

Model of Corporate Responsibility Systems in the EU Countries

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Introduction

Corporate responsibility (CR) is becoming an increasingly powerful tool of modern societies carried out by companies on a voluntary basis working to deliver social cohesion and environmental sustainability as well as economic development. In transition and post-transition countries, CR can become a forceful tool contributing towards sustainable development (SD) and societal regeneration as well. In addition to the obvious, direct benefits of CR enjoyed by the ultimate beneficiaries of responsible corporate practices, CR brings benefits to the companies that practice it.

Organizations considering environmental, social and broader economic questions in connection with their core operations unleash innovations and deliver better financial returns. Strategically and systematically integrated into their business, CR helps companies better address reputation risks, attract investors, improve relations with stakeholders and become more competitive in mature markets. [8]

„One of the solutions that can improve corporate social behaviour is the CR policy. The European Commission published several Communications on CR with the objective to help companies integrate corporate social responsibility into the way they do business, every day. With the enlargement of the European Union the issue of the development of CR in the Central European Countries appeared.”[4]

Article aims:

- To characterize the newest and most important definition of CR
- To emphasize the objective inevitableness in the institutionalization of CR as a tool for sustainable development of companies and society
- To present 8 CR systems of the European Union countries:
 - 4 from “old” EU countries (France, Sweden, UK, Spain) – with the functioning CR system
 - 4 from “new” EU countries (Poland, Lithuania, Slovakia, Czech Republic) – with the implementing CR system
- To describe economic and politic relation (Rationale) as a condition of the CR system

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- To demonstrate authorities in the presented CR systems
- To compare results, impacts and efficiency of the different mentioned systems
- To recommend suitable instruments to improve the CR systems in the EU
- To recommend an acceptable methodology to improve the CR systems in Slovakia and the Czech Republic

1. Current Appreciation of the Corporate Responsibility

At present, academic community, official institutions (the European Union, the United Nations Organization) and business area present **several comprehensive and important definitions**.

The most relevant definitions are:

a) **The Government of UK**, of the country with a high level of CR institutionalization:

“The Government sees CSR as the business contribution to our sustainable development goals. Essentially it is about how business takes account of its economic, social and environmental impacts in the way it operates – maximising the benefits and minimising the downsides.” [7]

b) **United Nations Development Programme** (of the United Nations Organization):

“The management of, and response to, social, environmental, broader economic and ethical issues – and the extent to which businesses are responsive to stakeholder expectations on these issues.

Corporate social responsibility is an increasingly **powerful tool of modern societies** – carried out by companies on a voluntary basis working to deliver social cohesion and environmental sustainability as well as economic development.”[6]

c) **World Bank Group's**, the institution permanently protecting the sustainable development:

“Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development.”[9]

d) **World Business Council for Sustainable Development:**

“Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”[10]

e) **International Labour Office:**

“CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. ‘Ethically or responsible’ means treating stakeholders in a manner deemed

acceptable in civilized societies. Social includes economic responsibility. Stakeholders exist both within a firm and outside. The natural environment is a stakeholder. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for peoples both within and outside the corporation.”[3]

f) **European Commission:**

EU Definition of CR:

“A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Communication from the Commission to the European Parliament, The Council and the European Economic and Social Committee (2006) – Implementing the Partnership for Growth and Jobs – Making Europe a Pole of Excellence on CSR which cites the Commission Green Paper 2001 “Promoting a European Framework for Corporate Social Responsibility”, COM (2001)366 Final) [5]

Amongst other things, this definition helps to emphasize that:

- CR covers social and environmental issues, in spite of the English term corporate social responsibility
- CR is not or should not be separated from business strategy and operations: it is about integrating social and environmental concerns into business strategy and operations
- CR is a voluntary concept
- An important aspect of CR is how enterprises interact with their internal and external stakeholders (employees, customers, neighbours, non-governmental organisations, public authorities, etc.).

The Corporate Responsibility (CR) in entrepreneurial subjects.

- Can be performed on different fundamental theoretical principles.
- Even intuitive - **by applying basic moral principles: fairness, justice and responsibility.**
- Transformed into practical economics.
- Creates an enterprise on the basis of social responsibility, ethics codex and other systems applying moral principles in business praxis.

