

Coordinating SCP and CSR policies with Sustainable Development Strategies

Discussion Paper

for the

**European Sustainable Development Network
ESDN Conference 2008**

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written by

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European Sustainable Development Network



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Reading guidance:

If you cannot read the entire discussion paper we recommend to having a look at table 1 on page 4 and figure 1 on page 5, to read section 2 on procedural issues, and to jump to the discussion topics of your interest in section 4. Those who are not familiar with Sustainable Consumption and Production (SCP) and/or Corporate Social Responsibility (CSR) are recommended to also read the background information summarised in section 3. A more extensive introduction to public policies on CSR in Europe is provided in the latest [ESDN Quarterly Report June 2008](#).

You will be asked for your working group preferences at the reception desk!

1. Introduction

This discussion paper provides background information for the working group discussions at the ESDN Conference 2008 that will be held in Paris on June 29 – July 1.

This year's ESDN Conference is the seventh in a series of similar events. It is hosted by the French Ministry for Ecology, Energy, Sustainable Development and Spatial Planning. For a comprehensive documentation of all previous ESDN Conferences, see <http://www.sd-network.eu/?k=ESDN%20conferences>.

As usual, also this year's event will explore two themes, i.e. public policies and governance issues on

- Sustainable Consumption and Production (SCP) and
- Corporate Social Responsibility (CSR).

Both themes have been discussed extensively at various events before. However, the approach taken at the ESDN Conference 2008 is unique because it aims to link topics, levels and actors that are often discussed or addressed separately:

- **Linking themes:** While most events focus either on SCP or CSR, the ESDN Conference 2008 discusses the two closely related themes jointly in the wider context of Sustainable Development Strategies. By doing so we hope to derive some general lessons for SD policy making.
- **Linking levels:** SCP and CSR policies will be discussed for both the EU and Member State levels as well as vertical relations between them.
- **Linking actors:** Although CSR can be regarded as “the business contribution to sustainable development”, experts working on SD (and SCP) and those working on CSR policies often come from different ministries etc. and are involved in different communities. Consequently, they rarely meet for an exchange of experiences and viewpoints. Therefore, the conference also aims to bring SD and CSR communities together.

Linking topics, levels and actors as described above is certainly a complex and demanding endeavour and it would certainly not make sense to discuss all topics and levels at once. Section 2, in particular table 1 and figure 1, illustrate how the different themes and levels are covered by the five topics of the working groups. The working group topics and discussion questions are described in detail in section 4. Section 3 gives an introduction to the conference themes of SCP and CSR policies.

The results of the Conference will be documented in a summary.

2. Procedural issues

In the tradition of previous ESDN Conferences, the 2008 event will deal with policies on SCP and CSR in different formats (for details see the programme):

- Keynotes will highlight some key aspects;
- Panel discussions will provide an overview of policies and standpoints of different actors and organisations;

- Working groups will discuss selected guiding questions on the Conference topics in depth;
- A concluding panel will discuss brief summary reports on the five working group topics by selected moderators;
- To help us in developing the ESDN further you will finally be invited to post ideas on flip charts covering various ESDN activities.

Please also note that on the afternoon of July 1, a French Presidency session will discuss SCP issues in very concrete ways related to LED lighting and textiles.

Regarding the working group format, please note the following five points:

- (1) Instead of having one working group session on SCP policies and a second one on CSR policies, we will have two working group sessions in which the two themes will be discussed jointly. This gives participants more freedom in choosing the topics of their interest (i.e. they can either focus on one of the Conference themes or cover both).
- (2) The working group discussions will deal with the following five topics and questions (see table 1, for details see section 4):

Topic 1	SCP and the EU-Member State interface: What relevance does the EU Action Plan on SCP have for (national and European) SD strategies?
Topic 2	CSR policies, the role of governments and the EU-Member State interface: In how far can/should national and EU public policies on CSR contribute to SD and SCP?
Topic 3	National coordination of SCP and CSR policies and respective actors: How to develop policies on SCP and CSR in line with SD strategies? Should the two themes be integrated in SD strategies and/or dealt with in separate strategies/action plans?
Topic 4	SCP and CSR through Sustainable Public Procurement (SPP): How can SD strategies facilitate Sustainable Public Procurement?
Topic 5	Government-non-government interface: How should non-governmental actors be involved in public strategies and initiatives on SCP and CSR?

Table 1: Working group topics and guiding questions

- (3) We plan to cover each of the five topics by two groups (numbered 1a/b, 2a/b etc). As mentioned above there are good reasons for intertwining discussions on SCP and CSR. Therefore, topics 3-5 do not separate the two issues. However, if participants wish to focus either on SCP or on CSR we propose the following self-regulatory process: Those interested in an SCP focus of the discussion should choose the groups 3-5a, and those interested in an CSR focus should join the groups 3-5b. Those who are interested in a mixed discussion can choose either group (a or b). Depending on the preferences of the participants, the self-regulatory process will result in either focused or mixed discussions for the topics 3-5. The moderators will ask the discussants at the beginning of the working group discussion about their preferences and guide the discussion accordingly.

Figure 1 shows how the five topics cover and intertwine the themes and levels mentioned above in section 1.

