Universität für Bodenkultur Wien
Department für Wirtschafts- und
Sozialwissenschaften

Soft Instruments, Few Networks: How 'New Governance' Materialises in Public Policies on Corporate Social Responsibility across Europe

Reinhard Steurer

InFER | Institute of
Forest, Environmental, and Natural Resource Policy

Diskussionspapier / Discussion Paper 3-2011

2011

University of Natural Resources and Applied Life Sciences, Vienna
Department of Economic and Social Sciences

Diese Reihe ist ein Publikationsorgan von InFER, dem Institut für Wald-, Umwelt- und Ressourcenpolitik der Universität für Bodenkultur Wien. Der Inhalt der Diskussionspapiere unterliegt keinem Begutachtungsverfahren, allein die Autorinnen und Autoren zeichnen verantwortlich. Anregungen und Kritik seitens der Leserinnen und Leser sind ausdrücklich erwünscht.

This series is edited by InFER, the Institute of Forest, Environmental, and Natural Resource Policy at the University of Natural Resources and Applied Life Sciences, Vienna (BOKU). The discussion papers are not subject to review procedures. Therefore, responsibility for the content lies solely with the author(s). Comments and critiques by readers are highly appreciated.

ISSN 2072-764X

Also published as:

Steurer, R. (2011): Soft Instruments, Few Networks: How 'New Governance' Materialises in Public Policies on Corporate Social Responsibility Across Europe, in: Environmental Policy and Governance, 21/4, 270-290.

Bestelladresse / orders to:

Institut für Wald-, Umwelt- und Ressourcenpolitik
Universität für Bodenkultur Wien
Feistmantelstr. 4
A – 1180 Wien
Tel: + 43 – 1 – 47 654 – 4410
Fax: + 43 – 1 – 47 654 – 4417
e-mail: edith.hoermann@boku.ac.at

In dieser Reihe erschienene Diskussionspapiere können von folgender Homepage als PDF-Files geladen werden: http://www.wiso.boku.ac.at/papers.html

The papers published in this series can be downloaded in PDF-format from: http://www.wiso.boku.ac.at/papers.html

Eigenverlag des Instituts für Wald-, Umwelt- und Ressourcenpolitik, Universität für Bodenkultur Wien

Published by the Institute of Forest, Environmental, and Natural Resource Policy, University of Natural Resources and Applied Life Sciences, Vienna (BOKU)

Abstract

The present paper explores how new governance materialises in public policies on Corporate Social Responsibility (CSR) across Europe. By highlighting how both new governance and CSR facilitate the dispersion of public responsibilities to non-state actors the paper first highlights the often overlooked complementarity of the two concepts. It then takes stock of how governments across Europe aim to shape and promote CSR by employing five different types of policy instruments. An analysis of the empirical stocktaking in the light of the new governance theory confirms that public polices on CSR strongly resemble the new governance rationale, however, not so much because of tangible networks employed but due to their voluntary character. The paper adds evidence to the growing body of literature showing that new governance is also concerned with influencing actors from a distance without actually being involved in networking activities, and without making use of their legislative power (also referred to as 'governing at arm's length'). Conclusions are drawn on the modes of governance and the role of persuasion in the context of new governance.

Keywords

Corporate Social Responsibility (CSR), public policies on CSR, CSR policies, new governance, network governance, persuasion, governing at arm's length, soft regulation, regulation by information, co-regulation

1. Introducing and relating new governance, CSR, and public policies on CSR

New governance and Corporate Social Responsibility (CSR) are complementary concepts that fundamentally reshape the roles of the public and the private sector in similar directions. Although the literature on the two related phenomenon is abundant, new governance and CSR (not to mention the hardly recognised public policies on CSR) are rarely noticed as concepts that require and shape each other to a certain extent (Moon 2002; Midttun 2005), simply because they are discussed in different disciplines. In how far does new governance entail CSR (or vice versa)? In the face of economic globalisation, the emergence of powerful multinational corporations and complex border-crossing environmental problems, new governance accounts for the fact that governments are no longer in the position to take sole responsibility for achieving public policy goals or to deliver public services on their own through hierarchical governance. Consequently, the new governance concept highlights that governments often rely on soft forms of regulation that often entail co-operation with businesses and Civil Society Organisations/CSOs (Knill & Lehmkuhl 2002; Bartle & Vass 2007; Esmark 2009). Accordingly, networks now complement hierarchies and markets as major approach of societal steering (also referred to as structural mode of governance), and partnering policy instruments (such as voluntary/negotiated agreements and public-private partnerships) have been added to the spectrum of government tools on a grand scale (Jordan et al. 2003; Rittberger & Richardson 2003; Holzinger et al. 2006; Croci 2008; Howlett 2009).