In entrepreneurial activities it should result in – **social responsible enterprise. For this reason it is very important for a concrete country to have a functioning CR system.** [15]

2. France

2.1 CR Context

- a) Increasingly privatised economy
- b) Strong Central state role with social welfare system under pressure
- c) Conflictual social relations
- d) High tolerance of power inequalities

2.2 CR Public Policy: Role and Rationale

Main Rationale:

- Achieve equitable and sustainable growth
- Enhance international reputation and competitiveness

Link to SD:

French National SD Strategy, 2003: "... In parallel to the development of worldwide awareness of the stakes of sustainable development, French companies are being called upon to fully exercise their responsibility at the social and environmental levels". [2]

2.3 CR Public Policy: Actors

Public Authorities involved in CR:

1. Ministry of Foreign Affairs
2. Ministry of Ecology, Transport, Energy, Infrastructure Planning and Sustainable Development
3. Ministry of Finance, Economy and Employment
4. Inter Ministerial Council for Sustainable Development

Non-State Actors

1. Movement of French Enterprises (MEDEF)
2. VIGEO (rating agency)
3. Entreprendre pour la Cité (1986 / local CR Europe partner)
4. Novethic
5. Employee Savings Committee (4 major unions partners)

2.4 CR Public Policy: Instruments and Activities

Mandating:

- New Economic Regulation Law 116 modifying Business Code (2001 / 2008?)
- Grenelle Package Law (2008 - tbc)
- Public Pension Reserve Fund Law (2001 / 2003)
- Public Procurement Law (2001)
- Generalization of Employee Savings Plans Law (2001)
- Law on Social Statement (1977)

Soft Law:

- OECD Guideline for MNE (MFEE)
- Global Compact
- ISO26000

Initiatives and Partnerships:

- Grenelle Stakeholder Roundtables
- Global Compact Friends Forum
- Committee21

- Forum of Enterprises and Sustainable Development

Incentives:

- Awards (CIES Award, Enterprise and Env. Award)
- SRI ranking (Vigeo, Novethic)

Awareness:

- Campaign on Eco-labelling & Fair trade (MESD, MFA)
- RSEnews.com

2.5 Conclusion

- Fully developed and applied CR policy with regards to strategy, communication and awareness
- Tradition of mandating, below average transparency
- Lack of regular engagement with stakeholders
- No clearly defined leadership of CR within the State resulting in lack of coordination point and some development and application of the CR strategy
- Within the last 12 months, climate change issue has been shaking the status quo (Grenelle Roundtables)

3 Sweden

3.1 CR Context

- Export-oriented Market Economy
- Closeness of government, civil society and unions; Transparency and openness; Welfare system is challenged
- Egalitarian society with high human development; integration of "new Swedes" is causing some tensions
- Focus on cooperation

3.2 CR Public Policy: Role and Rationale

Main Rationale:

- Boost foreign trade and enhance international competitiveness of Swedish companies
–avoid losing due to weak regulation in poor countries
- Integral part of Sweden's "sustainable society" vision (economic growth, welfare and cohesion, good environment)

Implicit Rationale:

- Enhance an international political influence and reputation as a normative power

Role:

- CR promotion mainly associated with Ministry of Foreign Affairs (MFA)
- Disinclined to legislate (although long tradition of heavy regulation on environment and labour)
- Instead:

- Spreading information on international standards
- Giving financial assistance, e.g. to Global Compact
- Participative structures and multi-stakeholder coalitions

3.3 CR Public Policy: Actors - Public Authorities

No clear distribution of responsibility for CR

1. Ministry of Foreign Affairs (MFA)

- Responsibility for Globalt Ansvar and the OECD Guidelines

2. Swedish International Development Agency (SIDA)

- Comprehensive CR promotion
- Supports Global Compact networks, various PPPs and Globalt Ansvar

3. Swedish Agency for Economic and Regional Growth (NUTEK)

- Promotes sustainable growth in the country
- Offers financing, information and advice, and supports environmental responsibility, especially in SMEs

4. The Swedish Consumer Agency (SCA)

- Promotes awareness among consumers and NGOs
- Supports stakeholder dialogues; produces training material, books and surveys.