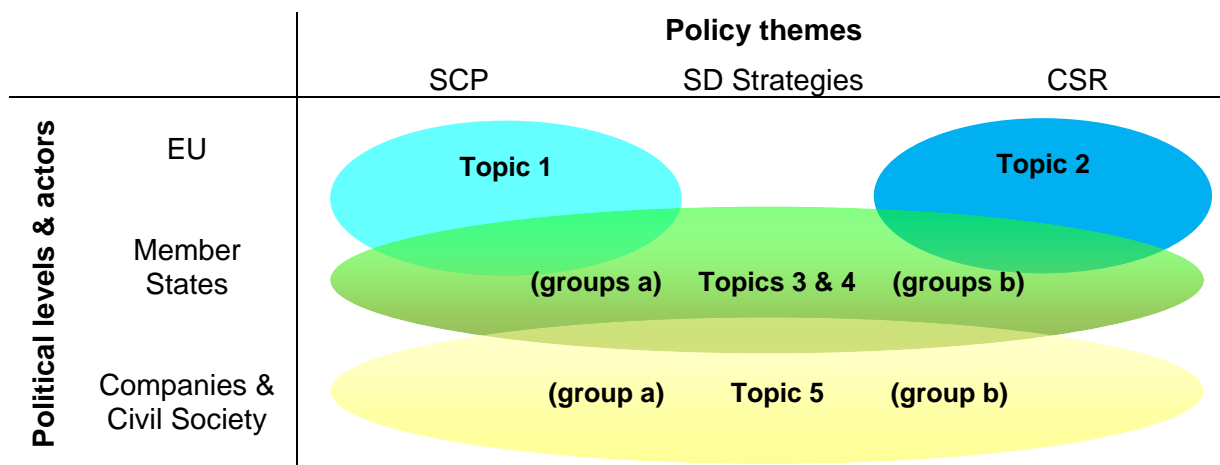


Figure 1: Illustration of how the working group topics cover the conference themes

- (4) Each session will be moderated, either by the ESDN Office or by Polynome (the local organisers of the event).
- (5) Summaries of the working group discussions will be presented in the concluding panel on each of the five topics (not on the 10 working groups per topic).

3. Background information on SCP and CSR

This section provides background information on SCP (3.1) and CSR (3.2). It provides basic knowledge on the two topics to make sure that all participants have a common starting point for their discussions. As suggested in the introduction, those familiar with SCP and/or CSR policies can proceed with section 4.

3.1. The governance of Sustainable Consumption and Production (SCP)

Due to increases in population and prosperity as well as changes in life styles (e.g. increasing mobility), people worldwide buy goods and services to a greater extent than in the past (European Commission, 2004b; Schoenheit, 2004). While in 1960 households around the world spent US \$ 4.8 trillion on goods and services, this figure has increased fivefold to more than US \$24 trillion in 2006 (UNEP, 2008).

The tremendous increase in consumption over the last few decades has several positive and negative effects. On the one hand, greater consumption is a key driver for a positive economic development and wealth worldwide. On the other hand, it boosts production. Given that production has positive (see above) and negative social and environment impacts (e.g. imbalanced distribution of wealth, climate change, water and air pollution, resource depletion, etc.), production and consumption are consequently becoming main originators for increasing environmental pressures threatening the social and economic welfare (European Commission, 2004b; Schoen-

heit, 2004). As a result, the current patterns of consumption and production do not only restrain to meet the needs of large parts of today's world population; they also endanger the ability of future generations worldwide to meet their needs (European Commission, 2004a). In other words, current patterns of consumption and production violate basic principles of Sustainable Development.

However, due to the growing acceptance of Sustainable Development as a societal guiding model, environmental and social aspects have become increasingly important, also in the context of consumption and production. This development led to a field of political activities subsumed under the heading of Sustainable Consumption and Production (SCP, sometimes also referred to as SPC). The following paragraphs provide a brief chronology of how SCP has been dealt with politically since the mid-early 1990s.

SCP first gained international importance during the United Nations Conference on Environment and Development, the Rio Earth Summit in 1992. The summit published a global action plan for achieving sustainable development, [Agenda 21](#), containing a chapter of action steps for changing consumption patterns. The Agenda 21 particularly calls on developed countries to take the lead. It furthermore requests industrialized countries to provide developing countries with technical and other necessary assistance, in order to already achieve sustainable consumption patterns in their development process.

In 1994 the [Oslo Symposium on Sustainable Production and Consumption](#) defined SPC as *“the production and use of goods and services that respond to basic needs and bring a better quality of life, while minimising the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardise the needs of future generations.”* In short, SCP is *„a holistic approach to minimising environmental impacts and maximising social benefits related to production and consumption“* (UNEP, 2007).

With reference to the Agenda 21, the United Nations Commission for Sustainable Development established a work Programme on Indicators of Sustainable Development in 1998. The aim of the Programme was to provide decision-makers at the national level with a core list of indicators for Sustainable Development in general and SCP in particular. In total, 17 indicators have been introduced focusing on changing SCP patterns, covering four key resources (energy, materials, water, land) and several consumption clusters (mobility, consumer goods and services, buildings and housekeeping, food and recreation) (Commission for Sustainable Development, 1998).

Ten years after the Earth Summit in Rio in 2002, the World Summit of Sustainable Development (WSSD) in Johannesburg presented a [Plan of Implementation](#), offering concrete steps for better implementing the Agenda 21. The summit encouraged the development and promotion of a *“10-Year framework of programmes in support of regional and national initiatives to accelerate the shift towards sustainable consumption and production, to promote social and economic development within the carrying capacity of ecosystems [...] by de-linking economic growth and environmental degradation through improving efficiency and sustainability in the use of resources and production processes and reducing resource degradation, pollution and waste“*.

