

CORPORATE SOCIAL RESPONSIBILITY IN AUSTRIA

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Introduction

The discussion of sustainable development and its economic impacts started in Austria in the late 1980s and has therefore a longer tradition than the discussion around Corporate Social Responsibility (CSR). As many other Austrian approaches, like the Austrian Strategy on Sustainable Development (2002), the Austrian CSR activities build upon the long-lasting Austrian tradition of broad stakeholder involvement within the so called “social-partnership”. This is the common dialogue platform between the main social partners. In the 1990s Austrian companies learned to deal with environmental and social friendliness and last but not least with the term “sustainability”. Enterprises nowadays begin to include this visionary concept in their own goals and understandings. Moreover they start to implement the sustainability-concept in their management strategies and tools and communicate this through sustainability reporting and open stakeholder dialogues.

The broader CSR discussion arose quite briefly in Austria. Due to the ongoing awareness process and due to many “mosaic stones” formulated during the last few years concerning corporate citizenship, corporate governance and business ethics, the CSR discussion had more or less a walk-over. The time was right when the “CSR Austria - Initiative” was formed by the Ministry for Economic Affairs and Labour and key industrial players in 2002. CSR Austria is therefore the private sector contribution to the Austrian Sustainability Strategy and, on European level, a major Austrian contribution to the Lisbon-Strategy and the CSR-debate.

Historic development of corporate sustainability in Austria

Austria, the land with its image from classic music and folcloristic alpine traditions to the Viennese lifestyle is becoming aware of its pivotal position at the heart of Europe between North and South even more West and East. But Austria inspires also other images: since the 1970s we have the highest level of organic farming within Europe with a clear position against genetically modified organisms (referendum against GMO in 1997); and a clear policy against nuclear power plants (referendum against nuclear power in Austria in 1978). One could ask: Are the Austrians more sceptics towards

innovations and technological development than the rest of the world? The answer may be found in another question: How should precautionary responsibility look like?

In that respect Austria is the cradle of several concepts which has often been “invented” near political or administrative programmes. The economy-oriented “eco-profit” idea for instance started in the early 1990s and the “eco-social market economy” – concept was presented at the late 1980s by the former vice-cancellor Dr. Josef Riegler (Riegler, 1996). It was the condensation of thinkings from different groups and initiatives around political and economical responsible behaviour. The concepts characteristics are the definition of new eco-social boundary conditions on the outside and a new pattern of behaviour inside, in form of “fair” and not “free” market, containing not only competition but also neutralism, commensalisms and symbiosis (Moser, 2001). Many different environmental and social friendly economic development programmes have been part of an ongoing societal transformation process in Austria during the last twenty years. Especially the UN Summits 1992 in Rio, 1997 in Kioto and 2002 in Johannesburg activated many initiatives in Austria:

- The Austrian Institute for Sustainable Development (founded 1995) and the Climatic Alliance Austria (since 1997) tries to foster and implement the sustainable development process on national scale.
- The official coordination of the Austrian Strategy for Sustainable Development (2002) and its implementation is administrated by the Federal Ministry of the Environment.
- Austrian enterprises created their own forum with the Austrian Business Council for Sustainable Development (ABCSD) in the year 2000.
- The “Arbeitsgemeinschaft Entwicklungszusammenarbeit (AGEZ) is the official working group on development co-operation (established 2001). Around 30 NGO's from the ranges environment, societal, social and development work participates in this platform.
- The initiative “Sozialwort” - social word - of the whole Austrian churches began to open the sustainability debate to the public from religious and spiritual side some years ago. In this connexion the project “Pilgrim” should be mentioned – a pilgrim towards sustainability from many different groups, initiatives and institutions coordinated by the In-Service Teacher Training for Religious Education in Austria.

Some major historic roots and initiatives are shown in the next diagram (Diagram 1: Activities for companies in Austria in respect to corporate sustainability and CSR). It

tries to give a simplified but not exhaustive overview of the different milestones in respect to the wider landscape within CSR is embedded in Austria.