When ‘crucial elements of authority are shared with a host of non-governmental or other-governmental actors’ (Salomon 2002, 2), the role of businesses in society changes to the degree they accept the sharing of ‘public responsibilities’ (Stoker 1998, 19ff). The rise of CSR indicates that the private sector has accepted the sharing of public responsibilities in recent years, certainly not entirely voluntarily but rather due to pressures exerted by various non-state stakeholders. By pursuing CSR as a management approach, businesses broaden their short-term profit-making focus by taking issues of public concern into account. According to the European Commission (2001, 2002, 2006), 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’. This integration effort is supposed to expand the bottom line of profit maximisation to the so-called triple bottom line (Elkington 1994; Dahlsrud 2008). By so doing businesses contribute more or less voluntarily to the societal guiding vision known as sustainable development (Moon 2007). As the CSR critic Henderson (2001, 28) puts it provocatively, CSR is now ‘a common body of doctrine’ that requires businesses to ‘play a leading part in achieving the shared objectives of public policy and making the world a better place'. Thus, CSR and stakeholder theory can be read as the management science story lines grappling with the changing roles businesses play in the new governance transition.

Obviously, new governance and CSR both emphasise that the previously sharp division between the public and the private spheres is bygone; that 'traditional notions of public and private responsibilities are being turned on their heads' (Salomon 2002, 41; see also Börzel 1998; Knill & Lehmkuhl 2002), although with different connotations. While new governance replaced the once popular formula 'Public vs. Private' (typical for the New Public Management age of the 1980s and early 1990s) with 'Public + Private' (Salomon 2002, 14), CSR and public policies fostering CSR take this transition one step further to 'Public within Private', or to the 'public role of private enterprises' (Nelson 2004; see also Haufler 2001). The latter expresses itself e.g. in strategic triple-bottom line management, stakeholder management, and in the implementation of voluntary standards, programmes, and agreements (see section 2 below, and Koehler 2007, Daley 2007; Darnall & Sides 2008; Delmas & Montiel 2008; Rivera 2008).

As Steurer (2010) and the present paper show, governments facilitate CSR with a variety of soft, non-binding, sometimes partnering public policies (see section 3). Since CSR is 'not simply a feature of the new global corporation but is increasingly also a feature of new societal governance' (Moon 2007, 302), these public policies on CSR are not only features of a weakened nation state that has increasing difficulties in regulating global business with traditional means (for different approaches of regulating businesses, see Steurer, forthcoming). They are also an expression of new governance approaches that became opportune in increasingly complex societies. Since public policies on CSR are driven by the rise of both new governance and CSR but also actively shape these changes, they are an ideal subject to explore the following two-part research question: How do governments in Europe attempt to promote CSR, and how does new governance materialise in respective public policies? As Hood (2007, 125) puts it, 'the value of identifying government's basic instruments is precisely that it can help us explore different governance paradigms across time and space'.

The two research questions are addressed as follows. Section 2 brings the usually separated theories concerned with new governance and CSR closer together. Section 3 explores empirically what policy instruments governments of the 27 EU Member States (EU-27) use to shape and promote CSR.[1] Section 4 analyses the 'policy dimension' of new governance (Treib et al. 2007) by showing how exactly the public policies on CSR presented here resemble the new governance rationale. It highlights that new governance materialises not necessarily in networks but rather as 'governing at arm's length' with regard to policy instruments, combined with the market mode of governance and persuasion with regard to the underlying steering mechanism. Section 5 finally draws some conclusions on the new governance of CSR.

2. Linking new governance and stakeholder theory

Networks have dominated scholarly works on (new) governance for more than a decade now. Since networks transcend the boundaries of societal domains, they emerge as important governance mode in public as well as in corporate settings, but in distinct ways. It is well known among policy scholars but hardly recognised among CSR experts that two distinct yet overlapping understandings of 'governance' have dominated the governance discourse in recent years. On the one hand, scholars regard networks as one of three structural modes of governance, alongside hierarchies and markets. Here, governance denotes 'the ways in which governing is carried out without making any assumption as to which institutions or agents do the steering' (Gamble 2000, 110), and taking into account all kinds of structures and mechanisms of governance. Steering via hierarchies is regarded as the traditional form of governance that is characterised by the governance mechanisms of command and control through the state. The market mode of governance is mainly based on competition facilitated by market forces, and the governance mechanisms of network structures are commonly understood as negotiation, mutual adjustment and collaboration between interdependent actors (Thompson et al 1991; Gamble 2000; European Commission 2001; Considine & Lewis 2003; Kooiman 2003; Donahue 2004). Although the broad notion of governance separates governing as a policy-making process from government as one of many political agents, it acknowledges governments still as key political actors who often engage with non-governmental actors through networks (Gamble 2000; Davies 2002; Ling 2002; Marinetto 2003; Kooiman 2003). On the other hand, the so-called 'Anglo-Governance School' regards networks as the 'total quantity' of governance (Marinetto 2003), clearly contrasted from 'government' (see also Börzel