In 2003, the Fifth Ministerial Conference 'Environment for Europe' of the European Environment Ministers of the region of the United Nations Economic Commission for Europe (UNECE) took place in Kiev, Ukraine. In the [declaration](#) of this conference the ministers expressed the importance of a shift towards SCP patterns and committed themselves to *“encourage regions, sub-regions and countries as appropriate, to devise programmes to accelerate this shift”*. It furthermore called for national efforts to promote SCP.

Later in 2003, the first international expert meeting on the 10-Year framework on sustainable consumption and production took place in Marrakech, Morocco. Named after that meeting, the

so-called [UN Marrakech Process](#), a global initiative aiming to support countries, corporations and consumers with the implementation of SCP, came to life. The Marrakech Process also aims to contribute to the 10-Year framework that came out of the WSSD. The Framework will be reviewed by the Commission on Sustainable Development in 2010/11. Among the participants of this global process are the United Nations Environment Programme (UNEP), the United Nations Department for Economic and Social Affairs (UNDESA), national governments, development agencies, private sector, civil society and other stakeholders. One of the key results of the Marrakech Process is that it has supported the development of regional SCP strategies in Africa and Latin America. The European Commission is currently developing its SCP action plan. Other regions, which have not developed their own regional SCP strategy yet, such as North America, West Asia and Asia-Pacific, are also showing some progress.

In the two years after the meeting in Marrakech, two regional follow-up meetings have been organized. The first meeting took place in Ostend, Belgium in 2004 aiming to discuss priorities on further work on SCP (for details click [here](#)). The second meeting in Berlin, Germany in 2005 focused on sustainable energy consumption (for details click [here](#)).

SCP is also increasingly taken into account in the EU policy and legal framework. For instance, the [renewed EU SD Strategy](#) (EU SDS) defines SCP as one of the key challenges for Sustainable Development in Europe and aims to promote sustainable consumption and production patterns (European Council, 2006b). Furthermore, the Presidency Conclusions of the European Council in March 2006 highlighted the importance of “specific actions to bring about more sustainable consumption and production patterns at EU and global level, including the development of an EU SCP Action plan, and fostering green public procurement, inter alia by promoting environmental criteria and performance targets” (European Council, 2006a).

The main objective of the forthcoming European Commission’s SCP action plan is to help identify and overcome barriers for SCP and to ensure better coherence between the related policy areas. In addition, it aims to raise awareness among citizens in order to change unsustainable consumption habits. The action plan will build upon ongoing initiatives and instruments both at the EU and international level (e.g. the UN Marrakech process). The key building blocks of the European SCP policy can be summarised as follows:

- (1) [Thematic Strategy on Sustainable Use of Natural Resources](#),
- (2) [Thematic Strategy on Waste Prevention and Recycling](#),
- (3) [Integrated Product Policy](#) (IPP),
- (4) Eco-Management and Audit Scheme (EMAS),
- (5) European Eco-label Scheme,
- (6) [Environmental Technology Action Plan](#) (ETAP),
- (7) Green Public Procurement (GPP),
- (8) [Eco-design of Energy Using Product Directive](#) (EuP), and the
- (9) [European Compliance Assistance Programme](#) - Environment & SMEs.

As part of the development of the EU Action plan on SCP, the European Commission opened a consultation process during which stakeholders were invited to comment on an SCP background document. The consultation process ended in September 2007 (European Commission, 2007).

As part of the consultation process to the EU Action Plan on SCP, the conference “Time for Action – Towards Sustainable Consumption and Production in Europe” took place in Ljubljana, Slovenia in September 2007 (for details click [here](#)). The conference was organised by the European Environment Agency, the Ministry of the Environment and Spatial Planning of the Republic of Slovenia and the UNEP/Wuppertal Institute Collaborating Centre on Sustainable Consumption and Production. It brought together 100 government experts from across Europe, re-

searchers, NGO and business representatives. The aim of the conference was to formulate recommendations for the development and implementation of the EU Action Plan on SCP, and to discuss European inputs and recommendations to the United Nations' Marrakech Process. The main focus was put on three key areas of SCP: housing, food & drinks and mobility.

In March 2008, the OECD published a series of good practices from around the world aiming to promote sustainable consumption. Among the described initiatives are instruments like taxes and charges, subsidies and incentives, communication campaigns, standards and labels, etc. (OECD, 2008).

In September 2008, the 12th European Roundtable on Sustainable Consumption and Production (erscp2008) will be held in Berlin as part of the 5th BMBF-Forum for Sustainability (for details click [here](#)). The erscp2008 is a three-day conference and will cover the main issues of Sustainable Housing and Construction in Europe, Sustainable Supply Chain Management, Sustainable Production and Resource Efficiency, and Sustainable Energy Supply and Consumption. The conference aims for an exchange of ideas between actors from politics, science, and industry and services. The overall goals are to facilitate innovations and to promote sustainable consumption and production by challenging participants' projects and ideas and by stimulating debate regarding their contribution to sustainable development. Furthermore, best-practice examples are shared, solution-driven opportunities are explored and joint projects are initiated. The presentations and results of the sessions will be distributed to European and international organisations, e.g. the European Commission, the United Nations Environment Programme and others.