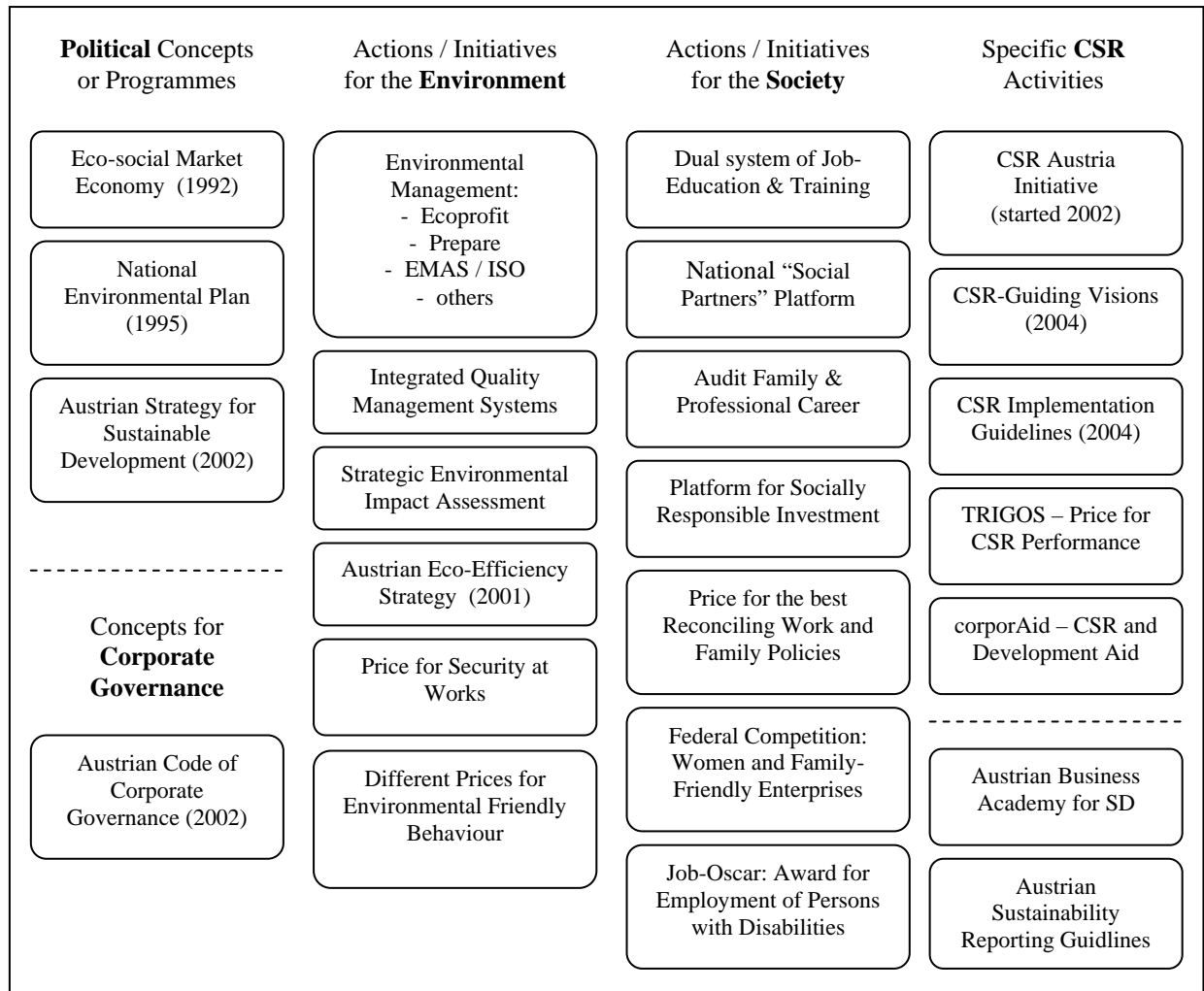


Diagram 1: Activities for companies in Austria in respect to corporate sustainability and CSR

The main actors in the Austrian CSR scene are the following (the list is not exhaustive):

Austrian Federal Ministries:

- Ministry for Health and Social Affairs (BM für soziale Sicherheit und Generation)
- Ministry for Economic Affairs and Labour (BM für Wirtschaft und Arbeit)
- Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW)
- Ministry of Transport, Innovation and Technology (BMVIT)
- Ministry of Finance (BMF)

Business administrations and organisations:

- Federation of Austrian Industry (Industriellenvereinigung)
- Austrian Chamber of Commerce (Wirtschaftskammer Österreich)
- Austrian Chamber of Labour (Arbeiterkammer)

- Vienna Chamber of Commerce (Wirtschaftskammer Wien)
- Labour Union of Private Employees (Gewerkschaft der Privatangestellten)
- Federation of Austrian Trade Unions (Österreichischer Gewerkschaftsbund)
- Federal Social Welfare Office (Bundessozialamt)
- Labour Market Service (Arbeitsmarktservice)