3.4 CR Public Policy: Non-state Actors

1. Trade Unions

- Labour market, industrial relations, human rights, economic growth and fair distribution of resources
- Environmental and quality labelling

2. Business Actors / Coalitions

- Swedish Jobs & Society
- The Nordic Partnership: input to public policy, capacity building, awareness raising
- Swedish Standards Institute: environmental focus

3. Civil Society

- Amnesty Business Group: annual rating of 150 largest companies on human rights risk management
- SwedWatch: e.g. Clothing, medical supplies
- CR Sweden: promotes European Roadmap for Business

4. Research Institutes

- GSE Investment Services

3.5 CR Public Policy: Instruments and Activities

Mandating:

- Public Pension Funds Act – 2000 (environmental and ethical considerations)
- Accounts Act – 1999 (environmental reporting inclusion in financial accounts)

Soft Law:

- Explicit endorsement of Global Reporting Initiative (GRI)
- Support for standardization of ISO
- Active in promoting OECD Guidelines through the National Contact Point (NCP)
 - Tripartite body (government, business, labour) and cooperation with NGOs
 - Handbook for companies seeking subsidies and embassies
 - Proactive and innovative handling of complaints
 - OECD Watch considers Sweden's NCP a role model for other countries
- Public procurement is beginning to add ethical considerations alongside environmental (considerations) at a regional and municipal discretion
 - Stone procurement; Fair Trade cities

Initiatives and Partnerships:

- The Government's Commission on Sustainable Development - 2007
- Bygga Bo Dialogen - 2003 /
- Framtida Handel - 2003
- Globalt Ansvar (Swedish Partnership for Global Responsibility) - 2002
- OECD National Contact Point (NCP) - 1976

Incentives:

- No direct incentives to stimulate responsible business behaviour
- PPPs can be understood as providing indirect incentives

Awareness: Done through above mentioned initiatives

3.6 Conclusions

a) Strengths:

- CR increasingly understood as relevant in different policy areas
- Increasing cooperation between ministries
- Regions and municipalities increasingly involved
- Integration of business responsibility within the strategies for SD ensures that CR activities are not isolated
- Sweden rated as 2nd in CR progressiveness, after UK

b) Weaknesses:

- No consistent CR definition used across ministries
- No clear distribution of responsibility for CR
- No visible evaluations of CR activities
- Too passive role in coordination of stakeholders within the SD strategy

4 The United Kingdom

4.1 CR Context

- a) Highly Integrated Market Economy
- b) Hybrid model of Welfare State
- c) High level of autonomy of societal actors
- d) Political, economic and civic culture is based on competition

4.2 CR Public Policy: Role and Rationale

Main Rationale: to strengthen the competitiveness of British firms within the domestic and the global economy

Implicit Rationale: Non-state actors should work with the state in addressing societal challenges and in problem solving through cross-sector cooperation

“The UK Government sees CR as the **business contribution to sustainable development goals**. Essentially it is about how business takes account of its economic, social and environmental impacts in the way it operates – maximising the benefits and minimising the downsides. Specifically, it sees CR as the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society.” [7]

4.3 CR Public Policy: Actors

Public Authorities involved in CR:

1. Foreign & Commonwealth Office
 - Own CR strategy
2. Deputy for Business and Regulatory Reform (BERR – former DTI)
 - Host the CR Minister, direct report to Secretary of State
 - Oversees the UK’s CR policy
3. Deputy for International Development (DFID)
 - Own CR white paper approach

Non-State Actors

1. Business in the Community (BITC)
2. Corporate Responsibility Coalition (CORE)

State and Non-state actors are engaged in numerous private public partnerships (PPP) initiatives

4.4 CR Public Policy: Instruments and Activities

Mandating:

- Revised Company Act – 2006
- Pension Act – 2000

Soft Law:

- Mostly OECD Guidelines for MNE instrument
- Low Global Compact principle adherence
- Fair trade support to meet the MDGs

Initiatives and Partnerships

- Ethical Trading Initiative
- Extracting Industry Transparency Initiative
- Business Leaders Initiative on Human Rights 2003

Incentives

- Awards
- Responsibility Index
- Tax Relief

Awareness

- Government website – CR.gov.uk
- "Investors In People" standard, i.e. promoting self-assessment instruments for companies – www.InvestorsInPeople.co.uk