[1] This section is largely based on material published already elsewhere (for details see the footnotes at the section sub-headings). The same empirical material was also analysed and published with regard to regional variances across

1998; Stoker 1998, Rhodes 2000). Overall, the two understandings have in common that they both acknowledge the increasing importance of networks established between a broad variety of state and non-state actors. In line with the broad notion of governance, the present paper refers to this development as 'new governance'.

More recently, governance scholars have highlighted that governments can also steer businesses and society 'at arm's length' (Hysing 2009), or from a distance. According to the literature, these new governance approaches comprise, for example,

- Appealing, providing guidance, approving, encouraging, or lending authority to voluntary non-state initiatives (Bartle & Vass 2007; Héritier & Lehmkuhl 2008; Hysing 2009);
- Informing, educating, or facilitating the disclosure of information that is relevant for CSR and stakeholder management (also referred to as 'regulation by information' by Majone 1997; see also Lyon & Maxwell 2007), and
- Threatening with state regulation in case CSR and corporate stakeholder management fail to achieve their agreed-upon objectives (Héritier & Eckert 2008).

Although these and other mechanisms of governing at arm's length are obviously in line with the soft, collaborative rationale of new governance, a closer look at the CSR policies portrayed below will show that they steer at arm's length not only with regard to those regulated but also with regard to the three governance modes mentioned above, including networks. The paradox that these and other mechanisms of governing at arm's length resemble the new governance rationale without relying on (tangible) networks will be revisited in sections 4 and 5.

Stakeholder theory is conceptually complementary to the notion of new governance as described above because it is the only major management theory concerned with the sharing of 'public responsibilities' by private businesses (Stoker 1998, 19ff). It is well known among CSR scholars but hardly recognised in the policy science circles that stakeholder theory explores politically relevant issues such as (i) why and how companies assume a public role by managing the interests of stakeholders and stakeholder groups (Freeman 1984; for different conceptions of stakeholder networks, see Rowley 1997), (ii) what types of stakeholders count for companies (Mitchell et al 1997, Agle et al 1999), (iii) what strategies stakeholders use to steer companies (Frooman 1999; van Huijstee & Glasbergen, 2010), and, (iv), what effects stakeholder management has on the performance of companies on the one hand and societal developments on the other (Clarkson 1998; Steurer 2006; Laplume et al. 2008). Stakeholder theory helps to understand that CSR emerged neither because of legal requirements nor solely for normative

---

Europe (see Steurer et al., forthcoming).

or moral reasons, but rather as an instrumental (or strategic) business response to increasing demands and pressures of stakeholder groups that either represent market players (e.g. investors, suppliers, employees, customers, etc.) or have influence over them. In line with the new governance interpretation of networks as relationships of interdependent actors, stakeholder theory makes clear that 'it is the dependence of firms on environmental actors (i.e. external stakeholders) for resources that gives actors leverage over a firm' (Frooman 1999, 195). If corporations do not respond adequately to societal demands, economically important stakeholders such as investors or customers could place increasing costs on unsustainable business practices (Hill 2001, 32; Rivera et al. 2009). Although stakeholder theory emphasises that CSR is strongly concerned with managing networks of stakeholders it leaves overall no doubt that the underlying governance mode is market- rather than network-centred: stakeholder expectations are usually taken into account because of instrumental competitiveness concerns rather than because of normative beliefs in collaboration.

Obviously, new governance and CSR (or stakeholder theory respectively) alter the roles of governments and businesses in complementary ways. Generally speaking, both concepts tackle sustainable development with governance modes that go beyond hierarchies and in which non-state actors play a key role. Thus, they both favour soft forms of state regulation, civil pressure and market forces over state coercion in the form of command and control. Yet, how does new governance materialise in public policies that aim to promote CSR in Europe? Based on this section one would expect the extensive use of network- or market-based policy instruments. As the remainder of this paper shows, neither of the two instrument types is as important as one would expect. This will raise some questions about the modes and mechanisms that constitute new forms of governance.