Private organisations, Academies, NGOs

- Main Association of Social Security (Hauptverband der Sozialversicherung)
- Austrian Consortium for Rehabilitation (Österr. Arbeitsgemeinschaft für Rehabilitation)
- AGEZ – Austrian working group an development co-operation
- Horizont 3000 – Austrian development cooperation organisation
- Austrian Caritas
- Austrian Institute for Sustainable Development (ÖIN)
- Austrian Business Council for Sustainable Development - ABCSD
- Austrian Business Academy for Sustainable Development - ASD

CSR in Austria – drivers and milestones of success

Corporate sustainability

Sustainable development is to be understood as a concept that ensures the integrated, well-balanced and equal treatment of the economy, society and the environment dimensions. Sustainable corporate development and, thus, social responsibility contribute to the increase of company's value: by minimising risks, by generating innovation and by jointly shaping society. The kind of benefits derived by companies, however, depend on the approach taken. As presented in Table 1, the approach to CSR adopted by a company can be classed in four categories.

<i>Category</i>	<i>Behaviour</i>	<i>Description</i>
Passive	Problem solving	The company waits until there is pressure by the authorities and other stakeholders and then responds to their demands.
Reactive	Risk minimisation	Potential ecological and social risks are prevented that may impair the value or the reputation of the company.
Active	Innovation	The company realises that corporate social responsibility offers strategic opportunities in the market. New products, services and technologies give rise to new business fields. Internally, organisation and management develop in innovative ways.
Proactive	Responsibility to society	The company not only takes into account existing needs, but also shapes sustainable ways of life and business together with its stakeholders. This leads to close relations to customers, suppliers and other groups, giving the company a competitive edge.

Table 1: Types of approaches to corporate social responsibility

There exists no universally applicable formula and strategy for sustainable corporate development. Every company has to take its own road to sustainability, and every company needs to work it out for themselves. It will strongly depend on the regional, cultural, social and natural conditions of the company's operations. A company who wants to consciously orient itself on the concept of sustainability will become proactive at various levels and in various sectors. Important building blocks for a company's sustainable process are summarized in Table 2.

Core Areas of Sustainability Management		
<i>Sustainable Corporate Governance</i> Normative management Vision / mission Mission statement / strategy Code of conduct Corporate culture	<i>Sustainability Management Systems</i> Management systems for the realisation of strategies and goals (e.g. Sustainability Balanced Scorecard)	<i>Sustainable Innovation Management</i> Sustainable product and service development R&D for sustainability Sustainable technology development
<i>Capacity-Building for Sustainability</i> Definition of responsibility Organisational learning Integration into all corporate divisions	<i>Human Resource Building</i> Awareness raising Qualification Employee engagement	<i>Sustainability Communication</i> Reporting Stakeholder dialogue Media presence Image creation

Table 2: Core areas of sustainability management (Strigl, 2003)

None of these elements exists by itself; they all interact with each other. Only the combination of all activities results in a dynamic business process towards sustainability.

What Austria expects from companies and vice-versa

Dual apprenticeship education and training system

Austria has together with Germany and Switzerland an educational system which is quite unique in Europe and the world. Apprenticeship education and training is mainly an enterprise-based vocational and technical education and is based on the principle of duality. It combines the school system and on the job training in the world of work. It is a "dual system": the apprentice receives the bulk of its training within an enterprise, completed by attending a part-time compulsory vocational school. Thanks to the sound training and the good qualifications Austrian skilled workers are highly esteemed all over the world. Current reforms of the dual system will lead to an increased integration of economic and technological innovations. Moreover, they aim at motivating companies to invest in existing and to create new vacancies for apprentices. And last

but not least they also want to foster the young people's willingness to develop new concepts of studying and working.

The Austrian companies and corporate citizenship

The overwhelming majority of Austrian companies are SMEs (small and medium-sized enterprises) with less than 250 employees. These enterprises are the backbone of the Austrian economy and therefore often the target group of specific supportive actions and programmes. According to a recent study (CSR Austria, 2003) Austrian enterprises notice their responsibility as corporate citizenship in relation to non-profit organisations to 97%. It shows up that those corporations with small public attention only to 17%, while 47% of enterprises with high public attention are strongly active in issues of CSR. Publically traded companies show a clearly higher commitment to be an active corporate citizen (45% are strongly active) than privately owned companies with only a social engagement of 31%. Enterprises with predominantly private customers and/or predominantly big customers, who are active and service, exhibit higher corporate citizenship commitment than the remaining enterprises. Altogether 81% of the small businesses, 58% of the median enterprises and 49% of the large-scale enterprises support between one and five non-profit organisations. The ranges of topics, which find most frequently support through corporate citizenship programs in Austria, are "health service and social mechanisms" (70%). The kind of the support ranges from money (93%) over in-kind gifts (85%), to sponsoring (68%) and volunteering programs (58%). According to the same study (CSR Austria, 2003) 61% of the Austrian enterprises are very content and/or content with the successes of their corporate citizenship activities.

