

Corporate Social Responsibility and the Role of Management, Government and Unions

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Corporate Social Responsibility

In Italy, one of the main trade unions, the CISL (Confederazione Italiana Sindacati Lavoratori.) (www.cisl.it), defines Corporate Social Responsibility (CSR) as a fundamental element of a democratic economy, but also of workers' participation in the destiny, decisions and management of companies.

CSR is a relatively new issue in Italy and is only recently beginning to take its place in the general public consciousness. Italy is still experimenting with the concept, and has not yet reached the point of its systematic application. It is certainly time to reach some conclusions, to identify those principles, criteria and methods that are commonly accepted and shared.

First of all, embarking on a new path requires a precise delineation of the concept of Corporate Social Responsibility, and finding a definition is easier if we first consider what CSR is *not*.

What CSR is not

According to the CISL, CSR doesn't mean simply following guidelines or rules. We can first consider OECD codes of behaviour and at the delay in their application in Italy as well as other countries. We can also observe the problems of implementing guidelines for minimum survival conditions in many poor areas of the world. These considerations show us that simply following a set of rules already constitutes a goal, or even a result. We mustn't underestimate this aspect of the matter but we can't be satisfied with it.

Observation of a set of rules is the *starting point* from which we can build a CSR project. If we want to build an idea of CSR which will become a new shared standard for the creation of new social models, then being honest and respecting the laws should be an assumption, not a purpose.

Nor is CSR the same as *sustainable development*, a related concept that is generally considered as an essential need for civil co-existence in the future. CSR does not necessarily mean a non-profit company. *Non-profit* is a company typology that we should observe closely because it provides useful models of mature capitalism; however, it is not CSR.

It isn't a gift either. Of course, a gift is better than a slap, and we, as good trade unionists, do not underestimate the significance of the act of giving in people's lives. Better that a

company that uses its commercial power and presence in the framework of CSR than the “Big Boss” who exploits workers and the territory for the sake of profit.

Therefore, we can deduce that CSR does not correspond to the concept of philanthropy either. In the current debate, people remember Adriano Olivetti (www.fondazioneadrianolivetti.it) and it is said that introducing a “gift economy” into an “exchange economy” remains an important theme. But however noble that idea, when we talk about philanthropy, we are not talking about CSR.

What distinguishes CSR from philanthropy and corporate sponsorship

It isn't necessarily the means, but rather, the involvement of all the stakeholders in the life and responsibility of the company. This is the leap that also determines a shift in objectives, instruments and, ultimately, the results. Therefore CSR means that both entrepreneurs and companies are sensitive to the needs of all who interact with a company's business operations, and act, not only considering financial parameters, but social and environmental consequences as well.

Stakeholders can be internal or external to the company. Institutions, non-governmental organizations, suppliers and consumers comprise some of the external stakeholders. The workers and the trade unions who represent them are important internal stakeholders.

The recognition of the stakeholders and of their relational restraints give an answer to the question as to whether CSR is voluntary or compulsory. CSR is an essentially voluntary process if it is considered a process of cultural change and adjustment. However, this voluntary nature should not be used as an excuse for self-glorification.

Incorporating CSR as the distinctive feature of a new model for running a company, should not be decided exclusively by the company itself, but should demonstrate of a new company's ability to talk and relate with all interested parties. Trade unions have argued that CSR must be a cornerstone in the larger context of participatory industrial relationships.

What do we ask companies?

We ask companies to choose between conflict and cooperation; that is, to choose working relations that take contracts and negotiations seriously, yet are based on participation.

Italy's economic and industrial system, in order to compete worldwide, can choose a losing policy, pursuing mere cost competition and lowering the social standards of quality. On the other hand, Italy may choose to increase the value of these elements and introduce new solutions into the European social model.

CSR can therefore represent an opportunity for a global improvement in the productive system and in the relationships between management, government and unions. That's why the trade unions and the workers are decisive participants in every strategy intended to give meaning and a wider perspective to the notion of Corporate Social Responsibility.