

**Corporate Social Responsibility**  
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**Lecture - 54**  
**CSR Public Policies: Lessons from Europe (Contd.)**

Welcome back to the MOOC course on corporate social responsibility. My name is Aradhna Malik and I am helping you with this course and we are going to talk about in this lecture. We are going to finish the discussion on CSR public policies lessons from Europe. So, in the previous class we discussed the role of this you know how government helps with CSR or how CSR happens through government efforts. In this lecture we are going to talk about government society and public partnerships.

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**CSR in Government – society relationships (Soft policies)**  
(Albareda, Lozano & Ysa, 2007)

- "Raising awareness:
  - Analysis & dissemination of good practices in business operation with high impact on the community (work-life balance, social cohesion)
  - Tax incentives for civil society-government partnership programs
  - Knowledge dissemination of international agreements with civil society implications (human rights, labor standards)"

So let us see what we have here CSR in government society relationships the soft policies that refer to this could be raising awareness as in the previous ah, case there could be and under this the specific activities that could be carried out could be they analysis and dissemination of good practices in business operations with high impact on the community. That could include work life balance social cohesion etcetera. There could be tax intend incentives for civil society government partnership programs, government could help with knowledge dissemination of international agreements with civil society implications.

So you know agreements regarding human rights labor standards well ah, on a lighter note you know I am a an employee of the government and I am or of a public institute and I am sharing all this information with you in the hope that you will take the bitten forward and do what is required. So, even though this is not a focused government activity as a representative of the, of the government you know in an employee in an institute run by the ministry of HRD and doing my tiny bit you know through the avenue that I have to share with you what is a out there.

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**CSR in Government – society relationships (Soft policies) (Contd.)**  
(Albareda, Lozano & Ysa, 2007)

- "Voluntary initiatives (facilitating & promoting):
  - Campaigns for sustainable consumption, publications, seminars & dissemination
  - Ethical investment initiatives
  - Support Social Responsibility Initiatives
  - Support socially responsible consumption
- Capacity building:
  - Publications, evens, press
  - Surveys & CSR awards""

So you know and the aim is to help the government share information knowledge with people who can do something about it. And of course, you know a lot of us are doing similar things in similar areas. Then So, then as far as voluntary initiatives are concerned facilitating and promoting, a voluntary initiatives is concerned to the government could help, but campaigns for sustainable consumption publications seminars and dissemination you see all kinds of campaigns on the television you know, these are public interest advertisements that are there on television.

So there is one about the swatch bhara abhiyaan or the clean India campaign, and we have a series of advertisements on television on national television on you know, when you log in. So, you know through various private channels and then we have various such campaigns going on. So, you know do not dirty your environment all of that. Then ethical investment initiatives are there they could be the government could support social

responsibility initiatives government could support socially responsible consumption. As far as capacity building is concerned they could be publications events I am sorry, it is a not events evens and press they could be surveys and CSR awards ok.

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**CSR in Government –society relationships (Soft policies) (Contd.)**  
(Albareda, Lozano & Ysa, 2007)

- "Stakeholders:
  - Create communication mechanisms to foster business-community dialogue
  - Promote transparency mechanisms
  - Promote partnerships & participate in them
- International:
  - Promote initiatives with international NGOs
  - Participation in international civil society activities"

As far as the stakeholders are concerned there could be creation of communication mechanisms to foster business community dialogue, promotion of transparency mechanisms and promotion of partnerships and participation in them. At the international level there could be promotional initiatives with international NGOs.

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**CSR in Government –society relationships (Sector specific issues)**  
(Albareda, Lozano & Ysa, 2007)

- "Management of social organizations:
  - Improve management of social enterprise
  - Enable Social Responsibility Initiatives"

There could be participation in international civil society activities. As far as the management of social organizations is concerned they could be an improvement in the management of social enterprise, the government society relationships could enable social responsibility initiatives.

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Then as far as the hard policies are concerned you know, there could be the environmental and social criteria for public contracts to socially financed organizations. When we talk about hard policies I know I have been referring to this term hard policies means policies that can actually result in some sort of tangible visible action.