4.5 Conclusions

- UK is clearly a/the CR leader in the World
- Clear competency in place, coordinated activities implementing well-developed strategies aligned to SD with a high level of stakeholder engagement
- Lack of the evaluation mechanisms
- Could take a more active role on the international scene
- Leadership in CR is a necessity
- "Cannibalisation" of the CR and SD agendas by Climate Change agenda

5 Spain

5.1 CR Context

- It is one of the countries leading in the CR issues in Europe
- With one of the largest UN Global Compact national network (544 members)
- Developed public policies on the CR promotion
- Export-oriented Market Economy

5.2 CR Public Policy: Role and Rationale

Main Rationale:

- Enhance an international competitiveness of Spanish companies
- Achieve sustainable growth to cover social and regional differences

Link to SD:

In February 2008 ROYAL DECREE 221/2008 was approved, by which the State Council on Corporate Responsibility is created and regulated, as the fundamental pillar of CR in Spain with the following goals:

- Multi-stakeholder CR Forum among main social partners, governments (Local, regional and central level), NGO,s and other CR institutions and foundations
- To enhance CR initiatives as a Government adviser with a special regard to the SMEs.
- To report public projects and legal initiatives which could have effects on companies, organizations and institutions (private and public sector)
- To promote guidelines and standards of CR companies report
- To analyse the Spanish CR development and to inform about European and international CR experiences. [14]

5.3 CR Public Policy: Actors

Authorities involved in CR:

- 1.The Ministry of Labour and Social Affairs – leadership
2. Ministry coordination:
 - Ministry of Economy
 - Ministry of Industries and Trading
 - Ministry of Environment
 - Ministry of health and Consumption
 - Ministry of Public Administration
 - Ministry of International Affairs and Cooperation
- 3.CR Council (Consejo Estatal de RSE) to the government created by
 - Business organizations (12)
 - Trade unions (12)
 - NGOs (environment, human rights, consumers) Foundations and associations, social economy, disability, universities, and other fields in CR issues) (12)
 - Government/ Central, Regional, local level (12)
- 4.Parliament Commission
- 5.Tri-partite commission - Social Dialogue between social partners

5.4 CR Public Policy: Instruments and Activities

Mandating:

- Royal Decree 221/2008
- Public Procurement Law
- Act about social dialogue

Soft Law:

- Implemented norm systems ISO 900x and ISO 14000
- Mostly OECD Guidelines for MNE instrument
- Global Compact principles implantation
- Fair trade support to meet the MDGs

Initiatives and Partnerships

- Promotion, popularisation, trainings and certification in the area of CR (Fóretica...)

- The Spanish Global Compact Network activities (trainings, promotions...)
- Ethical initiative of universities (Instituto de Empresa...)
- Anticorruption and transparency initiative
- Dialogue between civil society and the government (ECODES....)

Incentives

- Awards
- Governmental projects and grants
- Tax motivation
- Philanthropic gifts
- Awareness

Government website – www.mtas.es/Empleo/economia-soc

5.5 Conclusions

- a) CR plays a key role in the new and sustainable model of companies
- b) Efficient CR system in Spain with the centralized Ministry of Labour and Social Affairs
- c) Possibility to combine profits with social and environmental commitments
- d) That involves all stakeholders in a sustainable development, especially workers and employees improving quality of employment and wellness
- e) Government aims to enhance and to stimulate enterprises to implement CR's good practices
- f) High level of the civil society engagement

6 Poland

6.1 CR Context

- a) Increasing level of the economic integration through the EU membership, low level of trust in Business actors
- b) Stable democracy, problems of enforcement and corruptions
- c) Strong role of traditional actors, e.g. churches and Unions
- d) Low level of cooperation between government and other actors

6.2 CR Public Policy: Role and Rationale

Main Rationale:

- Build upon traditional values to mediate between philanthropic traditions and the modern economy
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- The Polish Government has published a sustainable development vision document: "Poland 2025 – long-term strategy for sustainable development". However, no mention of CR or business potential role, and understanding of SD seems to emphasize more the D than the S in SD.