3. Characterising public policies on CSR in the EU-27: instruments and themes

Many European governments have assumed an increasingly active role in shaping and facilitating CSR with uniquely soft policy instruments in recent years. Consequently, public policies on CSR emerged as a new policy field that complements conventional social and environmental hard-law regulation. Based on a systematic comparison of various CSR policy typologies (Steurer 2010), this section first organises CSR policies by distinguishing five types of policy instruments that are employed in four fields of action. Details on how the EU Member State governments actually promote CSR are then presented for three of the four fields of action. The empirical stocktaking that is summarised here is based on three different qualitative telephone surveys with public administrators from the EU-27 working on the respective CSR themes, and on subsequent case studies on selected CSR policies. The surveys and the case studies were conducted between August 2006 and March 2008. For the stocktaking surveys alone, more than 200 public administrators were contacted and 65 qualitative telephone interviews were carried out (for details on the survey interviews, see Annexes 1 and 2). The surveyed experts were identified in co-operation with the Directorate General (DG) for Employment, Social Affairs, and Equal Opportunities (the commissioner of the study) and the EU High Level Group on CSR (a group of Member State representatives responsible for CSR in their country). The survey and case study findings were then presented to and discussed with the EU High Level Group on CSR at four occasions (for details see the project website in footnote 2). The three stocktaking surveys and the feedback loops resulted in a collection of 212 CSR policies, to be illustrated selectively hereunder.[2] Reflecting the professional knowledge of the surveyed experts, the survey results provide a rich but certainly not complete picture of CSR policy making across Europe for the fields of action under scrutiny.

CSR policy instruments[3]

Government activities on CSR can be organised with regard to policy instruments used and themes addressed. Policy instruments can be defined as 'tools of governance', representing 'the relatively limited number of means or methods by which governments effect their policies' (Howlett & Ramesh 1993, 4). Although 'There is no single agreed characterization of government resources or instruments in the literature on public administration' (Hood 1983a, 201), one can distinguish a standard set of instruments consisting of informational, financial and legal governance tools (Howlett & Ramesh 1993; Bemelmans-Videc et al. 1997; Jordan et al. 2003), plus two additional instruments that play a role in the context of CSR (Steurer 2010):

- Legal instruments (or 'sticks') prescribe desired choices and actions by making use of the state's legislative, executive and judicial powers. The underlying rationales are hierarchy and authority. Examples, all typical for the hierarchical governance mode, are laws, directives, and regulations.
- Financial instruments (or 'carrots') are based on the resources of the taxing authority and treasure. Their rationale is to influence behaviour with financial incentives and market forces. Obviously, they combine the hierarchical and the market mode of governance. Examples are taxes, tax abatements, subsidies and awards.

[2] In the telephone surveys, we found 202 CSR policy instruments. Based on the feedback from the EU High Level Group on CSR, we added 9 awareness raising initiatives and 1 SPP initiative, bringing the total number to 212. The complete study reports can be downloaded at www.sustainability.eu/csr-policies

[3] This section is taken from Steurer 2010.

- Informational instruments (or 'sermons', metaphorically speaking) are based on the resource of knowledge. Their rationale is moral or factual persuasion. As they are usually restricted to highlighting options and the possible consequences, they imply thereby no constraints. Examples are government-sponsored campaigns, guidelines, trainings and websites.
- Partnering instruments (or 'ties') are typical for the new governance narrative in general. They build on a co-regulatory rationale, assuming that interdependent actors have an interest to avoid conventional regulations by exchanging complementary resources. Due to the voluntary character of CSR and its strong resemblance of the new governance rationale, one would assume that CSR policies make extensive use of partnering tools, such as public-private partnerships and stakeholder forums (Fox et al. 2002).
- Hybrid instruments (or 'adhesives') combine two or more of the instruments mentioned above (see also Rittberger & Richardson 2003 and Hood 1983a, the latter speaking of organisational instruments). Among the most significant hybrid CSR policy instruments are, for example, CSR platforms/centres and CSR strategies, all coordinating several other policy instruments and actors.

Thematic fields of action[4]

Based on a systematic analysis of several stocktaking efforts, the CSR policy field can be characterised by the following four thematic fields of action (Steurer 2010):

- Raise awareness of and build capacities for CSR: Due to the voluntary character of CSR, the concept's implementation essentially depends on how social and environmental concerns are perceived among both companies and their stakeholders. Thus, an important activity for governments is to raise awareness of CSR and to build the respective capacities to implement it among both groups. Voluntary programmes/agreements with government involvement can be regarded as capacity building for CSR.
- Improve disclosure and transparency: Reliable information on economic, social and environmental impacts is a prerequisite for stakeholders such as investors, regulators, employees and customers (including public procurers) to favour those who take CSR seriously. Governments can play a key role in improving the quality and dissemination of CSR reporting and other forms of disclosure.
- Facilitate socially responsible investment (SRI): By considering the economic, social, environmental and/or other ethical criteria in investment decisions, SRI merges the concerns of stakeholders with shareholder interests (Eurosif 2010). Fostering SRI helps to embed CSR in the functioning of shareholder capitalism.
- Finally, governments can lead by example (or 'walk the talk') and provide incentives for CSR by applying respective principles and practices in their own domain, in particular by making public procurement more sustainable or by investing public funds in socially responsible ways.