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**Relational CSR: Government – business – society (Soft policies)**  
(Albareda, Lozano & Ysa, 2007)

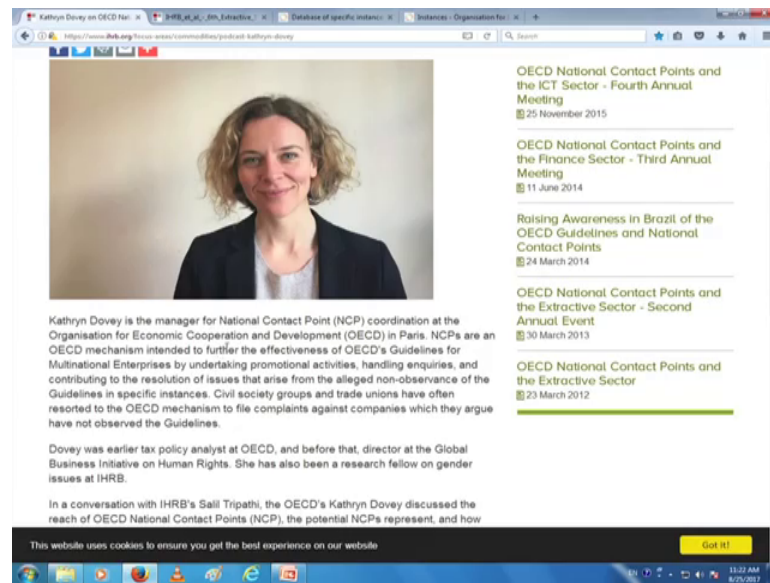
- "Raising awareness:
  - Sharing good practice & knowledge dissemination
  - Create National Resource Centres (e.g. National Contact Points all over Europe)"
    - e.g.
      - <https://www.ihrb.org/focus-areas/commodities/podcast-kathryn-dovey>
      - <http://mneguidelines.oecd.org/database/>
      - <http://mneguidelines.oecd.org/database/instances/be0017.htm>

Now relational CSR again, I am going to show you something here. So, yeah let me see I will copy these and one second, now something very, very interesting to show you here.

So the government could raise awareness and again as far as raising awareness is concerned, as far as soft policies are concerned, by sharing good practice and knowledge you know dissemination of sharing of by sharing good practice and knowledge dissemination. Then creation national resource centers, an example of this is national contact points all over Europe and in other parts of the world also after the you know that was that happened between 2007 to now.

So let me show this to you now we will start this with this podcast by Kathryn Dovey this is not a video podcast, it is an audio podcast and I will play this for you. So, please listen here.

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This is Kathryn Dovey, is the manager for national contact point coordination at the organization for economic cooperation and development in Paris. NCPs are an OECD mechanism intended to further the effectiveness of OECD's guidelines for multinational enterprises by undertaking promotional activities handling enquiries and contributing to the resolution of issues that arise from the alleged non observance of the guidelines and specific instances.

So and complaints are filed, I will just show you how these complaints are filed and what comes out you know I have an example pulled up for you, but let us listen to this podcast it is about 8 minutes and 38 seconds very, very interesting.

We want to warm sunny day in Beth. Hello everybody this is Salil Tripathi on a warm sunny day in Paris in spring. And I am sitting with Kathryn Dovey. She manages a coordination of national contact points at the OECD. OECDs is of course, the organization of economic cooperation and development, a group of nations which work towards economic prosperity and growth and development. And national contact points of course, are very important because that is one of the non judicial remedies at people often turn to for instances of human rights abuses. So, Kathryn my first question to you is can you describe how the entropy process works at present and what exactly your role is?

Absolutely thanks a lot I am. So, national contact points a come from the OECD guidelines for multinational enterprises which, which is.

Which are 30 years 40 years old some anniversary coming up

There going to be 4 g, there going to be 4 g MGM exactly.

Absolutely the then anniversary coming up yes.