Environmental Management Systems

Corporate sustainability was introduced to companies in a number of different ways. In the 1990s the Austrian government and its administration has started several top-down programmes to improve and support the implementation of environmental-, risk-, quality-, and health- & safety management systems. Figure 1 shows the number of organisations certified in accordance with EN ISO 14001 in Austria from 1995 to 2002.

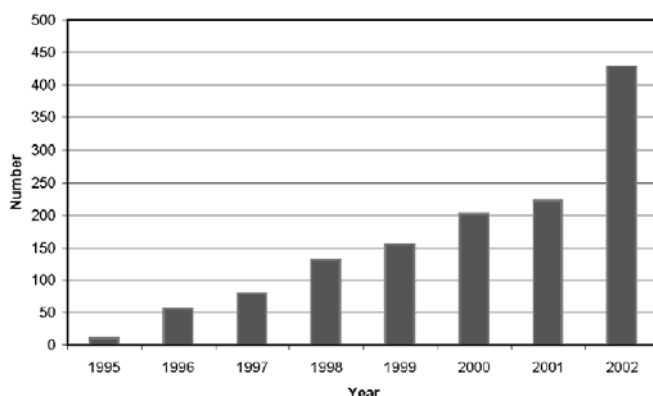


Figure 1: Development of the number of Austrian organisations certified under ISO 14001 (Source: "The ISO Survey of ISO 9000 and ISO 14001 Certificates, 12th Cycle, 2002")

CSR activities of the “Life Ministry” (BMLFUW)

Platform for Socially Responsible Investments

The influence of the global financial markets on the whole economy is evident. For reaching a sustainable path of development ethical, social and ecological aspects have to be taken into account when investing money. For the purpose of strengthening the market for socially responsible investments in Austria a platform for “Socially Responsible Investments” was founded 2001 in the Austrian Society for Environment and Technology (OEGUT) with the support of the Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW). This platform constitutes a network and medium for information about specific activities in Austria and Europe. There, Austrian expertise in this field is bundled to work on a medium-term strategy which supports supply and demand within the area of socially responsible investments. Within the framework of the Austrian eco-label, guidelines for the eco-label 49 “Green Funds” have been prepared for investment funds and mutual funds shares (sustainability funds, ethical funds or ethical-ecological funds, eco-funds and eco-efficiency funds as well as environmental technology funds).

CSR activities of the “Innovation Ministry” (BMVIT)

Guidelines for sustainability reporting

The Austrian sustainability reporting guidelines “Reporting about sustainability” (2002) gives a structured overview on how a sustainability report can be prepared. These guidelines describe in seven steps how the performance, goals and activities of a company can be presented with a perspective on sustainability. The guidelines:

- support enterprises in presenting their economic, environmental and social performance in a transparent and balanced manner,
- define the most important steps which lead to a sustainability report,
- present methods, appropriate for the reporting process,
- ask questions to improve the self-assessment of companies,
- offer suggestions for stakeholder group inclusion.

The guidelines are based on the evaluation of past sustainability reports produced in Austria and abroad and on practical experience gained from coaching the reporting process of two major Austrian companies. The Austrian Institute for Sustainable Development (www.oio.at) had the scientific lead in this research project. “Reporting about Sustainability” was promoted by the Austrian Federal Ministry of Transport, Innovation and Technology as part of the Austrian Program on Technologies for Sustainable Development under the subprogramme “Factory of Tomorrow”.

Austrian Program on Technologies for Sustainable Development

The Austrian Program on Technologies for Sustainable Development is a five-year research and technology program (2001-2006). It has been developed by the Austrian Federal Ministry of Transport, Innovation and Technology (BMVIT). The program initiates and supports trendsetting research and development projects and the implementation of exemplary pilot projects. The program pursues clearly defined emphases, selects projects by means of tendering procedures and is characterized by networking between individual research projects and by accompanying project management. The Ministry invites tenders in three different subprograms:

- Subprogram "Building of Tomorrow"
- Subprogram "Factory of Tomorrow"
- Subprogram "Energy Systems of Tomorrow"

The research and technology program with its more than hundred individual projects has to be seen as a milestone in the discussion and implementation of sustainability issues in Austria and thus as a major root of the CSR process.