Since the five policy instruments can be employed in all four fields of action, public policies on CSR can be characterised with a matrix typology that consists of 20 cells (see Steurer 2010). The empirical stock taking summarised below fills the cells of the typology with illustrative examples for three of the four themes, i.e. for

[4] This section is taken from Steurer 2010.

awareness raising (excluding capacity building), fostering socially responsible investment, and for leading by making public procurement more sustainable.

Public policies aiming to raise awareness of CSR[5]

The survey on CSR awareness raising activities in EU Member States was conducted between August and October 2006. Although it excluded policies on capacity building (such as negotiated agreements) it revealed 85 CSR policies, ranging from zero per country (Poland and Estonia) to nine per country (Spain and Ireland). As illustrated in figure 1, most of the surveyed policies are informational instruments (48.3 per cent), followed by hybrid ones (25 per cent), many of which combining informational and partnering aspects. Only 15 per cent fall into the category of partnering instruments, and another 15 per cent can be regarded as economic incentive instruments. Not surprisingly, legal instruments hardly exist in this context. The most popular informational instruments aiming to raise awareness of CSR are self-explanatory, such as research and educational activities, the provision of information resources, and the development of CSR guidelines, such as the German Corporate Governance Code (Werder et al. 2005, 178f) and the Austrian CSR Guiding Vision (Konrad et al. 2008). Finally, governments also aim to raise awareness of CSR with campaigns, such as the one for the British Payroll Giving scheme that strengthens often critical CSOs by granting tax exemptions to employees who give money to them via an approved Payroll Giving Agency.[6]

A partnering instrument facilitating awareness of CSR is the Swedish 'Globalt Ansvar' (meaning 'global responsibility').[7] Four ministries launched the partnership in March 2002 as the national focal point for CSR, based on a parliamentary investigation concluding that it was indeed necessary to sensitise Swedish companies regarding greater social responsibility in a global context. 'Globalt Ansvar' aims to turn Swedish companies 'into ambassadors of human rights, decent labour conditions, environmental protection, and anti-corruption' around the world by making use of a website, networking activities, seminars, trainings and workshops on CSR, many of them in co-operation with Swedish embassies.

Widely used but relatively weak economic incentives that raise awareness of CSR are awards (such as the Austrian 'Trigos' award; http://www.trigos.at/). The opposite of awarding, i.e. bad practice 'naming-

---

[5] If not stated otherwise, this sub-section is based on Berger et al. 2007.

[6] See http://www.inlandrevenue.gov.uk/payrollgiving

[7] See http://www.regeringen.se/sb/d/2657

and-shaming' with so-called 'blacklists', was discussed at the European level in the early 2000s but was never put into practice (European Commission 2002, 2006). Other, less used but more salient, economic incentive instruments are export subsidies with CSR strings attached. In Sweden, for example, export credits and state guarantees for foreign investments are granted only if companies sign an anti-corruption agreement. By linking foreign investments to CSR, the government raises awareness of the issue among companies that are usually hard to reach.

Hybrid instruments on CSR awareness raising and capacity building that often combine partnering and informational aspects are centres or platforms, such as the Dutch 'Knowledge and Information Centre on CSR'.[8] Following advice provided by the Dutch Social and Economic Council (the main advisory body to the Dutch Government on social and economic policies), the Dutch government established a centre for CSR with an annual budget of approximately € 1 million in 2004. The Centre co-ordinates CSR activities in the Netherlands, disseminates knowledge on CSR, and promotes dialogues and partnerships between state- and non-state actors.

Public policies fostering socially responsible investment (SRI)[9]

Between November 2007 and January 2008, more than 90 public administrators working on CSR and SRI policies from all 27 EU Member States were contacted. Sixteen Member States provided information on 46 policy instruments, but 32 of the instruments did not fit into the scope of the study and had to be excluded. Six of the 14 policies from seven EU Member States are legal instruments, followed by four financial/economic, three informational, and one hybrid instrument. Not a single partnering SRI initiative was found in the surveyed countries (see figure 1). Among the comparatively few policies on SRI, the following are worth mentioning. In 2007, the Belgian government adopted a law that forbids Belgian investors to finance or invest in companies that are in any way involved with anti-personnel mines and cluster munitions. However, as with other legal CSR policy instruments, the law is soft as disclosure requirements for professional investors are low, making it difficult for state authorities to learn about violations. Moreover, sanctions for offenders are not foreseen. A more demanding law on SRI was enacted in Sweden. In 2000, five political parties adopted the so-called Public Pension Funds Act.[10] It requires all Swedish National Pension Funds (AP1-AP5 and AP7) to have an annual business plan

[8] See http://www.mvonederland.nl/

[9] If not stated otherwise, this sub-section is based on Steurer et al. 2008b.