So, they were created in 1976, they have been updated 5 times since then. Most recently in 2011 when a human rights chapter was added and concepts around due diligence were clarified and strengthened. So, what is very interesting about these standards which are binding on governments in terms of promoting them to companies is that they have this NCP mechanism. Now in most instances NCPs will be a government office which I am is designed to do 2 things, one promote the guidelines to business and two receive complaints or cases, when people or NGOs or trade unions or anyone really feel that the guidelines have not been respected in practice. And they cover their very bored they cover 11 chapters all different areas of business ethics corporate responsibility from as I mentioned human rights, but also labor environments consumer taxation and whole bunch of topics.

And how has been the process so far? I believe each country has it is own NCP and people can go to that if they have a legitimate concern about a particular company.

That is absolutely right. So, there are 46 countries that have signed up to the guidelines. That is 34 OECD members plus 12 additional countries. And in each of those places um there is there will be an NCP. Now the models that are used by governments vary considerably because the guidelines are not prescriptive on more the NCP should look like. So, there is there are a few countries where the NCP is completely independent. In the sense that is there are independent members who represent the NCP from different areas of society, but the NCP is supported by someone in a secretariat within a ministry. That is one module there are modules that bring together different government departments there are models that are tripartite. So, there is a whole host of different modules.

Is that a problem?

In what sense?

In the sense that there is no consistency. And also I think there is one criticism that, some of these NCPs are housed in trade or commerce ministry is rather than labor ministry or home ministry or something that would have a greater awareness of human rights issues.

Well it is interesting I mean, I think it depends on where what your starting point is. So, if you look at what the guidelines ask for, they ask for NCP to be created So that they can promote the guidelines and receive complaints. They also say that NCPs have to follow the core criteria. Which means they have to be visible accessible transparent and accountable. And there is also special criteria with regards dealing with cases. So, if they can derive if they can recognize.

Right.

Those core criteria are being implemented then the structure should not necessarily be a problem in and of itself and as I said we see you know we are seeing more trends around, more government departments being involved, more stakeholders being involved some NCPs created oversight bodies. Just quite interesting as well. So, that there might be a review process afterwards. So, there is a lots of different ways in which it can happen, but you are absolutely right, there has been over the years a lot of points raised by civil society. And by trade unions and one of the things that gave NCPs a real boost last year was when the G 7 leaders committed to strengthening NCPs and for leading by example and in response to OECD created an action plan which has recently been adopted which covers doing peer reviews of NCPs, capacity building and building tools and really acting as a support function for these entities.

So, in a way what the NCPs do is a role that is envisage in the guiding principle for business and human right of an effective remedy where none exists. At least in the non judicial sense in certain kinds of abuses, I appreciate that you know with grave abuses it may not be the right forum for that, but for certain kinds of abuses which are not of a grave nature the NCP can play such a role, is that a fair way of describing it?

I mean I think it is really important that we recognize the NCPs are designed to step in or to receive complaints at an early points in the process. When situations have become

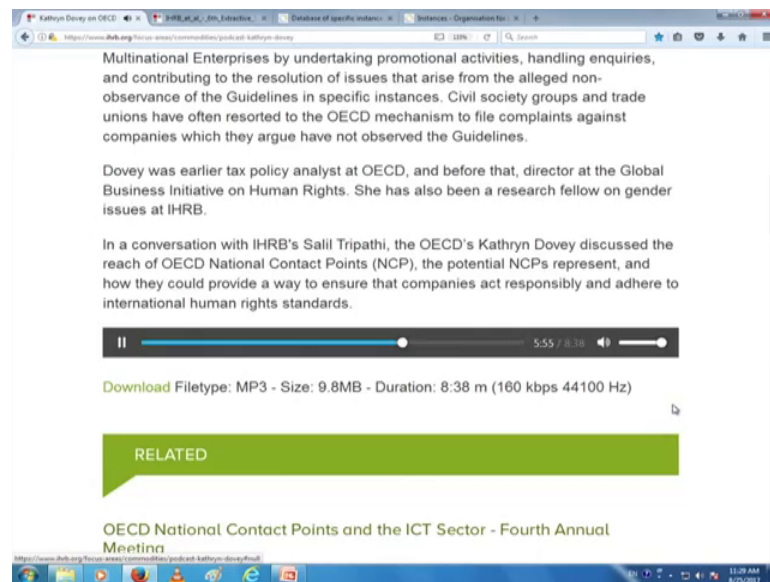


extremely serious as you mentioned great human rights abuses then of course, there are formal judicial process.

