



ETUC resolution on a renewed EU strategy 2011-14 for Corporate Social Responsibility (CSR)

Adopted by the Executive Committee on 7-8 December 2011

Introduction

1. The Commission's Green Paper on CSR in July 2001 - followed by the implementation of a Multi Stakeholder Forum (MSF) - raised the trade union movement's expectations of CSR in a number of respects. However, the way in which the discussions (which ended on 29 June 2004) unfolded in this MSF and the gradual transfer of this issue from the Directorate-General for Employment to the Directorate-General for Enterprise prompted the ETUC to adopt a resolution that strongly criticised the whole enterprise (Executive Committee meeting of 9 and 10 June 2004).
2. The failings of the Communication from the Commission of 22 March 2006, the definition of CSR given there¹ and the establishment of a 'European Alliance for Corporate Social Responsibility' open only to businesses, but effectively responsible for implementing various aspects of the Communication, ultimately caused NGOs and the ETUC to withdraw from the Community process to invest elsewhere.
3. A new Communication was announced in 2010. The new text [COM(2011) 681] from 25 October 2011, which conceded that "important challenges remain" despite the progress made, contains significant improvements vis-à-vis the Communication from 2006. It set out commendable intentions, but still insufficient concrete actions.

Real progress made in "A renewed EU strategy 2011-14 for Corporate Social Responsibility"

4. The new definition of CSR (item 3.1) refers to "the responsibility of enterprises for their impacts on society", which also appears in the United Nations' Guiding Principles on Business and Human Rights. Besides, it is rightly indicated that "[r]espect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility".
5. Emphasis is placed (item 3.2) on internationally recognised principles and guidelines (the recently updated OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, etc.) as well as specifically lobbying European companies and the Member States about them (items 4.8.1 and 4.8.2).

¹ Definition: "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis".

6. The Commission also acknowledges (item 3.6) that “CSR contributes to and supplements social dialogue”. The EU will actively support international agreements but is limiting itself to launching a database.
7. The agenda for action 2011-2014 (item 4), which officially comprises 18 initiatives, provides additional possibilities for reinforcing the obligations of multinational enterprises to comply with labour standards. Priority is given to sectoral strategies and responsible practices throughout the supply chain. However, a clearer explanation in the CSR definition of companies’ ‘direct and indirect’ responsibilities, including outsourcing, would have been welcome.
8. As announced in the Single Market Act, the Commission will also submit “a legislative proposal on the transparency of the social and environmental information provided by companies in all sectors” (item 4.5), probably around the middle of 2012.

However, the progress made is a long way from being sufficient!

9. Against the backdrop of the financial, economic and social crisis, the dominance of neo-liberal policies and heightened competition, there is nevertheless justification for fearing that more European companies will consider CSR to be a ‘luxury’ and will show much less respect for human rights, labour standards and environmental concerns. It is apparent that concrete/binding measures are needed in several areas.
10. The Commission effectively (item 3.2) gives equal importance to the OECD Guidelines, the ILO Tripartite Declaration of Principles, and for instance the Global Compact principles, although everybody knows that these principles are more a declaration of intent than a genuine, credible attempt to promote CSR. Accordingly, the hierarchy of these sets of principles needs to be reviewed.
11. In addition, the Commission intends (item 4.1) to create sectoral platforms and launch a European award scheme for CSR partnerships, without specifying how it plans to implement these plans. It should be remembered that the trade union movement was not consulted a few years ago when a similar initiative was taken to reward the most socially responsible European companies. Furthermore, while one of the multinational winners had implemented some interesting projects, it was well known that they were flouting trade union rights.
12. While we are glad that the Commission (item 4.2) is addressing the issue of unfair commercial practices related to the environmental impact of products, we note with regret that the report on the application of the Unfair Commercial Practices Directive foreseen for 2012 does not make any mention of social issues.
13. Similarly, there is clearly a discrepancy between environmental and social concerns in the chapter entitled “Public procurement”. Whilst the ‘Buying green’ handbook on environmental public procurement was adopted in 2005, it took five years before the Commission published its equivalent in the social domain. Particular vigilance will therefore be needed (item 4.4.2) to ensure better integration of both social and environmental considerations into public procurement as part of the 2011 review of the two Public Procurement Directives.
14. The ETUC will also ensure (item 4.8) that the European agreements concluded with other countries and regions around the world explicitly state that the “parties

concerned will endeavour to ensure that companies operating in or from their territory are responsible for identifying, anticipating and alleviating any actual or potential impacts” they might have.

15. The Communication does not refer to any possible changes in the composition of the Business Alliance. While throughout the CSR process everybody has admitted the need to adopt a balanced, multilateral approach that considers the opinion of *all* stakeholders throughout the CSR process, in reality the Alliance and CSR Europe have a stranglehold on the process in Europe.

Conclusions

16. The ETUC endorses the new Communication from the Commission on CSR, particularly the new definition of corporate social responsibility as well as a precise agenda for action for 2011-2014.
17. Yet in the context of the crisis and heightened competition, European companies may pay less attention to social and environmental standards, particularly when operating outside the EU. CSR cannot be just the proverbial good tree that hides a forest of bad practices. It is not enough to “invite” companies to act responsibly; more concrete/binding measures are needed. The desire expressed in 2006 to “make Europe a pole of excellence on CSR” has been relinquished.
18. The ETUC will take the opportunities afforded by the agenda for action 2011-2014 to make improvements to that agenda on the basis of our trade union priorities. The Secretariat will coordinate these actions with the members by setting up an ad-hoc working group in 2012, which will also be responsible for reporting on changes in positions and the recent experiences of members in terms of CSR.
19. Finally, the ETUC will endeavour to promote unionisation and compliance with trade union rights everywhere and will urge companies to adopt an open and proactive attitude to the trade union movement. In the words of J. Ruggie (UN Special Representative, November 2009, Stockholm): “The presence of trade unions is the most effective monitoring system and mechanism for addressing grievances”.