[10] See http://www.ap3.se/en/

expressing how environmental and ethical issues are considered in the Pension Fund's investment activities and what impact these considerations have on the management of the funds. Although pension funds can comply with the law without major SRI effort, it has led to a rare hybrid initiative that combines informational, partnering, and economic aspects. In 2007, four of the six funds (AP1-AP4) established the Joint Ethical Council that engages in CSR dialogues with companies that the pension funds are interested in investing in. The Ethical Council makes recommendations to the companies and pension funds, and if it concludes that a company does not meet the Council's CSR principles the pension funds may decide to divest their holdings.[11] Less ambitious regulations that require pension funds to disclose their investment policy with regard to SRI exist, for example, in the UK.[12] Two informational instruments promoting SRI are the Austrian website www.gruenesgeld.at ('green money') and the Dutch 'Sustainable Money Guide'. An economic SRI policy is the Dutch Green Funds Scheme, which was developed jointly by three ministries and introduced by the Dutch tax office in 1995. It facilitates green investments in certified projects that meet certain environmental standards via tax exemptions (such as wind farms or organic farming). With the help of banks, the Green Funds Scheme covers both sides of investing, i.e. it facilitates saving money with a 1.2% reduction of the capital gains tax, and then borrowing it for green projects at interest rates 1-2% below market rates. Thus far, the Green Funds Scheme has attracted approximately 200,000 savers and enabled around 5,000 green projects.

Public policies promoting sustainable public procurement (SPP)[13]

The survey on SPP in the EU-27 was conducted in March and April 2007. It revealed 103 SPP policies from 26 EU Member States, ranging from one (Latvia, Luxemburg, Portugal, Romania, Slovak Republic, and Spain) to nine in the UK. As figure 1 shows, most of the 103 SPP policies are legal (35 per cent), followed by hybrid (33 per cent), and informational instruments (31.1 per cent). As is the case for SRI, partnering instruments also hardly exist in the context of SPP. The same applies to economic incentives that encourage government bodies to make public procurement more sustainable. Indirectly, however, all of the SPP policies represent also economic incentives for businesses to pursue CSR (see section 4).

---

[11] See http://www.ap3.se/en/

[12] See http://www.opsi.gov.uk/si/si1999/19991849.htm

[13] If not stated otherwise, this sub-section is based on Steurer et al. 2007.

Most of the SPP laws found in the survey are direct responses to the EU public procurement Directives 2004/18/EC (focussing on contracting authorities) and 2004/17/EC (oriented towards special sectors of contracting authorities).[14] Both directives were adopted in March 2004 in order to simplify and modernise the existing procurement legislation across Europe. Although the two directives do not prescribe SPP, they open the possibilities to consider social and/or environmental criteria at an early stage of the tendering processes (McCrudden 2007; van Asselt et al. 2006). As the survey has shown, most EU Member States have renewed their procurement laws in line with the two directives. The procurement laws are in line with both the new governance rationale and CSR because they do not prescribe SPP but rather open the respective possibilities (McCrudden 2007).

Many governments also use informational instruments to advise their own staff on SPP. In Austria, the environmental criteria catalogue 'Check it', the guidelines 'Greening Events', and General Government Guidelines on green public procurement (GPP) provide detailed guidance. In 2004, however, the Austrian council of ministers refused to adopt a revised version of the guidelines because it regarded the costs of GPP to be unclear, which is overall a key obstacle for SPP across Europe. A rare example of a partnering instrument on SPP is the Dutch PIANOo network. It fosters the exchange among public procurers mainly via its homepage www.pianoo.nl.

Most of the hybrid instruments are national action plans and programmes on SPP. At the time of the survey, nine Member States have adopted an action plan and seven were drafting one, most of which only focus on the environmental aspects of procurement. They are a response to a call for action plans issued in the European Commission's (2003) Communication on 'Integrated Product Policy'. These action plans aim to systematically improve and co-ordinate Member State activities on SPP. One of the most comprehensive strategic frameworks on SPP is operational in the UK. In 2007, the UK government adopted a 'Sustainable Procurement Action Plan' (Defra 2007) that aims to turn the UK into a leader in SPP by 2009. The plan was drafted based on recommendations that were formulated by a business-led Sustainable Procurement Task Force (Defra 2006).