Right.

That can be enacted that is important, but, but NCP are designed to in guidelines we call it use of their good offices which is basically mediation conciliation you know there is a whole process set out. So, the when an NCP receives a complaint they decide whether it would be useful, so then apply that sort of facilitation role between

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Let us say the company in the community or the company in the NGO and whether you know an agreement can be reached. And some NCP is now using professional mediators to do that who will come up with the terms of reference etcetera, but I think it is designed to not be a judicial process. By any means and get in there at an early stage where the risk of a conflict.

Escalating is much less.

Well right thing, right thing.

Yes yeah no that is wonderful. Now one more question would be about using it and seeing it as a remedy. What would you want civil society organizations to do in being part of the process? How should they be using it in an ideal way?

I think I mean at the OECD, so we work very closely with OECD watch which brings together a large number of NGOs civil society organizations. We also work very closely with the trade union advisory committee and same for business of 2 AG and BF. So, we have sort of structured stakeholder processes that help with this, but I think I mean it is it is great when there can be connections between the NCP in certain countries and civil society communities. You know, we try and at the at the secretariat we work a lot with our stakeholders as I mentioned, but there are also various ways in which organizations can input, not just in terms of bringing forward a complaint, but also raising awareness among a business audience as to what is expected.

So, whether that is pointing to the OECD guidelines or the sector specific work that the OECD has done on different sectors that is out there or indeed the even guiding principles or whatever the international standards might be, IRO etcetera. Just raising awareness with the business community as to what is expected I think would be helpful.

And how is the uptake from businesses we focused quite a bit on the civil society?

Yeah

How have the business has been cooperating with it?

I mean, I think it varies from country to country like I said we would work through BIAK for those relationships which is a business association of business association, but there are I think like with all companies the quest is for it is for clarity great.

Right.

Right and so communicating what an NCP is, what it is role is, what it is function is, is very important so that it is in the case that a company only learns about this when they receive a complaint for instance. That is not necessarily anyone's interest. So, the more that the companies can be aware of the guidelines, the individual guidance where we work a lot with companies already and the NCP process and what it is trying to achieve and the fact that it is designed to be a constructive process for all, I think that would all be very helpful.

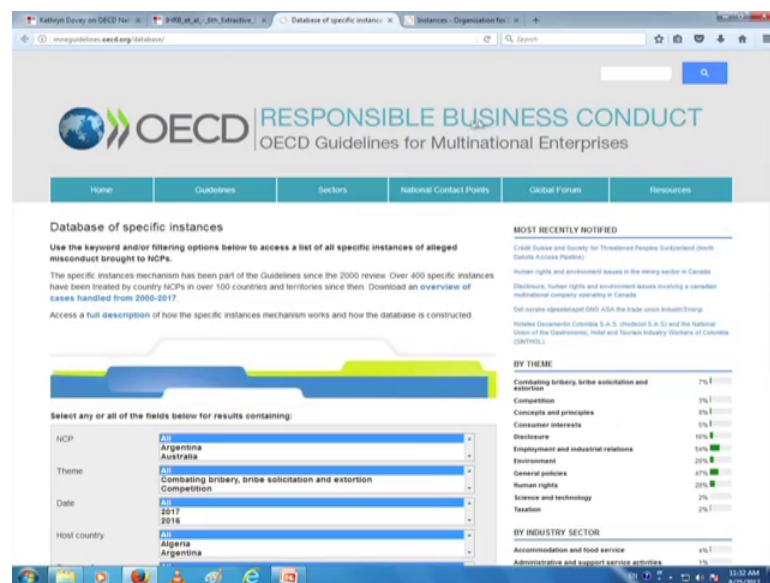
Thanks very much indeed and all the best with the anniversary coming up and good luck with all the work ahead.

Thank you very much.

Thank you.