CSR activities of the Ministry for Health and Social Affairs

Audit-Program Family & Career

The Audit-Program "Family & Career" is an auditing procedure trying to reconcile family and career. "Family & Career" orients itself on the "family friendly index", an idea coming from the US and based upon insights from the non-profit Hertie foundation. According to Badelt (1998), former Austrian representative to the European Family Observatory, the issue of reconciling work and family life is one of the most intensely debated issues in Austrian family policy. The Audit Family and Career leads companies in an internal process, in which goals and measures for a family conscious personal policy are being defined and implemented. On the basis of the actual state, deficiencies are identified - changing strategies are compiled and possible solutions are formulated in order to reach the targeted state. After the actual/target status is being evaluated by an external consultant the company receives the base certificate "Audit Family & Career". After three years the attainment of the target status are checked.

Federal Competition: Women and family-friendly Enterprises

For the first time initiated in 1999, the federal competition "Women and family-friendly Enterprises" defines itself as an incentive to support enterprises, which by themselves have taken initiatives to implement women and family friendly measures, by awarding them an official commendation. The purpose behind this undertaking is to officially and

publicly acknowledge the commitment of those companies for their attempt to reconcile work and family in a fruitful manner. The federal competition is based upon competitions within the Austrian states, in which already for a couple of years the most distinguished companies are being awarded. From among the state winners and under the auspices of the federal minister, the federal winners are determined. Before entering the federal competition all companies have to participate in the competition of their respective federal state first.

JobOscar: Employment of Persons with Disabilities

In 2003 the JobOscar, which for some time has caused sensations in Styria, will for the first time be awarded on the federal level. The JobOscar will be an award given exclusively to the private sector. Special consideration will be given to the employment of disabled persons. The JobOscar serves the function of being an acknowledgment award, handed out in the following categories: small enterprises (up to 25 employees), medium enterprises (up to 100 employees), and large enterprises (100 employees and more). In each of the nine federal states, the winners of the various categories move on to the federal level. Hence 27 companies will participate in the competition.

The Austrian Code of Corporate Governance

In the past few years, corporate governance codes have been drafted in many countries addressed specifically to enterprises that raise funds through capital markets. These sets of rules, which lay down the principles of good corporate governance, are viewed by investors as a major source of guidance. An Austrian Working Group for Corporate Governance consisting of representatives of the Austrian Institute of Certified Public Accountants, the Austrian Association for Financial Analysis and Asset Management, listed companies, investors, the Viennese Stock Exchange and academia drew up the Austrian Code of Corporate Governance. Special attention was devoted to ensuring that all interest groups were integrated into the process through a broad and transparent discussion of the issues. The voluntary self-regulatory initiative was designed to reinforce the confidence of investors by improving reporting transparency, the quality of cooperation between the supervisory board, management board and shareholders, and by taking long-term value creation into account. The Code provides Austrian corporations with a framework for the management and control of enterprises. It covers the standards of good corporate management common in international business practice (e.g. the OECD Principles of Corporate Governance) as

well as the most important provisions of Austrian corporation law that are of relevance in this context.

The Code is designed to increase the degree of transparency for all stakeholders. Companies voluntarily undertake to adhere to the principles set out in the Austrian Code. All listed companies are therefore called upon to make a public declaration of their commitment to the Code and to have their adherence to the rules stipulated therein, monitored by an external institution on a regular and voluntary basis, and to report the findings to the public. In addition to the most important statutory requirements under Austrian law, the Code also contains rules, which are considered common international practice. Noncompliance with these rules must be explained and the reasons stated. The Code also contains rules that go beyond these requirements and should be applied on a voluntary basis.

The CSR-Austria Initiative

A concerted action to promote CSR in Austria

The main instrument of the Austrian CSR policy is the “CSR Austria Initiative”, which was started in late 2002 by the Austrian Federation of Industries and the Ministry for Economic Affairs and Labour. Since May 2003 the Austrian Chamber of Commerce is participating in CSR Austria, too, making it the main private sector contribution to the Austrian Sustainability Strategy. “CSR Austria Initiative” defines itself as a programme of the Austrian economy, which enables the great European visions – the Lisbon strategy and the concept of sustainable development – to become true. CSR Austria aims at achieving two goals: first to make evident how Austrian businesses work for the state and society; secondly to motivate entrepreneurs to intensify their efforts to that effect and at the same time to encourage them to communicate these efforts to a broader public.

