

Corporate Social Responsibility
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Lecture – 53
CSR Public Policies: Lessons from Europe

Welcome back to the MOOC course on corporate social responsibility. My name is Aradhana Malik and I am helping you with this course and we are beginning it and final module of the course today in this lecture we are going to talk about the miscellaneous items that we have miss. So, you know will discuss you know how government have responded to corporate social responsibility. We will talk about corporate social irresponsibility we will talk about the future of CSR you know new ideas that are coming up in order to help with the socially responsible efforts of a organizations and we will wind up with the rap up of the entire course and I will take you through the major points that we have discussed in the course you know in the very very last session.

So, welcome when I hope you enjoy the course this module is going to be very very exiting because I have a number of very interesting ideas to share with you.

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But in this particular lecture we are going to talk about CSR public policies in different relational perspective lessons from Europe is the that is the title I have the sub title that I have given this is from a paper by Albareda Lozano and Ysa and this was published in

2007 a lot has happened sense. Then, but this was one of the most comprehensive takes one of the most comprehensive summary is the rare found of the efforts of any government or of governments you know helping or assisting with a CSR efforts.

So, even though this paper talks exclusively about your effort that the lessons could be drawn from it for functioning of or for drawing parity between what other governments in other parts of the world are doing.

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Different actors in CSR through Government policies (Albareda, Lozano & Ysa, 2007)

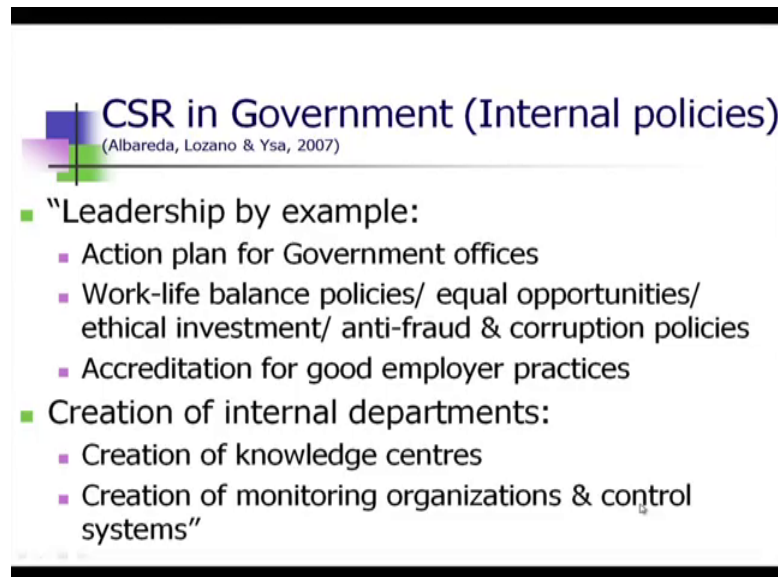
- **“CSR in governments:** CSR public policies developed by governments to improve their own social responsibility, leading by example
- **CSR in government-business relationships:** CSR public policies designed to improve business CSR practices
- **CSR in government-society relationships:** CSR public policies designed to improve civil society stakeholders’ awareness
- **Relational CSR:** CSR public policies designed to improve collaboration between governments, businesses, & civil society stakeholders”

So, let see what we have here for you before we begin with the example you know I would like to show you how different actors in corporate social responsibility act through government policies. So, the GOV different actors as per the authors are CSR in government alone a that relates to CSR public policies developed by government to improve their own social responsibility they try and lead by example. So, one feels that if the government is doing something then you know the organizations can also adopt similar methods the second actor here is CSR in government business relationships. So, you have CSR public policies that are designed to improve business CSR practices.

So, the policies are designed by the government, but the business is adopt them and then they are suggestions and business is adopt them and their practices improve then the third actor here is CSR in government society relationships. So, these refer to CSR public policies design to improve civil society stakeholder’s awareness. So, government and the civil society then become partners they work together for improvement of the

environment in the last one here is relational CSR this refers to CSR public policies designed to improve collaboration between governments business and civil society stakeholders and this is again right everything else in this course this is the last stage where everything is integrated.