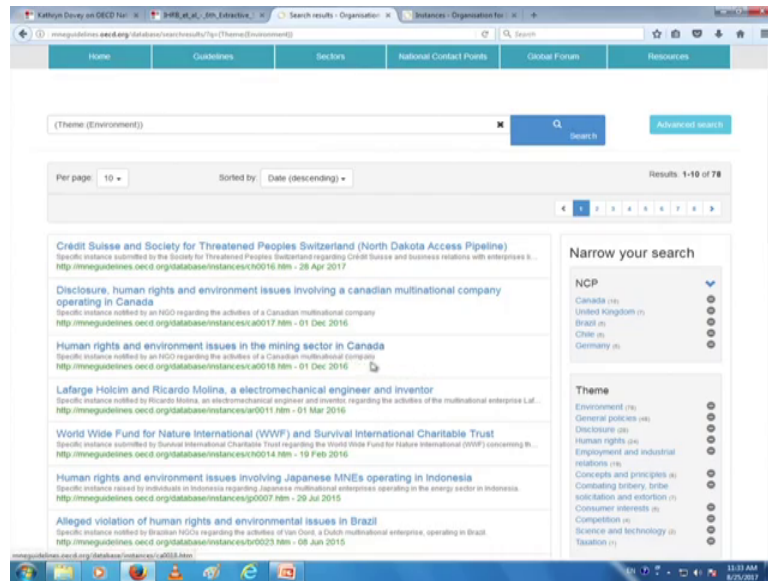
So that was about the NCPs. Now let me show you what happens you know when the guidelines or when the work of the NCP is actually how does that take place. So, let me just show you here. So, for example now, this is on the same website OECD responsible business conduct website.

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And on this database of specific instances Let us see what we find here. So, you know you can actually find instances. So, maybe the theme here could be say environment for example, and we are looking at all cases all over the world and let us see what this brings up I had pulled up something, but maybe you know this will give us something much more relevant to what we are discussing in what we have heard in the NCP.

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So, human rights and environment issues in the mining sector in Canada or credit Suisse, Suisse and society for threatened peoples in Switzerland.

So, North Dakota access pipeline. So, let me show you this seems quite interesting or human rights and environment issues involving Japanese MNES operating in Indonesia or alleged violation of human rights and environmental issues in Brazil.

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Human rights and environment issues in the mining sector in Canada	
Lead NCP	Canada
Supporting NCP(s)	
Description	Specific instance notified by an NGO regarding the activities of a Canadian multinational company
Theme(s)	General policies, Human rights, Environment
Date	1 Dec 2016
Host country(ies)	None
Source	NGO
Industry sector	Mining and quarrying
Status	In progress
Summary	The Canadian NCP received a submission from an NGO alleging that a Canadian multinational enterprise had not observed the general policies, the human rights and environment provisions of the Guidelines in its operations in Canada. The NCP has engaged with both parties and is preparing its initial assessment.

So, you know these are the instances. So, lead NCP was Canada I mean a lot of countries are here you know now lot of people have signed up for the NCP, it is not only restricted to Europe it is it is happening all over the world so.

So, this is one example. So, the lead NCP was Canada description was specific instance notified by an NGO regarding activities of a Canadian multinational company. There were general policies human rights data etcetera, source was NGO the summary is here the Canadian NCP received a submission from an NGO alleging that a Canadian multinational enterprise had not observed the general policies. The human rights and environment provisions of the guidelines in its operations in Canada the NCP has engaged with both parties and is preparing its initial assessment.

Now, the complaint was received on the first of December 2016 very recently it still not been settled, which is why the identity of the organization has been has not been released in cases that are settled you will see names. So, this is not a forum to do that so, but you can explore this database on your own. So, you know this is the way things are really happening you know as far as with government intervention and you know with the public private partnerships all right ah.