Overall, the wide range of activities and events shows that SCP is high on the political agenda at the international, EU and national level. Until recently, particularly fast developing countries were perceived to be highly responsible for increased global environmental damage, due to their non-sustainable consumption and production patterns (Schoenheit, 2004). However, as consumption increases worldwide, and most products comprise components made of non-renewable natural resources that are extracted and processed around the world, SCP is now recognised as a global challenge (DG Environment, 2007), affecting both developed and developing countries (UNEP, 2008).

3.2. Public Policies on Corporate Social Responsibility

This section is based on the ESDN Quarterly Report June 2008 entitled "[Public policies on CSR in EU Member States: Overview of government initiatives and selected cases on Awareness Raising for CSR, Sustainable Public Procurement and Socially Responsible Investment](#)". If you wish a more thorough introduction on CSR policies, please skip this section and consult the report by [clicking here](#).

Corporate Social Responsibility (CSR) is 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis' (European Commission, 2001). The main idea of Corporate Social Responsibility (CSR) can be captured with the triple bottom line principle, saying that businesses (ought to) serve not only economic, but also social and environmental ends (Elkington 1994). This implies that businesses are not only responsible to their shareholders (or owners), but to a broad variety of stakeholders they depend upon and interact with, including their employees, customers, suppliers, governments, NGOs and the public. According to Post et al (2002, 19), "The stakeholders in a corporation are the individuals and constituencies that contribute, either voluntarily or involuntarily, to its wealth-creating capacity and activities, and that are therefore its potential beneficiaries and/or risk bearers".

What does CSR have to do with sustainable development (SD)? Generally speaking, CSR can be regarded as a voluntary “business contribution to Sustainable Development” (European Commission 2002). Reproduced from Steurer et al (2005), figure 2 illustrates how the management approach of CSR is linked with the broader societal guiding model of SD, and how stakeholder relations management reaches out from the core of management systems and practices to the wider society (see also Moon 2007).

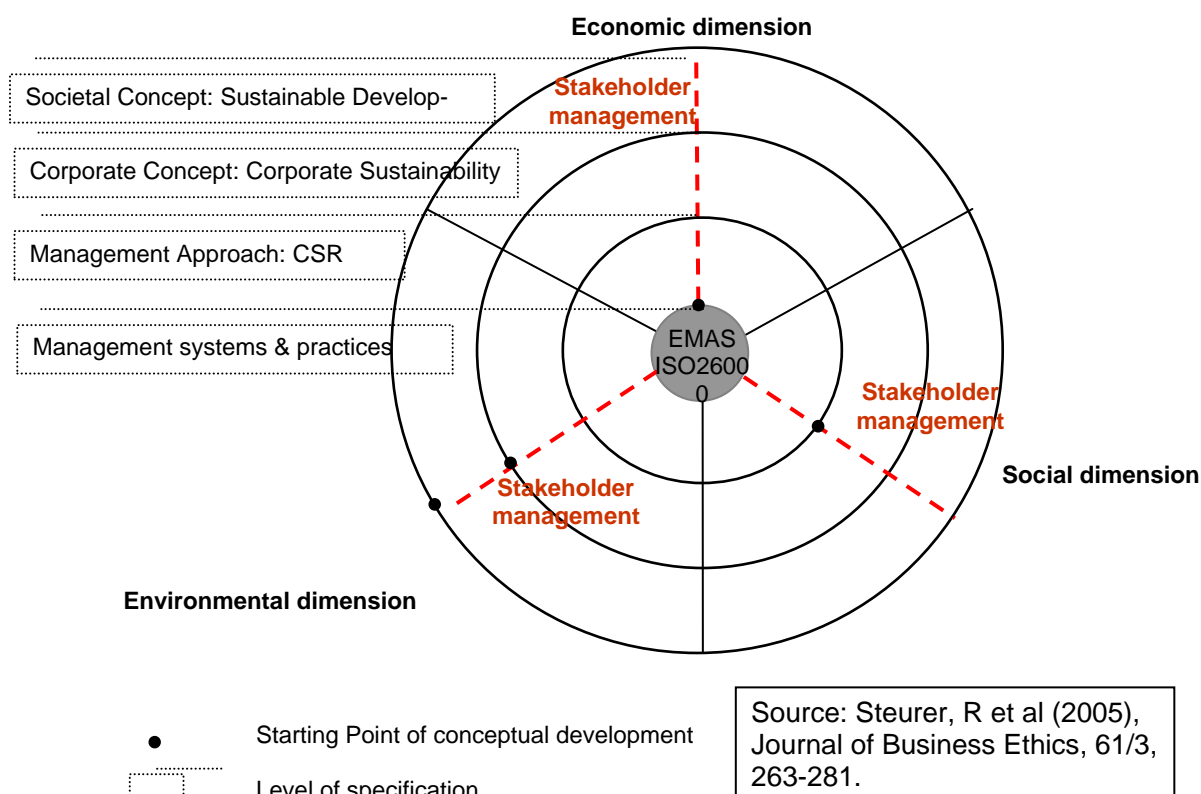


Figure 2: Sustainable Development, Corporate Sustainability and CSR

Many European governments have assumed an increasingly active role in promoting and shaping CSR in recent years, turning single government initiatives on CSR into a new policy field. It can be characterised with five major themes and five different types of policy instruments.