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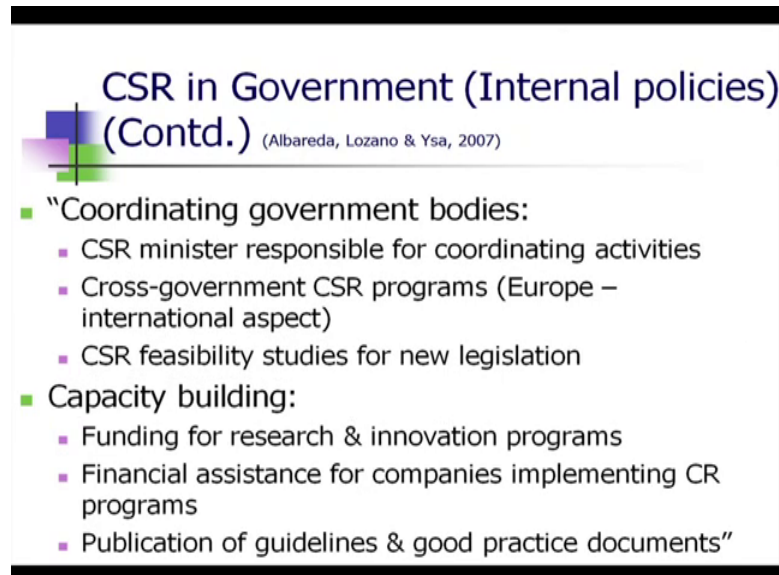


So, keeping these in mind the authors of this paper had designed a table I have just condense the table and I have brought it for you here just to show you how you know different it is not possible to reproduce the whole table here. So, I have just taken you know the information was that inform that table and try to show it to you here in this a format a. So, CSR in government the internal policies the policy would be leadership by example and under this you could have action plans for government offices you could have work life balance policies you could have equal opportunity you could have a ethical investment anti fraud and corruption policies and accreditation for good employer practices.

Now, again before I have I have proceed I must tell you that all of these have been evaluated and assessed by these authors and the authors have actually gone to different gone through the policies of different government with in a the European continent and they have found that you know they have categorized the policies into these categories. So, there are examples of these then the next policies could be creation of internal departments at the internal policy level in the government they could create knowledge

centers or creation of monitoring organizations and control systems could be another example.

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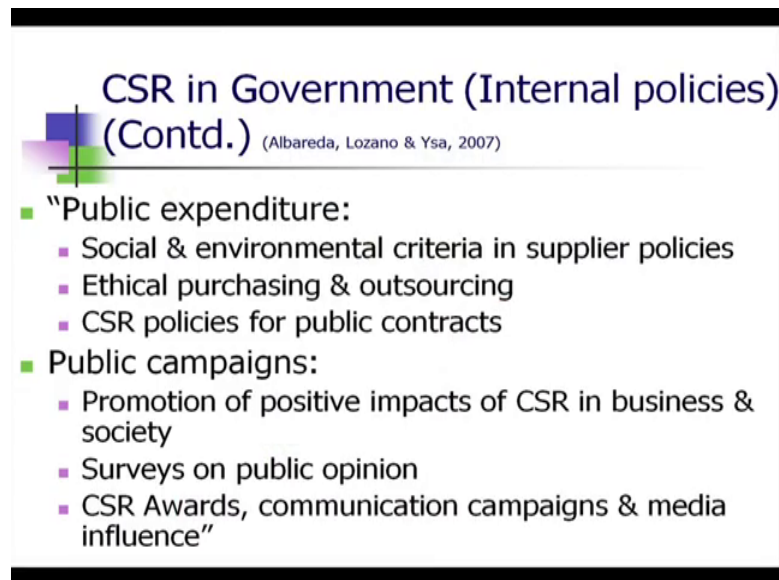
CSR in Government (Internal policies)
(Contd.) (Albareda, Lozano & Ysa, 2007)

- "Coordinating government bodies:
 - CSR minister responsible for coordinating activities
 - Cross-government CSR programs (Europe – international aspect)
 - CSR feasibility studies for new legislation
- Capacity building:
 - Funding for research & innovation programs
 - Financial assistance for companies implementing CR programs
 - Publication of guidelines & good practice documents"

Then coordinating government bodies could be a policy under which you know you could have the CSR minister who could be responsible for coordinating activities you could have cross government CSR programs now please remember that this is with reference to Europe which has an international aspect, but you know this could be applied to may be the Asian countries or the Saarc countries where countries are already collaborating on different issues and they then you know they also incorporates CSR is one of as one of their collaborative commitments then CSR feasibility studies for new legislation could be another one.

So, you know you do feasibility studies and then a you say because this is possible that has for this in practice through legislation then you could for capacity building you could have funding for research and innovation programs you could have financial systems for companies implementing corporate responsibility programs you could have publication of guidelines and good practice documents which is something that we already have.