6.3 CR Public Policy: Actors

Public Authorities involved in CR:

1. Ministry of Labour and Social Policy

- Including the Dept. for Social Dialogue & Partnership

2. Intergovernmental CR working group

Non-State Actors

- Polish Confederation of Private Employers
- Polish Chamber of Commerce
- Business Ethics Center (Academia)
- Responsible Business Forum (NGO)
- The Academy for the Development of Philanthropy
- Centrum CR (Foundation)
- CR Haus (House of German-Polish co-operation)

6.4 CR Public Policy: Instruments and Activities

Mandating:

- Code of commercial Partnership and Companies (2001 / focus on governance)
- Law on Public Benefit and Volunteerism (2003 / focus on NGO legitimacy)
- Public-Private Partnership law (2005)

Soft Law:

- Mostly OECD Guideline for MNE instrument
- Global Compact

Initiatives and Partnerships

- Tri-partite commission for socio-economic issues
- Public Benefit Works Council
- Joint Central and Local Government Committee

Incentives

- Tax Relief (Public Benefit and Volunteer Act – 1% private, up to 15% corporate)

Awareness

- "Business Fair Play" Award (Chamber of Commerce)
- Eco-labelling

6.5 Conclusion

- a) Some application of the CR related instruments
- b) No strategy or explicit instruments in place but under development
- c) No communication or evaluation
- d) Very few attempts to raise stakeholder awareness
- e) Political ownership and strategy on CR should be clarified/developed
- f) Promotion and implementation of the international standards

- g) Integration of traditional actors
- h) Broad stakeholder integration of government and partnering projects on a voluntary basis

7 Lithuania

7.1 CR Context

- a) Very high pace of economic growth
- b) Political apparatus implementation capacity still in development
- c) Civil Society not strongly developed – Foreign influence on CR
- d) Low level of cooperation between companies and other actors

7.2 CR Public Policy: Role and Rationale

Main Rationale:

- To create a favourable environment for the development of corporate responsibility
- To create a competitive and dynamic economy

The Lithuanian Government has published a National sustainable development strategy document in 2002 (revised 2007). However, weak link with draft CR strategy and business potential role.

7.3 CR Public Policy: Actors

Public Authorities involved in CR:

1. Ministry of Social Security and Labour
 - incl. Inter-agency CR Coordination Commission
2. Ministry of Environment (responsible for Sustainable Development Strategy)
3. National Commission of SD

Non-State Actors

- Investors' Forum
- Transparency International
- Green Movement
- Lithuanian Confederation of Industrialists
- Faculty of Economic & Business Ethic Centre
- UNDP Lithuania
 - Association of Lithuanian Chambers of Commerce
 - AISEC

7.4 CR Public Policy: Instruments and Activities

Mandating:

- Public Procurement Law (Env. Cert., Diversity)

Soft Law:

- ISO14001 - 200 companies
- Global Compact - 38 companies

Incentives

- CR Awards (MSSL - April 2008)

Awareness:

- CR awareness training (UNDP)
- an approved plan of measures to promote CR for 2006-2008 (decree)
- Program of bio fuel production and usage incentives for 2004-2010 (decree).

Green Public Procurement action plan and CR strategy are in the making.

7.5 Conclusion

- Young vibrant independent state with a low level of CR – as defined by international organization. I.e. CR in its infancy.
- No formally identified CR positions in the governmental structure
- Leadership from MSSL & UNDP to steer progress towards CR integration into state and society

8 Slovakia

8.1 CR Context

- Dynamical growth of the economics, integration into EURO - zone
- Transformation phase from the traditional (industrial) model into the sustainable (new) model
- Stabilized democracy, complications with enforcement and corruptions
- Low level of cooperation between government and other actors[11]

8.2 CR Public Policy: Role and Rationale

Main Rationale:

- Support to achieve equitable and sustainable growth
- To reach international credibility and competitiveness
- Preparation of CR implantation phase

Link to SD:

The SR Government has published a sustainable development strategic document: “Slovakia National Sustainable Development Strategy, 2001”: ”After 1989 a reductionistic approach was a typical feature of economic transformation, which prefers economy against other aspects of development of the whole society. Due to this fact, the value orientation of the society was subordinated in particular to the criterion of immediate and maximal profit.