Based on our research, we distinguish the following five major themes of CSR policies:

- Raise awareness and build capacities for CSR among companies and stakeholders;
- Foster philanthropy and charity;
- Foster disclosure and transparency on economic, social and environmental issues of business activities;
- Foster Socially Responsible Investment (SRI), that is investment practices taking social, environmental and/or other ethical criteria (such as the exclusion of companies producing tobacco, alcohol or weaponry) into account;
- Lead by example (or “walk the talk”), in particular by
 - Making public procurement more sustainable;
 - Applying SRI principles to government funds;
 - Adopting CSR management systems (like EMAS) and audits in government institutions, and

- Reporting on the SD performance of government bodies.

In addition to these five CSR policy themes, some governments also coordinate CSR policies across themes, for example by appointing a government body responsible for CSR (such as a Minister in the UK), and/or by adopting CSR policy strategies and action plans. Moreover, it is to note that traditional economic, social, environmental or sustainable development policies can also facilitate or (negatively) define the scope of CSR. However, since CSR is by definition about voluntary business practices, mandating policies should be kept conceptually apart from soft and voluntary CSR policies. This does not imply that the themes above are improper for mandatory laws and regulations, quite on the contrary. It means that laws that are both mandating and enforced should be regarded as traditional (social or environmental) policies that curtail the scope of the softer CSR policy field, not the other way round.

What policy instruments are employed in the context of CSR? Traditionally, typologies cover informational, financial and mandating instruments, metaphorically also referred to as “sermons”, “carrots” and “sticks” (Jordan et al 2003). According to Fox, Ward and Howard (2002), governments that address CSR or any of the themes mentioned above make use of the three conventional instruments, plus a relatively new one making use of networks and partnerships. They show that in the context of CSR, governments make use of

- Soft legal (rarely mandating) instruments, such as regulations, directives, laws, and decrees;
- Financial or economic instruments, such as taxes, tax abatements, subsidies and awards;
- Informational or endorsing instruments, such as websites, brochures, campaigns, guidelines, trainings, conferences or labels, and
- Partnering instruments, such as networks with other government bodies, public-private-partnerships (PPP), voluntary agreements, dialogues and stakeholder fora;

In a study on CSR awareness raising initiatives (Berger et al., 2007) we found several initiatives that combined different other instruments, requiring a fifth type:

- Hybrid instruments, i.e. strategies or action plans, platforms or centres for CSR.

Although legal instruments usually have mandating character, in the context of CSR policies they most often don't (“soft-law approach”) because of the voluntary character of CSR. If legal CSR instruments go beyond recommendations and do have a mandating character, they either do not apply to all (businesses, for example, don't have to obey laws and regulations on sustainable public procurement because they can avoid public tenders), or law enforcement is weak, if not non-existent. If economic instruments are employed in the context of CSR, they are not concerned with taxes or tax breaks (the most powerful instruments of this type), but rather with granting subsidies and awards (many of the latter unfolding economic incentives only if they are prestigious).

4. The working group topics

This section briefly introduces the following five topics on “coordinating SCP and CSR policies with Sustainable Development Strategies”, to be discussed in parallel groups during the two working group sessions (for details see section 2):

- Topic 1: SCP and the EU-Member State interface
- Topic 2: CSR policies, the role of governments and the EU-Member State interface

- Topic 3: National coordination of SCP and CSR policies
- Topic 4: SCP and CSR through Sustainable Public Procurement (SPP)
- Topic 5: Government-non-government interface

Each topic introduction concludes with a discussion question we suggest for the working group discussions.

Topic 1	SCP and the EU-Member State interface
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SCP policies of the EU are mainly based on two pillars, namely the European Union's [Lisbon Strategy of Economic and Social Renewal](#) and the [European Sustainable Development Strategy](#) of 2006. The Lisbon strategy aims to make the EU the world's 'most competitive and dynamic knowledge-based economy' whereas the EU SDS strives for a more balanced vision of SD (for details see the [ESDN Quarterly Report of March 2008](#)).

The EU Sustainable Development Strategy addresses SCP with the following objectives (in bold) and actions:

- **To promote sustainable consumption and production by addressing social and economic development within the carrying capacity of ecosystems and decoupling economic growth from environmental degradation.**
- **To improve the environmental and social performance for products and processes and encouraging their uptake by business and consumers.**
- **To aim to achieve by 2010 an EU average level of Green Public Procurement (GPP) equal to that currently achieved by the best performing Member States.**
- **To increase its global market share in the field of environmental technologies and eco-innovations.**
- To explore specific actions to bring about more sustainable consumption and production patterns at EU and global level, in particular through the UN Marrakech Process and the Commission for Sustainable Development. In this context the Commission will propose an EU Sustainable Consumption and production Action plan by 2007, which should help to identify and overcome barriers for SCP and to ensure better coherence between the different related policy areas and to raise awareness among citizens and change unsustainable consumption habits.
- To engage in a dialogue with business and relevant stakeholders aiming at setting environmental and social performance targets for products and processes.
- To develop a structured process to share best practice and expertise on GPP taking into account the potential to promote GPP at local and regional levels. The Commission will facilitate regular EU-wide benchmarking of GPP performance, according to an assessment methodology based on agreed and objective parameters, and examine with Member States how best to promote GPP for other major product groups by 2007.
- To step up efforts to promote and disseminate social and eco-innovations and environmental technologies, inter alia through effective implementation of the Environmental Technologies Action Plan (ETAP) by all actors concerned in order to create new economic opportunities and new markets.
- To support information campaigns with retailers and other organisations to promote sustainable products inter alia products that stem from organic farming and fair trade as well as environmentally sound products.

Figure 3 shows to what extent National Sustainable Development Strategies address the objectives on SCP in the EU SDS.