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CSR in Government (Internal policies)
(Contd.) (Albareda, Lozano & Ysa, 2007)

- **Public expenditure:**
 - Social & environmental criteria in supplier policies
 - Ethical purchasing & outsourcing
 - CSR policies for public contracts
- **Public campaigns:**
 - Promotion of positive impacts of CSR in business & society
 - Surveys on public opinion
 - CSR Awards, communication campaigns & media influence"

So, you know India has that then we have with reference to public expenditure you could have social and environment criteria in supplier policies ethical purchasing and outsourcing CSR policies for public contracts that is why this public campaigns are concerned you could have promotion of positive impact of CSR in business and society you could have surveys on public opinion you could have CSR awards communication campaigns and media influence.

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CSR in Government (Internal policies)
(Contd.): International Issues
(Albareda, Lozano & Ysa, 2007)

- **International events:**
 - International conferences on CSR
 - [International level conventions]
- **Transferring international debate to local contexts:**
 - Agreeing between national & local government
 - Seminars on geographic or thematic areas
 - Consideration of CSR regional & local policies"

Then for international events you know with reference to international events you could have international conferences on CSR you could have international conventions here again you know in the paper there was a reference to programs within the European unions. So, I have put this since square brackets just to indicate that you know this is a substitute that I am using as for as you know the suggestion in that paper have concerned this two make it more open and more applicable to the audience for this class.

Then transferring international debate to local contexts there could be agreement between national and local governments there could be seminars on geographic or thematic areas there could be consideration of CSR regional and social policies. So, you know I can share something with you here as far as the seminars on geographic or thematic areas is concerned especially for this various natural environment places have you know something like this going on I you know we visit at the Andaman Nicobar islands, many many years ago and I am talking as far back as a I think this was this January of 1990, yeah, January of 1990.

So, the local guest house that was there I am shore things have change quite a bit, but the local guest house there run a one hour moving at that point of time that was sponsored by probably with the department for us and you know may be tribal welfare also and it was a very well made movie that introduce the visitors you know this was a import player in the Andaman islands on the great Andaman islands and this film a documentary introduce visitors to the Florind Fonna and the to the to the environmental heritage of that area and there was also a section on what one must not do. So, they talked about different tribes and there was also section on what visitors when not permitted to do even you know there was no system of issuing permits at that time. So, there say tribal live there, if you see the tribal please do not interact with them, please do not talk them, let them do their own thing.

So, you know I was a child them I am just talking about you know how different governments in different capacity are already doing this now this is something that is to happen on a daily basis there was a one hour movie in the guest house that I am not sure what they do now I am shore many many more programs now running now, but a you know. So, and this is a common practice in the foreign countries within India also many tourist homes you know many many forest rest houses are taking these initiative to make

people aware of what they are in for a specially in these lesser known area or lesser adventure into areas.

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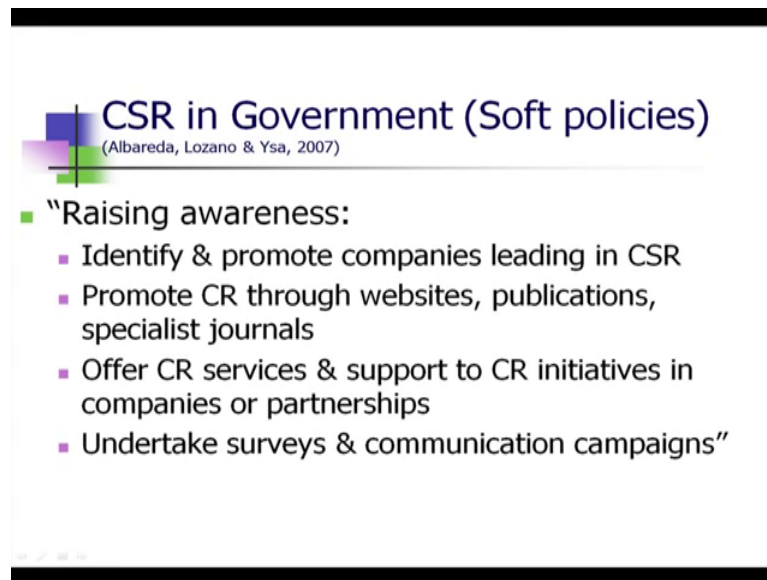