The three main steps of the CSR Austria initiative started in June 2002 when the CSR-Council-Committee was founded at the Federation of Austrian Industry to prepare the CSR strategy for Austria. The first step from October 2002 to July 2003 was to initiate a broad discussion on corporate responsibility and to create a common understanding of its meaning and its benefits, as well as information and screening of international CSR-Initiatives for companies with regard to practicable CSR-models. The survey “Corporate Societal Responsibility of Austrian Companies” (2003) concluded the first phase. At the beginning, the project group analysed the main international initiatives or frameworks: e.g.: ILO Guidelines, OECD-Guidelines for multinational corporations, the UN-Global Compact or the EU-Green Paper “Promoting a European Framework for

Corporate Social Responsibility". Together with the deliverables of the broad discussions the CSR Austria Initiative formulated a first draft of the Austrian CSR Guiding Visions for Companies.

The second step was the formulation of Austrian CSR-Guiding Visions building upon the Green Paper and other international texts (f.e. the OECD Guidelines for Multinational Enterprises) and on the special experiences, expectations and needs of Austrian companies and Austrian society at large. Following the Austrian tradition of social partnership the elaboration of the Guiding Visions involves a broad dialogue with representatives of all sectors of civil society. At the CSR-Conference end of September 2003 around 120 members from business, Non-Governmental-Organizations (NGOs), social partners, and international organizations discussed the first draft of the CSR-Guiding Visions for the Austrian Business-Community. The finalized CSR-Guiding Vision "Economic Success. Responsible Action." was presented in December 2003 in Vienna. The concept of responsible entrepreneurship stands for companies that exercise their activities in a manner to promote economic growth, to increase competitiveness and at the same moment to act environmentally sound and socially responsible. The developed 16 CSR principles of the Austrian Industry are listed in the next diagram.



Diagram 2: CSR guiding vision: The 16 CSR principles of the Austrian Industry

A good CSR strategy depends on the degree of its implementation. Therefore the Initiative CSR Austria is preparing – together with its partners – some implementation-tools for companies. The third stage of CSR Austria, is concentrating on further raising the profile of CSR and on assisting Austrian companies in their efforts to adopt and implement CSR practices. The following implementation-activities are already on the way:

TRIGOS: The prize for excellent CSR performance

Trigos is a prize by the association “Corporate Social Responsibility Austria“ (CSR Austria) that was given for the first time in May 2004 to companies with special social responsibility. The initiators of Trigos are Caritas, Red Cross (Rotes Kreuz), SOS Children’s Village, WWF Austria, the Federation of Austrian Industry (Industriellenvereinigung), the Austrian Chamber of Commerce and Humans World. Trigos is awarded to companies that are already attending to their social responsibility in the form of concrete projects or have implemented it in their corporate strategy. Altogether 25 projects out of 80 submitted ones were nominated; nine companies were awarded a prize (three each in three categories, differentiated by company size).

ASD: Austrian Business Academy for Sustainable Development

In partnership with the Austrian Business Council for Sustainable Development (ABCSD) and the Austrian Institute for Sustainable Development the Initiative CSR Austria founded the Austrian Business Academy for Sustainable Development. This institution will provide an appropriate and practical-oriented qualification programme for the business sector with respect to theory and implementation of corporate sustainability and CSR.

Building bridges (changing sites)

To create more sensibility and tolerance for the value of honorary activities the initiative CSR Austria is working out together a switch-program between business leaders and Non-Profit-Organizations (NPOs) with CARITAS and Trigon. This switch-opportunity is based on the experiences in Germany and Switzerland and in the Austrian province Vorarlberg as well as the “Switch-Programme” from Siemens Germany.

corpoAID

Initiated by the Institute for Cooperation for Development-Projects (ICEP) the CSR Austria Initiative will take part as a partner at the corpoAID-Initiative. The focus of this project is to help companies in projects within developing countries

and to strengthen the knowledge about the needs in these countries. A second product of corporAID is the quarterly journal “coporAID magazin”. The magazine reports on Austrian CSR issues in general (sustainability reporting, social responsible investing etc.) and on global development topics like fair trade or societal and regional engagements of Austrian companies all over the globe.