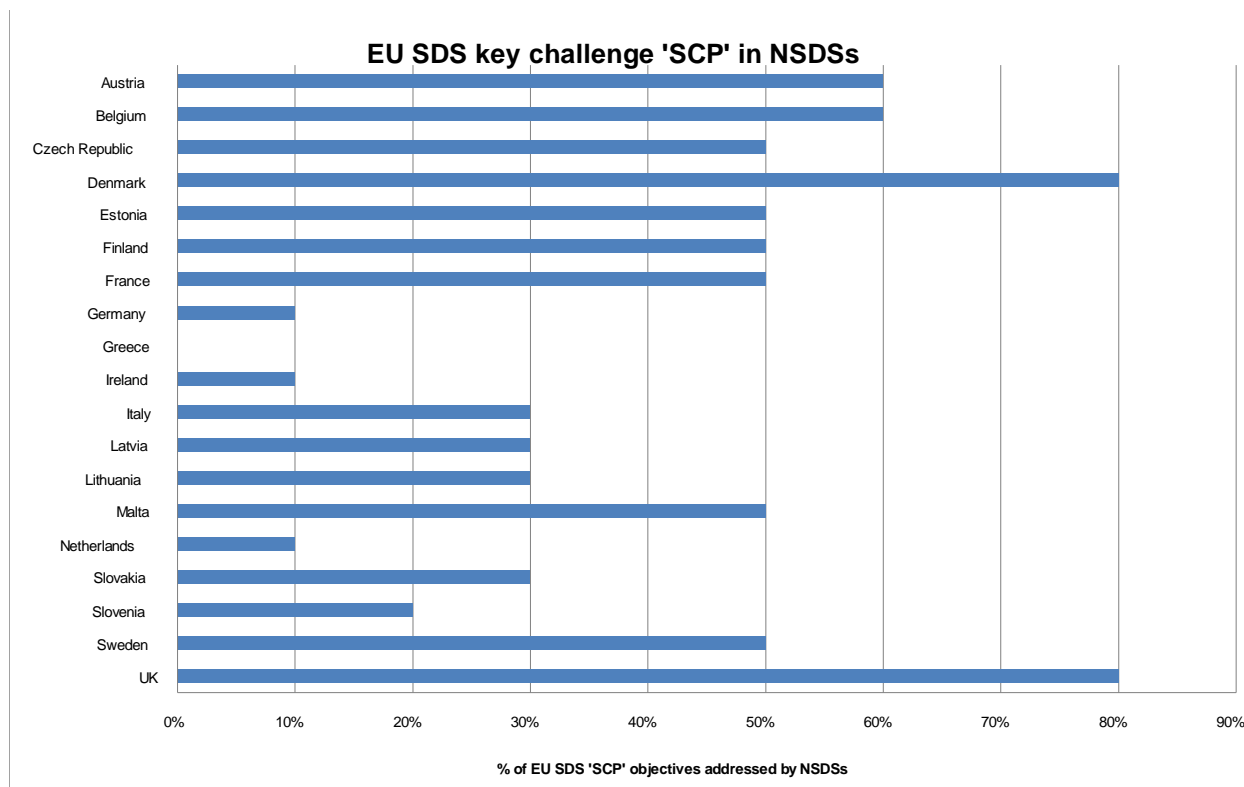


Figure 3: EU SDS key challenge SCP in national SD strategies

As mentioned above, the European Commission will follow up on the SCP objectives and actions outlined in the EU SDS with an SCP Action Plan. It will include further sustainability targets and concrete steps to internalise environmental costs into prices. By developing stringent European SCP policy standards, the SCP Action Plan aims to reinforce the EU’s competitiveness, to keep a clear sustainability focus and to address key SCP challenges (DG Environment, 2007).

However, changing SCP patterns require efforts from both the EU and Member State levels, and various Member States have developed policies, activities, instruments or frameworks on SCP (European Commission, 2004b). A key question in this context is how these efforts can and will join forces with the forthcoming EU action plan. Thus, we propose the following discussion question:

 What relevance does the EU Action Plan on SCP have for (national and European) SD strategies?

Topic 2 **CSR policies, the role of governments and the EU-Member State interface**


Why should governments care about CSR? While several actors oppose the view that governments should take action with regard to CSR by emphasising that the concept is widely regarded as a voluntary business or management approach, there are good reasons suggesting that governments should not leave the field entirely to businesses and civil society actors. Among these reasons are, for example, the following:

- Since CSR is concerned with managing business relations with a broad variety of stakeholders, the concept obviously reshapes not only management routines, but also the roles and relations of all three societal domains, i.e. businesses, governments and civil society. Consequently, CSR is not only a management approach that can be left to the discretion of managers, but it is also a highly political concept that entails societal conflicts as well as a considerable scope for new government activities.
- The widely shared view that CSR is voluntary does not contradict the fact that respective activities are often a response to stakeholder pressure; it emphasises that CSR practices are not required by law but go beyond legal standards. Thus, governments inevitably define CSR negatively with regulations, and they want to define it also positively with softer, non-binding policy instruments.
- These CSR policies coincide with a broader transition of public governance altogether, away from command and control towards more network-like and partnering arrangements. In this respect, CSR policies can be seen as a key component of a broader transition to new governance forms that is observed in several policy fields.
- In addition, governments care about CSR because respective business activities can help to meet public policy goals of sustainable development without making use of often unpopular (or even politically infeasible) regulations.
- In this context, some authors emphasise that CSR and respective public policies can help to compensate for the failure of governments to achieve public policy goals or solve problems with regulations. Some scholars argue that in the contemporary neo-liberal age, relationships between corporations and societal groups are less likely to be the subject of state interventionism than they were in the Keynesian age, which ended in the late 1970s. A decrease of state interventionism “might open up the possibilities for more ‘responsible’ forms of interaction between stakeholder groupings, devolved to enterprise level” (Mellahi & Wood 2003, 190f; see also Rondinelli & Berry 2000, 74; Banerjee 2002, 8).