CSR in Government (Internal policies)
(Contd.): International Issues
(Albareda, Lozano & Ysa, 2007)

- "International instruments & agreements:
 - Promotion of global regulatory frameworks
 - Development of international certification systems
 - Creation of evaluation & certification bodies
- Foreign trade policy & international development:
 - CSR integrated into foreign affairs policies for international markets & international development
 - Promotion of good CSR practice in overseas operations (human rights, labor standards, anti-corruption, envt. etc.
 - Link CSR to foreign investment policy & international relations"

Then international instruments and agreements you could have promotion of global regulatory frameworks you could have development of international certification systems you could have creations of evaluation and certification bodies as far as foreign trade policy international development is concerned CSR could be integrated into foreign affairs polices international markets. And international developments and promotion good CSR practice in overseas operations which would include human rights labor standards anti corruption environment etcetera you could link CSR to foreign investment policy and international relations.

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CSR in Government (Soft policies)
(Albareda, Lozano & Ysa, 2007)

- "Raising awareness:
 - Identify & promote companies leading in CSR
 - Promote CR through websites, publications, specialist journals
 - Offer CR services & support to CR initiatives in companies or partnerships
 - Undertake surveys & communication campaigns"

As far as the soft policies are concerned you could raising awareness you know you could identify and promote companies leading in CSR you could promotes cs or corporate responsibility through websites publications and specialist journals again this is the government promoting or government supporting or government helping or government encouraging the private organization who are actually doing something for this society.

So, you could offer CR support excuse me corporate responsibility services and support to corporate responsibility initiatives in companies or partnerships either and cash or in kind or you know through the through the information there receive then you could undertake surveys and communication campaigns.

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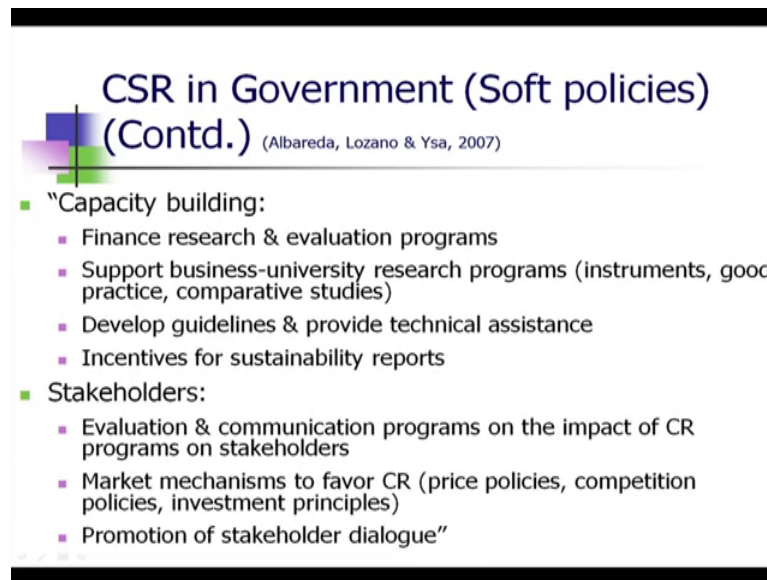


CSR in Government (Soft policies)
(Contd.) (Albareda, Lozano & Ysa, 2007)

- "Voluntary initiatives (facilitating & promoting):
 - Promotion of uptake of CR policies, publication of CR reports
 - Encouraging sharing & promotion of good practice
 - Promotion of Social Responsibility Initiatives, environmental standards, fair trade, sustainable consumption, work-life balance, equal opportunities, employee volunteering, employee conditions, life-long learning
 - Promotion of business networks
 - Promotion of public private partnerships or public-private-civil society partnerships"

Again as for as voluntary activities that include facilitating and promoting concerned the government could promote the uptake of corporate responsibility policies publication of corporate responsibility reports it could encourage sharing and promotion of good practice it could promote social responsibility initiatives environmental standards fair trade sustainable consumption work life balance equal opportunities employee volunteering employee help with a employee conditions working conditions and could help with lifelong learning. They could have promotion of business network promotion of public private partnerships or public privates civil society partnership that are working in the area of CSR or that are active with the CSR efforts.