The Austrian CSR – Guidelines

The Austrian CSR Guidelines “Guidance for the implementation of CSR” (2004) of the Austrian Standards Institute are based on the CSR guiding vision “Economic Success. Responsible Action” and the guidelines “Reporting About Sustainability – 7 steps to a Successful Sustainability Report” which both have been produced by the CSR Austria Initiative. The guidelines on CSR principles, systems and tools were prepared by an interdisciplinary and inter-organisational working group “Corporate Social Responsibility” of the Austrian Standards Institute and are in line with international trends. In building on several initiatives focusing on the motivational aspect, the guide is designed to support the documentation, implementation, maintenance and improvement of a CSR management system. Furthermore, the CSR implementation guidance identifies possible interactions with other management systems. The publication provides guidance and recommendations and is not intended to replace further developments at a statutory or legal level. In general, it does not contain specifications or rules, but rather recommendations. Only references to Austrian law or the legislation of countries where the company in question is active or wants to become active are to be considered binding requirements. Even though this guide mainly addresses enterprises, other organisations, such as associations, public institutions and municipalities, are also encouraged to apply the guide as appropriate.

CSR Activities of Labour Union and the “Civil Society” in Austria

CSR position paper from the “Austrian civil society” (2004)

A position paper titled “The social responsibility of enterprises (CSR) from civilian-social perspective” was presented in December 2003 by the following organizations: Amnesty International; Working Group Development Co-operation (AGEZ) – the umbrella federation of 29 NGOs for social and development work; Federal Chamber of Labour (AK); Eco-bureau - the Austrian platform of environment organizations (members are e.g.: Greenpeace, WWF, GLOBAL 2000 / Friends of the Earth); and the Austrian Trade Union Federation (OEGB). The paper takes position to the CSR process in general and the CSR Austria - Initiative in detail. The organizations welcome

this initiative and the associated general discussion process in Austria. At the same time they emphasize that the conceptions of the civil society regarding company's social and societal responsibilities are going far beyond the examples (and principles) formulated by the CSR Austria - Initiative in substantial points. Therefore the following central fields of social responsibility are indispensable for them:

- According to the Austrian tradition of the "social-partnership" central interest agencies of the employees (Trade Unions, Chambers of Labour etc.) are to be taken up as partners inside the official dialogue and further implementation
- Apart from economic goals there are to respect ecological, societal, social and humanitarian responsibilities - independently from the competition position.
- Minimum standards within the range of human, work and environment laws, which are to be kept obligatorily from socially responsible acting enterprises, have to be implemented.
- In order to ensure a minimum of reliability, independent third (under participation of NGOs and trade unions) are to be included into the development of CSR measures as well as their conversion and control.

The organisations stresses that socially responsible corporate behaviour requires legal norms and norms for collective agreements. The promotion of voluntary measures can in no way replace regulations for the protection of workers as well as their efficient control and possible sanctioning – at best it can supplement them.

CSR Position Paper of the Federal Chamber of Labour (2002)

The Federal Chamber of Labour (Bundesarbeiterkammer) represents the legal interests of approximately 2.7 million workers and consumers in all social, educational and economic matters. The CSR position paper stresses that there is every reason to believe that companies need clear legal frameworks for their behaviour and strong internal and external representations of worker interests so that they can also gear their behaviour to public welfare aspects in a dependable manner. It is the conviction of the Chamber that the key elements for the success and credibility of the EU action framework for CSR are as follows:

- Concrete, operational criteria (benchmarks) to assess and audit CSR; guidelines and political expectations are to be broken down into concrete requirements / services so that we can restore transparency and comparability;
- Drawing up of procedural minimum requirements to verify its adoption as well as a system to check that it is being complied with: independent auditing as well as public relations work, with pressure groups and NGOs having their say;

- Consolidating the current activities at a high level.

In conclusion, the chamber again expresses the fact that the voluntary CSR concept can only be a first step in the right direction. It needs to follow binding and actionable norms and clear legal incentives e.g. appropriate design of measures for public procurement and competition law; design of conditions for promoting public enterprises.

Cooperation Agreement between Labour Union of Private Employees and the Vienna Chamber of Commerce

The challenge of global competition requires knowledge, qualification and competence within business and the labour market. In light of those developments the Labour Union of Private Employees and the Section for Consulting & Information Technology of the Viennese Chamber of Commerce have decided to cooperate in order to define cooperation guidelines which, above all, try to aim to create a stronger than current assessment of the human capital's value in comparison to real capital. The concrete implementation of the cooperation shall focus on the following main points:

- o CSR: doing business in a sustainable way and accepting societal responsibilities are increasingly factors which determine the success of a company.
- o Training and Schooling: A dialogue conference on the subject of "structural change in enterprises- what role do committees and consultants play?"
- o Development of a common and general applicable consulting understanding, which serves the professional and methodical funding and is part of the quality assurance process.
- o Networking: The agreement restructures the cooperation among consultants and working councils as well as with management in a complete new form.

