO workers rights conventions. The countries that can do so are entitled to tariff reductions. These examples however, provide (or deny) benefits at the national level and not at the product level, as envisioned in the Belgian legislation.[95] (The law is currently under review at the EC to ensure that it does not violate WTO rules.)

The Belgian government has a long-standing commitment to implementing the OECD Guidelines. The same senior officials that were present at the first drafting of the OECD Guidelines in 1976, Roland Charlier and Jean Marie Agarkow, still are the Belgian NCP. Mr. Charlier is the retired Director General Honoraire of the Economics Ministry.) These men bring years of experience to making the NCP work. The NCP is tripartite (it includes unions and business officials, as well as government officials). As a result of their commitment to the Guidelines, Belgian companies and

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[95] Ibid.; NA, "Belgian 'Labor Label' Threatens to Ignite Debate in WTO on Trade, Labor Standards," Regulation, Law and Economics, ISSN 1523-567X 30 March 2001, A-15; and Interview with Corinne Dreyfus, EC/Trade, 28 November 2001.

unions are very familiar with the OECD Guidelines.

The OECD Guidelines make several recommendations to firms regarding how firms should inform their employees and other stakeholders regarding "changes in their operations, which would have major effects upon the livelihood of their employees." Thus, it is not surprising that Belgium's NCP has reviewed quite a few cases of plant or facilities closing.[96] The Belgian and French NCP are currently reviewing the closing of the Marks and Spencer Stores, which were announced without any prior information.[97]

In an informal discussion, Charlier and Agarkow made clear that they thought multinationals were too strong and there should be greater penalties for unethical behavior. They suggested that one way to strengthen the role of the Guidelines in this regard was to facilitate greater contact and coherence among NCPs. However, in the end, they believe the Guidelines need "a kind of binding," some way to penalize firms that do not implement the Guidelines. Ultimately, they thought the Guidelines couldn't succeed if business is not penalized in some way.[98]

Sweden

Sweden, like many EU countries, has a large public constituency in favor of responsible business. Swedish companies such as Volvo (the carmaker now owned by Ford); Ikea (the huge furniture retailer); and H & M (Hennes and Mauritz, a global producer and retailer of clothes) have

[96] The revised Guidelines State "in considering changes.... in particular in the case of a closure of an entity involving collective lay-offs or dismissals...." See OECD, "The OECD Guidelines for Multinational Enterprises," 2000, Section IV, #6, 22.

[97] "TUAC Survey of the Functioning of National Contact Points," 2001, available on TUAC web site at www.tuac.org. TUAC is the Trade Union Advisory Committee to the OECD.

[98] Interviews with Jean-Marie Agarkow and Roland Charlier, Brussels, Belgium, 28 November, 2001.

solid reputations for responsible global activities.[99] But Swedish social responsibility has not been inspired by public policy. The Swedish government has done little to ensure that all Swedish firms act responsibly everywhere they operate.

The Swedish government is however, committed to the OECD Guidelines as a tool. According to Henning Envall, who is in charge of Sweden's National Contact Point, the NCP convenes three to four times a year. The NCP is tripartite. It is chaired by the Ministry of Foreign Affairs, and it contains government departments and business and labor organizations. Mr. Envall sees it as a relatively activist NCP. [100]

Mr. Envall noted that in 2001, the NCP had the Swedish Accounting Standards Board study the information that Swedish multinational enterprises make available. He also noted "we've had discussions among various government agencies; the Board of Trade sent out a questionnaire to companies about the Guidelines; and we've had regular Nordic (Denmark, Finland, Iceland, Norway and Sweden) meetings in co-operation with our neighboring countries." Since 2000, the NCP has also translated the Guidelines, hosted a seminar, developed a web page; and published an introductory handbook.[101] Envall believes that the NCP should be a forum for discussion and assistance to the business community, to employee organizations, and to other parties concerned when there is an alleged breach of the OECD Guidelines. Mr. Envall has also been outspoken about the applicability of the Guidelines to non-OECD countries. [102]

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[99] Interview with Ingrid Schullstrom, Hennes and Mauritz, Brussels, Belgium, 27 November 2001. Ms. Schullstrom is responsible for CSR at H & M.

[100] OECD Proceedings, "Non-Member Economies," 32. Also see, "Corporate Social Responsibility in Sweden," at europa.eu.int/comm/employment_social/soc-dial/csr/country/sweden1.htm; and Telephone Interview with Henning Envall, NCP, Sweden, 26 September 2001.

Germany

Germans are aware and concerned about the social responsibility of their firms. German consumers, as example, have supported social labeling and environmental labeling.[103] German consumers concerns about carpets made with child labor inspired the creation of ARugmark,@ which certifies that rugs are not produced with child labor and that children of rug workers go to school.