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CSR in Government (Soft policies)
(Contd.) (Albareda, Lozano & Ysa, 2007)

- Capacity building:
 - Finance research & evaluation programs
 - Support business-university research programs (instruments, good practice, comparative studies)
 - Develop guidelines & provide technical assistance
 - Incentives for sustainability reports
- Stakeholders:
 - Evaluation & communication programs on the impact of CR programs on stakeholders
 - Market mechanisms to favor CR (price policies, competition policies, investment principles)
 - Promotion of stakeholder dialogue"

Then as far as capacity building is concerned you could finance research and evaluation programs the government could support business university research programs that could a result in the development of instruments you know identification of good practice and the generation of comparative studies to see who is doing what guidelines could be develop in technical assistance be provided to organization that are active that are doing well as far as there their commitment to the society concerned then incentives could be given for sustainability reports stake. As far as stakeholders are concerned with the government could run evaluation and government communication programs on the impact of corporate responsibility programs on stakeholders there could be market mechanisms to favor corporate responsibility.

So, there could be price policies competition policies investment principles now again one such thing that has happened in India very very recently is the reduction in the price of essential medicines after the implementation of the goods and services tax just a few days back I went to the market to buy antibiotic some tooth infection and I was surprise to see and you know I say how much is this for and the shop keepers I said well pack of a strip of ten tablets antibiotics cost rupees 35. I said I was shocked I said are you sure, it is from a you know reputed company and I will look and yes, it was reputed pharmaceutical company and he said madam after the GST the prices of a lot of all of almost 700 items as far as far the pharmaceutical industry concerned have gone down which means there is a reduction in the prices of antibiotic which is in essential things.

I think you know this is one of the very recent examples in a you know that that shows how the government efforts have contributed to helping the status of leaving of common people I mean amazing you know I was really surprise as to the as now this very essential medicine a broad spectrum antibiotic is now going to be affordable for people who needed, but may be where not able to purchase it earlier. So, this is you know very tiny personal experience that I am show sharing with you and the cost had come down by almost 60 percent.

So, you know this was this was really great as the as now at list people who can buy they can think of buying it because go and buy antibiotic from the market may earlier the tablets could be you know there very very expensive as compare to the rest of the medicines. So, we are talking, but price policy when there is you know there is here, yeah, price policies, so, competition policy and investment principle. So, these are market mechanism to favor corporate responsibility then they could be promotion of stakeholder dialogue.

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CSR in Government (Soft policies)
(Contd.) (Albareda, Lozano & Ysa, 2007)

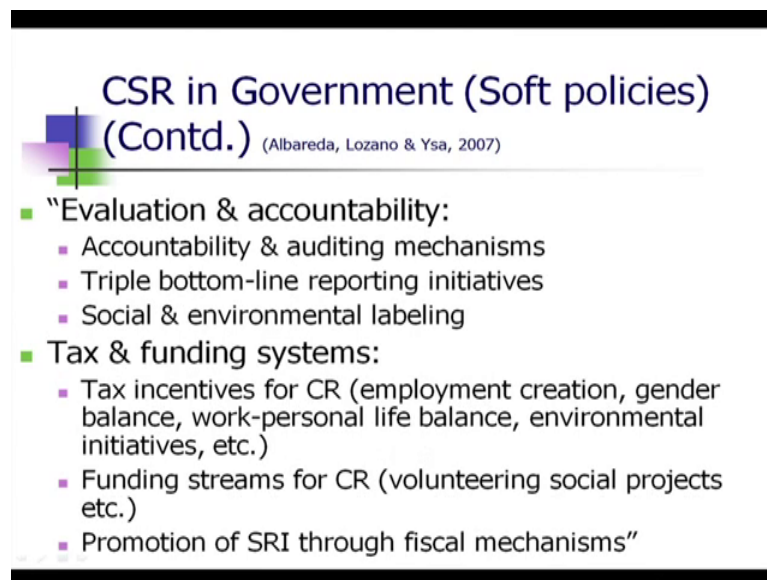
- **International:**
 - Incentives for adopting international CR standards
 - Promoting CR good practice [...] (labor standards, human rights, anti-corruption)
- **Convergence & transparency:**
 - Promote standardization across CR management models, standards, reports, indicators, & auditing systems
 - Promote fair trade labelling systems
 - Encourage standardization of SRI analysis
 - Promote inclusion of international CR agreements in codes of conduct"

So, at the international level you know CSR in you know with reference to soft policies for you know in the government you know the with reference to soft policies at the international level you could have incentive for adopting international corporate responsibilities standards. You could promote corporate responsibility good practice labor standards human rights anticorruption etcetera at the level of you know with

reference to convergence and transparency the government could be promotes standardization across corporate responsibility management models standards reports indicators and auditing systems.