The dialog agreement is secluded indefinitely. At the beginning of each year an assessment of all activities will be conducted in order to correct eventual shortcomings.

CSR Perspectives for Austria

Challenges for Austria

One of the biggest challenges faced by Austria in the coming years is to get actively involved in shaping the enlarged Europe (especially to the East and South) as an economic and social community. This ambitious goal hinges on two visions: On the one hand, the European economic and social model has to be further strengthened and in some reasons new designed, in order to be able to actively influence the framework

conditions of globalisation. On the other hand, the integrative approach of sustainable development serves as a vision for the future. With the adoption of the Austrian Strategy for Sustainable Development in 2002 an important first step was taken to specify Austria's contribution to the sustainable quality of our locations, work, life and the environment. The CSR initiatives in Austria – which the major of them were tried to be summaries – act in synergy to the overarching vision of sustainable development for both economy and society.

Transformation towards stakeholder legitimacy

The active and far-sighted stakeholder dialogue is nowadays a proof for trustworthy, transparency and crisis stability of companies. They help to react before crises and to develop concrete and suitable solving. The word “stakeholders” contains more than the word “shareholders”. It includes all parties who are interested in a company and who give a broad societal legitimacy to the company. Stakeholders are often of critical influence on the company, for example consumers who buy – or not buy - their products due to a deep loss of satisfaction or trust. Therefore also shareholders, workers, Non-Profit-Organisations, media, authorities and company-specific groups of persons are part of the stakeholders. This means, that a broad discussion process on how and how intensive the recently developed CSR principles, guidelines, prices and initiatives should accompany and assist their dynamic implementation in Austria.

European perspectives

Whilst the observance of core labour standards, human rights and global environment standards will be the focal point of the global dimension, the Austrian Federal Chamber of Labour believes that in relation to CSR the following topics in particular are relevant to the European Union (Federal Chamber of Labour, 2002):

- Further education opportunities for the low-qualified, those in atypical employment and for those returning to work following maternity/paternity leave
- Employment of disabled persons, long-term unemployed, training of apprentices or job starters
- Measures to promote women in the workplace
- The situation of older workers in the enterprise (jobs suitable for older persons, opportunities for further education etc.)
- Compatibility of career and family
- Management behaviour during restructuring (inclusion of workers' representatives, social plans etc.)

- Relationship between management and staff / workers' representatives
- Health and safety at work (observance of legal provisions, prevention of mobbing and psychological pressures at work, innovative approach – cf. the communication from the Commission: Adapting to change in work and society
- A new Community strategy for health and safety at work
- Anti-discrimination measures
- Socially responsible investment policy, particularly in connection with pension funds and redundancy pay funds

Conclusion

Modern economy and society depend on each other: Realisation of our personal and societal desires require a well going economy. At the same time doing business in an economical and sustainable way requires a society free of any social tension with an emphasis on solidarity. This societal pattern produces a win-win-situation and supports an ongoing process of Corporate Social Responsibility. Therefore human and social capitals have to be strengthened to increase the competitiveness of enterprises. By accepting their social responsibility Austrian enterprises rediscover their role within society and make a contribution on the way to a sustainable path of development.

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Acknowledgement

Mag. Wilhelm Autischer, coordinator of CSR Austria, for his kind comments

Useful internet links

CSR General links:

CSR Austria
<http://www.csr-austria.at>
 Österreichischer Arbeitskreis für Corporate Governance
<http://www.corporate-governance.at/>
 Plattform "Ethisch-ökologische Veranlagung"
<http://www.gruenesgeld.at/plattform.htm>
 Corporate Social Responsibility (Monatsthema 2/2003)
<http://www.nachhaltigkeit.at/>

Sustainability:

Actors Network Sustainable Austria
<http://www.nachhaltigkeit.at>
 Austrian Business Council for Sustainable Development (ABCSD)
<http://www.abcsd.at>
 Austrian Institute for Sustainable Development (OIN) <http://www.oin.at>
 Austrian Business Academy for Sustainable Development (ABCSD)
<http://www.asd.at>

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