[14] See http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_134/l_13420040430en01140240.pdf and http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_134/l_13420040430en00010113.pdf

4. Comparing new governance theory and public policy practice

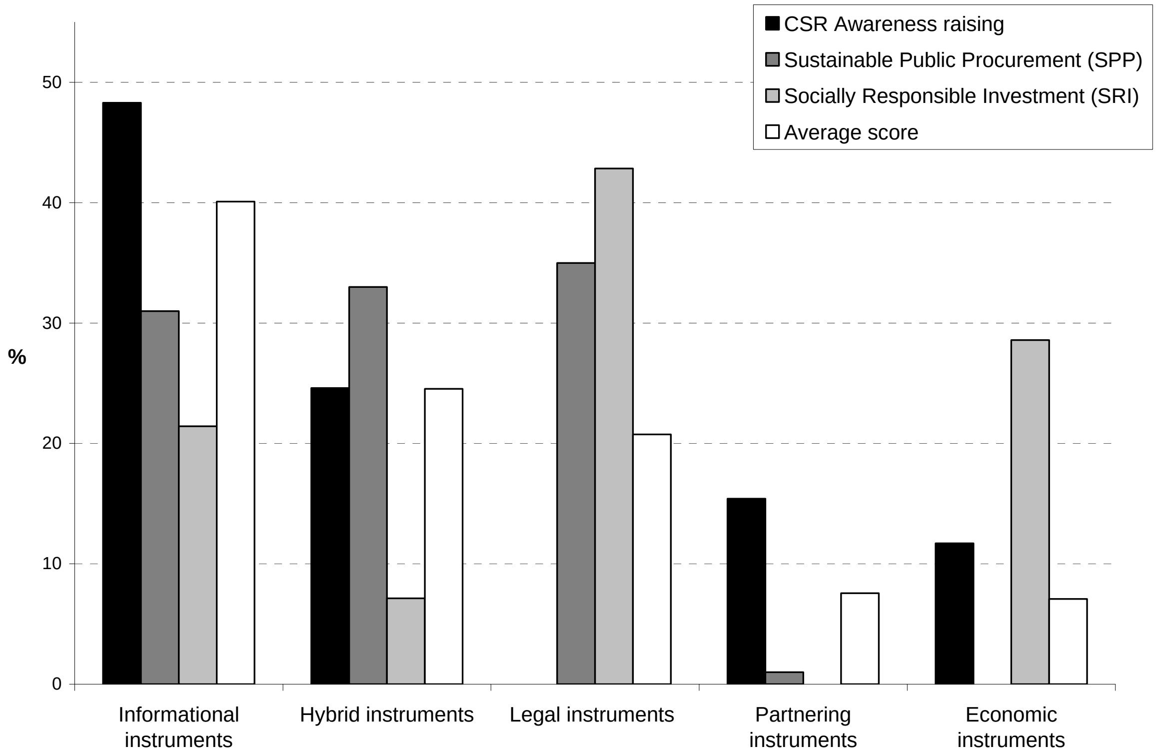
The previous section has shown that governments across Europe are active in stimulating CSR with various soft policy instruments. The empirical findings are now put into perspective with the conceptual and theoretical explorations in section 2. How does new governance materialise in public policies on CSR in terms of policy instruments and steering mechanisms employed?

a) Few networks

As emphasised in section 2, networks are a defining attribute of new governance and CSR. Nevertheless, this structural mode of governance hardly materialise in the public policies on CSR described here, at least not in tangible ways. As the previous section shows in detail and figure 1 summarises at a glance, only 7% of the surveyed 212 CSR policies fall into the category of partnering, network-like policy instruments. Even if the hybrid instruments with a strong partnering component are added, the share of partnering instruments increases only slightly to 10%.[15]

[15] Of the 52 hybrid instruments, only the following five awareness raising initiatives show strong partnering components: (i) the 'Knowledge and Information Centre on CSR' in the Netherlands, (ii) the platform 'respACT' in Austria, (iii) the CSR focal point 'Globalt Ansvar' in Sweden, (iv) the programme 'People & Profit' in Denmark, and (v) the programme 'Business in the Community' in the UK.

Figure 1: Types of policy instruments used in three CSR policy fields of action (n=212).