Government could promote fair trade labeling systems could encourage standardization of SRI analysis could promote inclusion of the international corporate responsibility agreements in codes of conduct.

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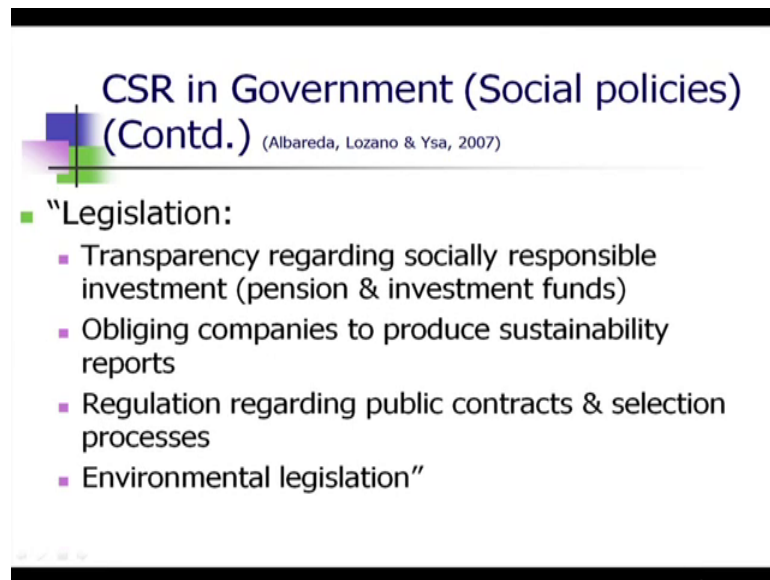
CSR in Government (Soft policies)
(Contd.) (Albareda, Lozano & Ysa, 2007)

- "Evaluation & accountability:
 - Accountability & auditing mechanisms
 - Triple bottom-line reporting initiatives
 - Social & environmental labeling
- Tax & funding systems:
 - Tax incentives for CR (employment creation, gender balance, work-personal life balance, environmental initiatives, etc.)
 - Funding streams for CR (volunteering social projects etc.)
 - Promotion of SRI through fiscal mechanisms"

Then at the you know as far as evaluation and accountability is concerned the government could a you know introduce accountability and auditing mechanisms could talk about triple bottom line reporting initiatives could introduce social and environmental labeling. Then as far as tax and funding systems are concerned the government could include tax incentives for corporate responsibility employment creation that would include employment creations gender balance work personal life balance environmental initiative etcetera.

The governmental could introduce funding streams for corporate responsibility which means volunteering social projects etcetera government could promote SRI through fiscal mechanisms.

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CSR in Government (Social policies)
(Contd.) (Albareda, Lozano & Ysa, 2007)

- "Legislation:
 - Transparency regarding socially responsible investment (pension & investment funds)
 - Obliging companies to produce sustainability reports
 - Regulation regarding public contracts & selection processes
 - Environmental legislation"

As far as legislation is concerned soft policies for legislation concerned transparency government could enhance or could encourage transparency regarding socially responsible investment that could be pension that could include pension investment funds could a you know obliging companies to produce sustainability reports could put an regulation regarding public contracts and selection processes and could have environmental legislation.

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CSR in Government (Hard policies)
(Albareda, Lozano & Ysa, 2007)

- "Adaptation of international agreements to national standards"



Now as far as the hard policies are concerned the government could adopt international agreements to national standards.

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CSR in Government (Sector specific issues) (Albareda, Lozano & Ysa, 2007)

- "Small & Medium Enterprises:
 - Promotion & incentives for good CR practice in SMEs
 - Raising awareness of impact of operations [...]
 - Promote the exchange of good practice & business cases for Corporate Responsibility in SMEs
 - Public campaigns directed at SMEs
 - Encourage cooperation between large companies & SMEs"

As far as the sector specific issues are concerned you know in terms of specifically for small and medium enterprises the government could promote and incentivize good corporate responsibility practice in SMEs; small medium enterprises. SMEs refers to small and medium enterprises government could raise awareness of the impact of operations could promote the exchange of good practice and business cases for corporate responsibility in SMEs could include public campaigns or could encourage public campaigns directed at SMEs could encourage cooperation between large companies and SMEs.

And that is all we have time for in this lecture. We will continue this discussion in the next class regarding you know how CSR government contributes to the CSR activities.

Thank you very much for listening.