But most German consumers are not aware about government-sponsored initiatives such as the Guidelines. Government policymakers view those guidelines as redundant of existing domestic and EU law. Some businesses have responded favorably to the Guidelines. For example, Volkswagen has endorsed the Guidelines, as has the Federal Confederation of German Industries.[104]

The Confederation of German Industries warns, however, that they will rescind their endorsement of the Guidelines if there is any link between the Guidelines and export credits similar to the Netherlands= requirements or if the Guidelines are made binding in anyway. German business otherwise express no other fear or concern about the Guidelines.[105]

No cases have been brought before the National Contact Point, located in the Ministry of Economics and Industry, and it is not likely that there will be cases in the near future. High-ranking officials from government, unions, and NGO=s attended a December 11, 2001 conference

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[101] OECD Proceedings, 32.
[102] Ibid., 32, 42 and Interview with Henning Envall, NCP Sweden, September 26, 2001.
[103] Interview with Manfred Kupitz, Federal Ministry of Economics and Technology. December 20, 2001.

[104] Interview with Manfred Kupitz, Federal Ministry of Economics and Technology. December 20, 2001.

[105] Interview with Manfred Kupitz, Federal Ministry of Economics and Technology. December 20, 2001.

on CSR hosted by the National Contact Point. The Minister of Economics and Industry, Dr. Werner Müller, expressed frustration that the United States Council for International Business, has not yet endorsed the Guidelines. [106]

The Ministry continues to promote the Guidelines through its export credit program. The Ministry provides a brochure on export credits that includes four lines mentioning the Guidelines and directs readers to the Ministry of Economics Web site where a German language version of the Guidelines is available for download. The Ministry does not, however, require corporations to acknowledge receipt or acceptance of the Guidelines.

Germany is taking additional steps to promote CSR. The government recently passed legislation requiring that its pension funds report on the social and environmental, as well as the profit performance of its investments.

IV. THEORIES AND CONCLUSION: WHY IS EUROPE LEADING THE WAY ON CORPORATE SOCIAL RESPONSIBILITY TOOLS.

In the last few years, European policymakers have taken a wide range of steps to promote CSR. These actions contrast with the lack of policies in the United States. The failure of American policymakers to promote CSR is surprising, because CSR pressures are so strong in the United States. What explains the difference? Some argue that public pressure might be a good explanation. Europe, Canada, and the United States have all witnessed violent protests about globalization in recent years. Yet only European policymakers have responded to these protests by trying to find ways to encourage “responsible” foreign investment.

Market pressures might also be a good explanation. Yet companies on both sides of the pond

[106] James Reeves: Interview with Mr. Kupitz, Federal Ministry of Economics and Technology, 20 December

face the same pressures on their reputation. If corporations don't act responsibility, they can be punished by consumers and shareholders (as Nike, Union Carbide and Total Fina learned). As noted above, a growing number of European businesses seem ready to embrace CSR, including firms as diverse as Volkswagen, the car maker; Nokia, the Finnish telephone company; and H & M; the Swedish clothes retailer and producer. [107] These companies have not been forced by their consumers or stakeholders to change their behavior. Rather their managers have decided that adherence to CSR makes good business sense.

So if public concern and market forces don't explain a more activist role, what does? We would argue business culture. European firms are more comfortable working with government to improve social conditions, and they are more comfortable in a regulated environment. Business expects government will ask more of them and government does ask more of business. Jim Baker, Director, Multinationals and Organising, International Confederation of Free Trade Unions, has argued that corporate social responsibility is accepted in countries like "Sweden, the Netherlands, Germany or other countries where the laws are fairly strict, you discover that...there seems to be a case for the argument that corporate social responsibility is monitored." He did not find this to be true in countries where, he claimed," the laws are not very strict (Malaysia, Bangladesh...or the U.S." In Baker's view, "European companies... are model companies because they are forced to do it that way."[108]

European acceptance of a government role in promoting CSR should not be misconstrued to

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2001.

[107] Aaronson and Reeves interviews; speeches at Conference of the Belgian Presidency, "Corporate Social Responsibility on the European Social Policy Agenda, 27-28," November 2001.

[108] OECD, "OECD Proceedings, Non-Member Economies," 59.

mean public support of binding CSR policies.[109] The European public and a growing number of European businessmen and women support the current level of experimentation at the national and multinational levels. And European business leaders seem to believe that CSR policies can help them find their way in the chaotic ever-changing global economy.

[109] Chris Gribben et al., Government as Partners: The Role of the Central Government in Developing New Social Partnerships (Copenhagen: The Copenhagen Center, 2001), 15-16. Also see Environmics poll of 20,000 people in 20 countries conducted from December 200-January 2001, at www.wtowatch.org/news/index.cfm?ID=2638.