These facts can be considered to be the **main obstacles in achieving sustainable development in Slovakia** (including the change of economy).” [13]

In 2008 the SR Government agreed on the basic principles for “The National CR Strategy for the Slovak Republic”: “According to its National Strategy for Sustainable Development, the Slovak Government considers sustainable development (hereinafter referred to as SD) to be one of the basic pillars of knowledge society and therefore it will support a balanced approach thereto, taking into consideration, social and environmental impacts, besides economic growth”... [12]

8.3 CR Public Policy: Actors

Public Authorities involved in CR:

1. The auspices of the Deputy Prime Minister of the Government of the Slovak Republic for Knowledge-Based Society, European Affairs, Human Rights and Minorities
2. Ministry of Labour, Social Affairs and family of the SR - cooperation
 - Including the Dept. for Social Dialogue & Partnership
3. Intergovernmental CR working group (in preparation phase)

Non-State Actors

- Confederation Trade Unions of the SR
- UNDP of the SR
- Business Leader Forum Slovakia
- Slovakia Confederation of Industrialists
- University of Economics in Bratislava
- Pontis Foundation
- Association of Slovak Consumers
- Transparency International

8.4 CR Public Policy: Instruments and Activities

Mandating:

- Public Procurement Law
- Public-Private Partnership law
- Act of services for the employment
- Criminal Code

Soft Law:

- Implemented norm systems ISO 900x and ISO 14000
- Global Compact principles applying
- Mostly OECD Guidelines for MNE instrument

Initiatives and Partnerships

- Tri-partite commission for socio-economic issues
- Anticorruption charter
- Joint Central and Local Government Committee
- Government Committee of the SR on Gender Equality

- CR awards (Via Bona...)

Awareness

- CR promotion (Pontis Foundation)
- CR awareness training (UNDP)
- CR popularisation and lectures (Forum for Ethics Development in Economics)
- Campaign on Eco-labelling & Fair trade

8.5 Conclusion

- a) Absent coordinated system of the CR in the SR
- b) Prepared “The National CR Strategy for the Slovak Republic”
- c) Basic principles of the mentioned document were officially approved (by the Government of the SR)
- d) In the area of the CR, strong position of NGOs and international companies in the SR

9 Czech Republic

9.1 CR Context

- a) From the joining the EU stable economic growth, GDP per capita one of the highest from „new“ EU countries, high energy intensity of GDP production
- b) Diminishing of the negative impact of the industrial and agricultural activity on the environment, shift of the production industry to products with higher added value
- c) Stabilized democracy, (stability of institutions ensuring democracy and legally consistent state)
- d) Corruption is still a significant problem
- e) Developed social systems (institutions and mechanisms of health care, social care)
- f) Low level of cooperation between government and other actors

9.2 CR Public Policy: Role and Rationale

Main Rationale:

- Support the competitiveness of businesses and economy
- Minimize the clash of interests between economic activities and the protection of the environment
- Achieve equitable and sustainable growth
- Reach the realization of international obligations of CR in the field of sustainable development

Link to SD:

In 2004 The Strategy of sustainable development of the Czech Republic. The proposal came from a wide social discussion.

“The strategic and particular goals and instruments of the Strategy of sustainable development of the Czech Republic are formulated in such a way as to utmost limit the imbalance in mutual relationships between the economic, environmental and social pillars of sustainability. They proceed to ensuring the highest possible standard of living for the current generation and to creating conditions for a quality life of the future ones.

The implementation of the Strategy and introducing of sustainable development into practice is not only the matter of the government but also of all the partners and interest groups from public and private sphere.” [1]

9.3. CR Public Policy: Actors

Public Authorities involved in CR:

- Ministry coordination:
- Ministry of labour and social affairs
- Ministry of Industries and Trading
- Ministry of Environment
- Government committee for sustainable development (founded 2003) – advisory, initiative and coordination body of the government of the Czech Republic for the field of sustainable development and strategic operation.
The members of the committee are the representatives of central bodies of public administration, local government, social partners, the academia and non-profit sector.

Non - State Actors:

- Confederation of Trade Unions of the Czech Republic
- Donators forum
- Business Leaders Forum of the Czech Republic
- Federation of Industry and Transport of the Czech Republic
- Gender Studies of the Czech Republic, o.p.s.
- Czech Society for Quality
- Transparency International of the Czech Republic
- Association of Czech consumers, Association of the Defence of the Consumers of the Czech Republic ČR

9.4 CR Public Policy: Instruments and Activities

Mandating:

- Public Procurement Law
- Employment Law
- Licence Contracts Law

Soft Law:

- Implemented norm systems (ISO 14000 (EMAS, OHSAS 18001)
- Mostly OECD Guidelines for MNE instrument
- Global Compact principles implantation