In recent years, however, opposing views on the roles of governments with regard to CSR have come to the fore vividly at the EU level. After the Lisbon European Council in March 2000, the European Commission stepped up its activities on CSR in various ways. It, for example, formulated its position on CSR in a Green Paper entitled “Promoting a European framework for corporate social responsibility” (European Commission 2001) in which it framed CSR for the first time in the context of sustainable development. In 2002, the European Commission (2002) released a communication on CSR that explored also some ambitious CSR policy options aiming to increase convergence and transparency of CSR practices and tools across Europe. In the same year, the Commission also launched a multi-stakeholder forum on CSR. The key purpose of the forum was to promote the transparency and convergence of CSR practices and instruments across Europe. In June 2004, the stakeholder forum presented its conclusions and recommendations to the European Commission (European Multi Stakeholder Forum on CSR, 2004). With the change of the Commission in 2004, the EU has changed its CSR policy from a pro-active approach of fostering stakeholder pressure to a passive approach that emphasises businesses self-regulation (Steurer 2006). In March 2006, Commissioner Verheugen declared openly, “Originally, the Commission’s plans looked very different. The department responsible wanted to publish naming-and-shaming lists [of companies] and to create a monitoring system for the implementation of the CSR principles. I had to halt this enthusiasm for new regulations” (Financial Times, 22 March 2006). Richard Howitt, British Labour Member of the European Parliament commented the new course pointedly: “The Commission wants Europe to be ‘a pole of excellence’ in business, but instead has dumped five years of debate and consultation into a black hole. The Commission says that public authorities should create an enabling environment for

CSR yet opts out from any proposals for concrete action for itself, simply repeating generalisations which we have all read before. The failure to build on extensive work since 2001 creates the risk that companies, as well as other interests, will walk away from the debate. If this is all the Commission can come up with, Europe risks being sidelined on a critical issue for the future of business, while the UN Global Compact and the Global Reporting Initiative take the lead on CSR”.¹

Without being able to follow the history of CSR policies at the EU level here in more detail, or to outline CSR policies at the Member State level (for details, see the ESDN Quarterly Report June 2008 by [clicking here](#)), we can draw the following conclusion. Although public policies on CSR have a soft-law character, they are nevertheless subject to considerable political controversies, and there is a considerable scope for pursuing a rather passive or pro-active course. Thus, we propose the following discussion question:

 **In how far can/should national and EU public policies on CSR contribute to SD and SCP?**

Topic 3	National coordination of SCP and CSR policies and respective actors
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Member States take different approaches in coordinating SCP and CSR policies. Regarding SCP, three basic options are, firstly, to pursue SCP with separate action plans or frameworks, or, secondly, to integrate SCP into national SD strategies (European Commission, 2004b). A third option is to start out with an SCP action plan or framework, and to merge it with the SD strategy later on.

The third option is, for example, recommended by the United Nations Environment Programme (UNEP). As figure 4 illustrates, it depicts SCP policy making as a cycle that moves from a national inventory catalogue of ongoing SCP activities via an SCP action plan to the full integration of SCP in a major national strategy process, such as an Environmental Action Plan or a SD strategy (UNEP, 2008). This step-wise approach was taken, for instance, in the Czech Republic, Finland, and the UK (ETC/RWM, 2007).



Figure 4: National SCP Programme Cycle (Source: UNEP, 2008)

¹ <http://www.euractiv.com/en/socialeurope/csr-corporate-social-responsibility/article-153515>

If we explore the extent to which the SD strategies of 19 EU Member States refer to SCP in their objectives, the following picture emerges (for methodological details of the underlying study, [click here](#)). 18 of the 19 SD strategies refer to SCP in their objectives. Among them, 6 mention SCP between 1-3 times, 8 between 4-6 times and 4 more than 7 times. Member States that have integrated SCP from the outset into their NSDS are, for example, Austria and France (ETC/RWM, 2007).

A similarity in the context of CSR is that EU Member States organise and coordinate CSR policies in very different ways. Apart from this, however, we find a different picture than in the context of SCP. While in most countries several actors pursue a variety of initiatives in a decentralized way, some (mostly leading) countries approach CSR policies in a more coordinated way. The UK, for example, has appointed a Minister for CSR, and the Netherlands and Sweden have established CSR platforms that bundle several government activities. SD strategies, however, pay hardly any attention to CSR. Another look into the same database on SD strategy objectives revealed that 8 out of 19 SD strategies from across Europe do not contain a single objective on CSR, and most of the remaining 11 SD strategies contain only one vague reference to “promoting CSR” with unspecified means (for methodological details of the underlying study, [click here](#)). Although SD and CSR both aim to better integrate economic, social and environmental issues, joint efforts obviously still face sectoral and institutional barriers. While the SD agenda is often dominated by environmental issues and ministries, expertise on CSR policies is mainly affiliated with Ministries of Labour and Social Security. In the ESDN Quarterly Report June 2008 we conclude that, “the close conceptual link between SD and CSR given, ignoring CSR policies in SD strategies is a missed chance of bridging the obvious gap between the two closely related policy fields”.

