



AK Position Paper

Corporate Social Responsibility: A business
contribution to Sustainable Development
COM (2002) 347 final

About Us

The Federal Chamber of Labour is by law representing the interests of about 3.2 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is a part of the Austrian social partnership.

The AK EUROPA office in Brussels was established in 1991 to bring forward the interests of all its members directly vis-à-vis the European Institutions.

Organisation and Tasks of the Austrian Federal Chamber of Labour

The Austrian Federal Chamber of Labour is the umbrella organisation of the nine regional Chambers of Labour in Austria, which have together the statutory mandate to represent the interests of their members.

The Chambers of Labour provide their members a broad range of services, including for instance advice on matters of labour law, consumer rights, social insurance and educational matters.

More than three quarters of the 2 million member-consultations carried out each year concern labour-, social insurance- and insolvency law. Furthermore the Austrian Federal Chamber of Labour makes use of its vested right to state its opinion in the legislation process of the European Union and in Austria in order to shape the interests of the employees and consumers towards the legislator.

All Austrian employees are subject to compulsory membership. The member fee is determined by law and is amounting to 0.5% of the members' gross wages or salaries (up to the social security payroll tax cap maximum). 560.000 - amongst others unemployed, persons on maternity (paternity) leave, community- and military service - of the 3.2 million members are exempt from subscription payment, but are entitled to all services provided by the Austrian Federal Chambers of Labor.

Herbert Tumpel
president

Werner Muhm
director

Executive Summary

First of all, we would like to refer to our fundamental position on corporate social responsibility (CSR) as outlined in our opinion on the Green Paper on Corporate Social Responsibility of 14 September 2001.

We would like to stress 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.

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.

The global dimension of CSR

The global dimension of CSR can prepare the way for better enforcement of global minimum standards in the area of social affairs and the environment. We support the assertion that European enterprises have a new responsibility to bear in their crossborder business activities as well as the fact that a suitably efficient system is faced with global market liberalisation and trade integration, ensuring universal minimum standards.

When promoting the global dimension of CSR, it is important to take existing international standards and agreed instruments as its basis. The OECD Guidelines for Multinational Enterprises are of particular importance. They constitute a framework for responsible economic behaviour that has been worked out jointly. On the one hand, the guidelines are directed at multinational enterprises and call on these to comply with the agreed norms.

On the other the signatory states, who are host countries to a good 90% of investments worldwide, have undertaken to publicise the guidelines and are also jointly responsible to a certain degree for ensuring that they are complied with. The governments have an important role to play here. We support all attempts to actively build the guidelines into the policy of promotion. These should likewise be anchored in international agreements. In connection with this, the Commission chooses an extremely cautious way to express itself in Chapter 7.6. "External relations policies, including development policy and trade". We also call on the Commission to make aggressive use of this action framework and to drive forward social justice and fair conduct.

The key elements of the EU action framework

It is our conviction 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.
- 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 2002 – 2006, page 13 onwards)
- Anti-discrimination measures

This raises the question of whether two CSR concepts should not be drawn up in parallel: one for the European Union and one for cross-border business activities, particularly with regard to North-South relations. In any case, the supply chains, special economic zones etc. need to be included.

Whilst the observance of core labour standards, human rights and global environment standards will be the focal point of the global dimension, we believe that the following topics in particular are relevant to the European Union:

- 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.)

Socially responsible investment policy, particularly in connection with pension funds and redundancy pay funds (Mitarbeitervorsorgekassen) -Draw up procedural minimum requirements for verifying 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.

Controlling the observance of codes of conduct and other instruments of CSR is undoubtedly the biggest weak point up to now and also the biggest challenge. Trade unions, works councils as well as the individual workers themselves need to be included in an appropriate form.

- Consolidating the current activities at a high level.

In conclusion, we would like to again express 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).

We welcome the fact that corresponding attempts at this are contained in the concrete communication (Point 7.5. Public procurement policy).

For any further questions please contact

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