Initiatives and Partnership:

- Programs for health promotion (Healthy business etc.), Program Safe business
- Centrum CR (initiative of the Association of Industry and Transport of the Czech Republic and the Institute of the Association of Industry of the Czech Republic)
- Tri-partite commission for socio-economic issues
- Program Garde – Global responsibility

- Ethical forum of the Czech Republic (Program Fair play business)
- (Government Council for Equal Employment Opportunities)

Incentives:

- CR Awards (e.g. Top corporate philanthropy, The best report on corporate responsibility, The employer of the year, The best firm with equal opportunities for men and women of the Czech Republic)

Awareness:

- Education and training in the field of CR (The Czech society for quality – tutor of responsibility, Manager of CR)
- Conferences, round tables (Business Leaders Forum)
- Campaign on Eco-labelling & Fair trade
- Demonstrate case studies of CR in firms in the Czech Republic (the Donators forum)
- Presentation of research results in the field of CR (BLF ...)

9.5 Conclusion

- a) After joining the EU larger involvement in whole European discussion on CR and conveying of this information
- b) Absent coordinated system of the CR in the Czech Republic
- c) Some application of CR related instruments
- d) No clear distribution of responsibility for CR
- e) Integration of traditional actors
- f) Low awareness about CR in the business sector and wide public
- g) Insufficient recognition for CR firms

10 Results and Recommendations for CR Strategy in the SR

After previous research realization and analysis of the CR system in the EU countries it is possible to categorize the **most visible and the most important detections**:

- The National CR Strategy for the Slovak Republic has been prepared for an official governmental approval
- Preparation phase for an implementation of the coordinated system of the CR which will be guaranteed by the deputy prime minister
- In the area of the CR, strong position of NGOs, civil society organizations and international companies in the SR
- An easy CR system is still missing in most of the SMEs which results in a critics of unethical behaviour in day-to-day activities
- Visible gaps in area of the business ethics/ the CR education and insufficient formation of moral values from family environment
- Objective necessity to enhance social self-confidence of inhabitants in area of the CR
- Political and social atmosphere inclines towards requests for fast institutionalization of the CR principles into enterprise companies and public institutions

The following recommendations are important for an improvement and reinforcement of the successful CR institutionalization:

- To realize more powerful and more efficient official governmental politics for the support of CR institutionalization
- To perfect and complete legislation (tax law) as a motivation tool for faster implantation of the CR principles into enterprise companies and public institutions
- To improve legislation in area of control and reporting mechanisms (e.g. Green Public Procurement, reporting obligation in the CR for each state and public enterprise and institution...)
- To adhere to the existing legislation (rights and duties) which supports the protection of each enterprise stakeholder group (employees, trade unions, suppliers, customers and other related stakeholder groups)
- Requisition of own rights of individual subjects of concrete stakeholder group according to the existing legislation (first of all employees, customers/consumers/clients/patients, regional communities, environment...), to assure correct and fair relations between concrete stakeholder group and company
- Enhancement, objectification and popularization of the CR institutionalization (in medias, in advertising...) and applying the CR principles in day-to-day activities
- Enhancement of social confidence of inhabitants in area of the CR
- To respect the CR institutionalization of on a different “philosophy” basis (e.g. Global Compact Initiative, Economics of Altruism, Economy of Communion, Economics of Giving...) as an instrument of personal input and creed of economics experts which perform the successful CR institutionalization
- Activation, integrated procedure and efficiency enhancement of the stakeholder group association activities in cooperation with official governmental protection
- Utilization of strong position and active engagement of the jointly coordinated relevant non-governmental organizations and civil society organizations for more flexible CR institutionalization
- To improve the teaching material for the CR in education system, first of all in primary and secondary school – in courses not only focused on Ethics, but also in related subjects
- Common coordinated program of the CR education at economics faculties in the SR as the tool for more effective and more available preparation of experts not only in area of economy but also in area of the CR

11 Results and Recommendations for CR Strategy in the Czech Republic

The ultimate fundamental goal is to create systematic conditions that will contribute to rapid and wide implementation of CR into everyday practice in the business sector in the Czech Republic and to spreading the CR in the Czech Republic.