Thus, we propose the following guiding question (please note that in section 2 we suggest the self-regulatory process that those who want to focus this question on SCP should join Group 3a, and those who prefer to focus on CSR should join Group 3b):



How to develop policies on SCP and CSR in line with SD strategies? Should the two themes be integrated in SD strategies and/or dealt with in separate strategies/action plans?

Topic 4

SCP and CSR through Sustainable Public Procurement (SPP)

Public procurement is an important area of the European economy. In the EU, spending on public procurement amounted to about 16 per cent of the gross domestic product (GDP) of the Member States, or €1,500 billion in 2002. This sum equals the GDP of several smaller EU Member States, or half the GDP of Germany (European Commission, 2004). Therefore, the purchasing power of public institutions can have significant impacts on the market.

For a long time, public procurement had to be economical and efficient only. Due to the growing acceptance of SD as an overarching guiding model, environmental and social aspects have become increasingly important, also for public procurement. The UK’s Sustainable Procurement Task Force (2006), for example, defines SPP as “a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits, not only to the procuring organisation, but also to society and the economy, whilst minimising damage to the environment”. If both social and environmental aspects are taken into account, one can speak of SPP. If only environmental aspects

are taken into account, one can speak of Green Public Procurement (GPP), and it can be regarded as a contribution to SPP.

Both SPP and SCP are increasingly taken into account in the EU policy and legal framework. References to SPP/GPP can be found in the Presidency Conclusions of the European Council of March 2006, in the renewed EU SD Strategy, and in two EU Directives on public procurement, i.e. [Directive 2004/18](#) (the so-called “procurement directive” addressing contracting authorities) and [Directive 2004/17](#) (the so-called “utilities directive” addressing special sectors of contracting authorities). Although the two directives do not prescribe SPP, they open possibilities to consider social and/or environmental issues at an early stage of the procurement process in transparent ways so that the rules of the European Single Market are not violated (McCrudden, 2007; van Asselt et al, 2006). As the ESDN Quarterly Report June 2008 shows, both directives have facilitated the renewal of public procurement laws in the Member States in recent years, resulting in a high share of legal instruments in the context of SPP.

Overall, the rationale behind Sustainable Public Procurement (SPP) is not only that governments can use their purchasing power as an economic incentive for SD in general, and for Sustainable Consumption and Production (SCP) as well as CSR in particular. In addition, SPP gives them the opportunity to “walk the talk”, or to “lead by example” in achieving SD and sustainable consumption. Because of these two rationales, making public procurement more sustainable is a key challenge for SD policy-making in general, and for SD strategies in particular.

Surprisingly, SPP or respective sub-themes (including GPP) are rarely addressed in the objectives stated in SD strategies. A database search of the objectives of 19 European SD strategies revealed the following picture:

- 8 SD strategies contain not a single objective on SPP/GPP
- 8 SD strategies state one objective on SPP/GPP
- Only the SD strategies of Sweden (4) the UK (3) and Malta (2) mention SPP/GPP more than once in their objectives

Consequently, we propose the following discussion question:



How can SD strategies facilitate Sustainable Public Procurement?

Topic 5	Government-non-government interface
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According to the renewed EU SD strategy, participation is a “policy guiding principle” for achieving SD (European Council, 2006b). Among the most important stakeholders to be involved in the contexts of SCP and CSR are businesses and business associations, social partners, non-governmental organisations (NGOs), and research institutions (European Commission, 2004). While cooperation with businesses is key to foster CSR and change production patterns, cooperating with NGOs, such as consumer organizations, is key in order to raise awareness for CSR among business stakeholders, and for changing consumption patterns.

Consequently, involving stakeholders also played an important role

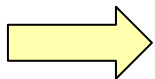
- In the development of both the renewed EU SD strategy (for details [click here](#)) and
- The forthcoming EU Action Plan for SCP.
- In the aftermath of the European Commission’s Communication on CSR from 2002 the European Multi Stakeholder Forum on CSR convened several times and presented its conclusions in 2004.

- In 2004, a European stakeholder meeting on SCP was organized within the scope of the first follow-up meeting to the Marrakech process in Oostende, Belgium.

An example for stakeholder involvement at the Member State level is the Hungarian Network for Sustainable Consumption and Production launched in November 2002. It is a cross-sectoral partnership of governmental authorities, businesses, civil society organisations, academia and the media from Central and Eastern Europe. The Network aims to promote dialogue among stakeholders and to develop and implement the strategies and actions for SCP.

Besides, some National Councils for SD also deal with SCP and/or CSR. In 2007, the German Council for SD, for example, hosted a multi-stakeholder forum/dialogue on CSR. It also formulated recommendations on CSR addressing both the German federal government and German businesses (for details in German, [click here](#)).

Because involving stakeholders is important in the context of both SCP and CSR policies, and this principle can be followed with different formats (ad-hoc dialogues versus permanent forums, within or separate from National Councils for SD), we suggest to discuss the following guiding question (please note that in section 2 we suggest the self-regulatory process that those who want to focus this question on SCP should join Group 5a, and those who prefer to focus on CSR should join Group 5b):



How should non-governmental actors be involved in public strategies and initiatives on SCP and CSR?

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