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**Relational CSR: Government – business – society (Soft policies) (Contd.)**  
(Albareda, Lozano & Ysa, 2007)

- "Capacity building:
  - Multi-stakeholder forums
  - Business support networks
  - Sharing experiences & best practices
- Voluntary initiatives (facilitating & promoting)
  - Round tables on codes of conduct
  - University-business research projects, promoting dialogues
  - Proactive role in promoting innovation, pilot projects, dialogue"

Then relational CSR government business societies of policies. With reference to capacity building you could have multi stakeholder forums you could have business support networks you could share experiences and best practices, as far as voluntary

initiatives are concerned you could facilitate and promote round tables on codes of conduct, you could do the same for or you could you could facilitate and promote university business research projects from more dialogues play a proactive role in promoting innovation pilot projects and dialogue.

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**Relational CSR: Government – business – society (Soft policies) (Contd.)**  
(Albareda, Lozano & Ysa, 2007)

- **Stakeholders:**
  - Consumers: information on supply chain, sustainability index of products
  - Investors: information on responsible corporate policies & expectations regarding pensions
- **Evaluation & Accountability:**
  - Accountability & auditing mechanism
  - Triple bottom-line reporting initiatives
  - Social & environmental labelling

Then as far as stakeholders are concerned you know, stakeholders could be consumers and investors. As far as consumers are concerned you could provide information on supply chain sustainability index of products. As far as investors are concerned you could provide information on responsible corporate policies and expectations regarding pensions. As far as evaluation and accountability are concerned you could provide accountability and auditing mechanisms, triple bottom line reporting initiatives social and environmental labeling.

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**Relational CSR: Government – business – society (Soft policies) (Contd.)**  
(Albareda, Lozano & Ysa, 2007)

- "Convergence & transparency:
  - Management standards
  - Codes of conduct
  - Promotion of simple & flexible indicators
- International:
  - International partnerships
  - Networks & alliances
  - Multi-stakeholder forums

Then as far as convergence and transparency are concerned you could provide management standards codes of conduct promotion of simple and flexible indicators. At the international level there could be international partnerships networks and alliances and multi stakeholder forums, now here.

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**Relational CSR: Government – business – society (Sector specific issues)**  
(Albareda, Lozano & Ysa, 2007)

- "Community action:
  - Urban regeneration projects
  - Education projects in poor areas
- Socially responsible investment & fair trade:
  - Pension schemes with social, environmental criteria
  - Transparency in definition of Socially Responsible Initiatives
  - Selection, retention & realization of investment with corporate responsibility considerations

So, this is the government business and society partnerships now as far as sector specific issues are concerned, regarding community action you could have urban regeneration projects. You could have education projects in poor areas, urban regeneration refers to

realizing that the environmental you know environment needs to be taken care of as you know along with urbanization.

So, planning of the green areas in any new you know concrete development. Socially responsible investment and fair trade you could have pension schemes with social and environmental criteria you could have transparency in definition of socially responsible initiatives, you could have selection retention and realization of investment with corporate responsibility considerations.

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**Relational CSR: Government – business  
– society (Sector specific issues)**  
(Albareda, Lozano & Ysa, 2007)

- "Cross-sector partnerships:
  - Promoting corporate responsibility networks with public/ private participation
  - New social partnerships & common frameworks
  - Local partnerships between different sectors for urban regeneration
  - Stakeholder involvement in developing guidelines
  - Bringing together different sectors"



Then as far as cross sector partnerships are concerned you could promote corporate responsibility networks with public private participation



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There could be new social partnerships and common frameworks. There could be local partnerships between different sectors for urban regeneration. There could be stakeholder involvement in developing guidelines bringing together different sectors. And as far as the hard policies are concerned you could have consumer rights.

So, you know that is that really sums up how governments can contribute to the promoting CSR through within through their own efforts and through their collaboration with private sector and the civil society. And these policies play a major role in establishing credibility of the government in helping the government state, one you know where it is and in enhancing peoples believability in governments efforts because you know as far as the actual socially responsible work is concerned, if the government puts policies in place organizations feel compelled to follow them to the extent possible because it is out there.

Asking organizations to be socially responsible may or may not help, but if there is a government stamp on what is required or what should be done then the compulsion for compliance is much more. So, of course, organizations feel it they may not really take active steps till that stamp is there, but anyway. So, that sums up this discussion in the next class we shall start talking about other issues that have not been touched yet and we will wind up the discussion in the next few lectures.

Thank you very much for listening.