The attention should be focused on the solution of the following key areas:

- **Struggling for the adoption of CR by small and medium-sized enterprises**

Should the potential of responsibility be fully exploited, it cannot become the „privilege“ of large firms, it must become the matter of the whole business sector.

- **Promotion of the concept of corporate responsibility**

The objective is not only to inform about the basic principles, instruments and approaches to the issues of CR, but also to stress the main advantages that can the implementation of CR mean for the firms. Examples of various activities of socially responsible firms should be

collected and presented within the Czech Republic, and not only the large or multinational ones.

- **Adoption of a single strategy of CR**

The government of the Czech Republic has to include the CR principles into the government policy, which could be coordinated for example through the minister of responsibility (as it is e.g. in Great Britain). Simultaneously it is necessary to ensure proper and motivating environment for the socially responsible behaviour of the firms in the Czech Republic in the long-term.

- **Recognition and valuation of the Czech Republic firms**

It is necessary to seek other ways for recognizing socially responsible firms in the Czech Republic and their behaviour adequately.

- **Education in the field of CR**

In raising the awareness and knowledge in this field it is necessary to encourage not only the education of future managers and entrepreneurs in the field of responsibility, but it is also necessary to enforce the implementation of the CR concept and its principles as well as other issues related with sustainable development into life-long learning.

- **Support of research in the field of CR**

Research in the field of responsibility should be much more encouraged. The results of such research may be very precious in the choice of proper public policy, or more precisely at identification of areas and problems that are necessary to be dealt with in detail. Besides the results and findings they may serve as well for the promotion of this concept.

- **Deepening of the dialogue among all the interested parties**

In the Czech Republic the discussion between all of the interested parties should be deepened (representatives of businesses, representatives of the employees, etc.), because without commitment, support and constructive criticism of other interested parties it is not possible to further dynamically develop the CR.

- **Cooperation with other governments in the field of CR**

The Czech Republic should further develop the cooperation with other countries (not only EU members) in this field, either in solving specific social problems or in the exchange of proven procedures and knowledge in this area both on national and regional level.

- **Reinforcement of transparency, reporting**

One of the most fundamental tasks is to contribute in the Czech Republic to the growth of transparency, credibility and overall information so that even non-financial areas and business output were more comprehensible to the interested parties.

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Model of CR Systems in the EU Countries

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ABSTRACT

Introduction of actual topics in the area of the corporate social responsibility (CR): definitions, approaches, scientific base and practical utilization, the European Commission activities for the CR support. Ethic and economic context of the CR. Analyse of the existing CR system in selected European Union countries: Spain, France, Sweden, The United Kingdom, Poland, Lithuania, the Slovak Republic and the Czech Republic. The CR public policy. Roles and rationales of the CR. Actors of the CR: public authorities involved in CR and non state actors. Instruments and activities of the CR: mandating; soft law; initiatives, partnerships; incentives; awareness. Conclusion of the CR comparative analyse for each analysed EU country: strengths and weaknesses. Results and recommendations for CR strategy in the Slovak Republic and the Czech Republic

Key words: The Corporate Social Responsibility, CR Context, CR Public Policy: Role and Rationale, CR Public Policy: Actors, CR Public Policy: Instruments and Activities, Results and Recommendations for CR strategy

Model zodpovedného podnikania v krajinách EÚ

ABSTRAKT

Predstavenie aktuálnych tém v oblasti zodpovedného podnikania (ZP): definícia, prístupy, vedecká báza a praktická aplikácia, činnosť Európskej komisie na podporu ZP. Etický a ekonomický kontext ZP. Analýza existujúceho systému v krajinách Európskej únie, v Slovenskej republike a v Českej republike. Verejná politika ZP. Role and reálie ZP. Aktéri ZP: verejné authority angažované v ZP a neštátny aktéri. Inštrumenty a aktivity ZP: mandát; právny základ; iniciatívy, partnerstvá; spoločenské povedomie. Závery komparatívnej analýzy pre obe analyzované krajiny EU a Slovenskú republiku a v Českú republiku. Silné a slabé stránky. Výsledky a odporúčania pre stratégiu ZP v Slovenskej republike a Českej republike.

Kľúčové slová: zodpovedné podnikanie, kontext ZP, verejná politika ZP, aktéri ZP, inštrumenty a aktivity ZP, výsledky a odporúčania pre ZP

JEL Classification: M14, K2, K3, P41, H8