What role do networks play in formulating and implementing the CSR policies described here? When asked for the success factors of public policies on CSR, survey respondents emphasised repeatedly that businesses should be involved in CSR policy making in order to raise awareness of the issue, secure acceptance as well as commitment, and benefit from valuable expertise that makes CSR policies demand-driven and tailor-made (Berger et al. 2007; Steurer et al. 2007). Although CSR policy makers aim to co-operate with businesses, business associations, and CSOs in formulating and implementing CSR policies, their networking ambitions often face limitations: To name just two examples, only a limited number of companies have joined the Swedish partnership 'Globalt Ansvar' (Berger et al. 2007), and only few businesses have participated in a stakeholder consultation process that led to the CSR Austria guiding vision (Konrad et al. 2008). As these and other examples suggest, businesses seem to select carefully where to network with governments and where not.

b) Soft instruments

Despite the rather low profile of (tangible) networks, public policies on CSR are nevertheless soft and voluntary in nature, resembling new governance in the sense of governing at arm's length as described in section 2. But what exactly does governing at arm's length mean in the context of CSR? What mechanisms of steering does it employ? First, the literature suggests that threatening with state regulation in case business self-regulation or societal co-regulation fail to deliver is common practice (Héritier & Eckert 2008), and so are activities falling into the category of appealing, providing guidance, approving, encouraging, or lending authority to voluntary non-state initiatives (Bartle & Vass 2007; Héritier & Lehmkuhl 2008; Hysing 2009). While guidelines on CSR (or aspects thereof) feature prominently in the stocktaking summarised here, threats and encouragements are political statements that emerge in case studies but obviously not in a stocktaking of policy instruments as summarised here. What is captured here is another form of governing at arm's length, namely 'regulation by information'. On the one hand, governments simply inform and educate companies as well as stakeholders with a broad variety of informational instruments (accounting for about 40% of the CSR policy instruments described above). On the other hand, governments also facilitate the disclosure of information that is particularly relevant for various types of regulation such as business self-regulation, civil regulation (i.e. stakeholder pressure) and co-regulation between businesses, CSOs and/or governments (for details see Steurer, forthcoming). The second type of 'regulation by information' can be found in the SRI context, and even more so in policies concerned with CSR reporting (not covered here).[16]

As a comparison of the conceptual introduction in section 2 and the empirical stocktaking in section 3 brings to the fore, at least one (increasingly important) soft steering approach is often overlooked in the governance literature. Governments steer businesses softly also through leading by example, e.g. by making public procurement more sustainable or by investing (pension) funds in socially responsible ways (Steurer 2010).

c) Markets and persuasion in new governance

Since neither hierarchies nor (tangible) networks play important roles in the context of public policies on CSR, what modes of governance do we find in a policy field that shares most of the characteristics of the new governance rationale? First, the market mode of governance is obviously more important in the context of new governance than usually recognised. It comes most obviously to the fore when governments aim to increase the demand for CSR by making public procurement more sustainable. Since public procurement in the EU accounts for approximately 16 per cent of the EU's gross domestic product or € 1.5 trillion (European Commission 2004), sustainable public procurement is a soft but

[16] Even if governments require companies to disclose information on their social and environmental performance, respective laws have usually little in common with command and control via hierarchies because compliance is not monitored and sanctions are not foreseen (Steurer 2010).

potentially powerful approach to improve corporate sustainability via market mechanisms. Moreover, the market mode of governance plays a role when governments try to facilitate CSR with economic incentives (in terms of policy instruments), by raising awareness for the 'CSR business case', and by improving the transparency of CSR so that market players can better assess it as a normal good (in terms of topical fields of action).

Although the market mode of governance plays obviously a prominent role for public policies on CSR and the underlying new governance rationale, economic incentives and competition among rational actors are certainly not the only steering mechanism at work here. As illustrated throughout the paper, governing at arms' length in the context of CSR relies strongly on persuading businesses and their stakeholders from a distance, often without being involved in market transactions or (tangible) networks, and certainly without using mandatory force. As the present paper illustrates, governments can draw on one or more of the following resources when persuading businesses or their stakeholders to pursue CSR:

- 'Nodality' (Hood 1983a, 1983b, 2007), i.e. access to knowledge, monitoring data, dissemination and education channels;
- Organisation in the form of monitoring and benchmarking capacities, or as a means to lead by example by applying CSR management practices (such as environmental management systems or sustainability reporting in government agencies);
- Government legitimacy and authority (in a persuasive, non-hierarchical sense) that can be translated into stakeholder and business peer pressure, in particular in combination with monitoring and benchmarking activities (Hysing 2009); and
- Shadow of hierarchy, i.e. the presence of the machinery of government and the (theoretical) option of regulating social and environmental issues hierarchically (Héritier & Eckert 2008) which would take them out of the voluntary domain of CSR (Steurer 2010).

Obviously, governments have several resources at their disposal to persuade non-state actors. Since persuasion is obviously an important steering mechanism that can be subsumed under the heading of new governance, the final question to be explored here is how it relates to hierarchies, markets and networks as the three governance modes usually distinguished in the literature (see section 2).

d) Is persuasion a governance mode in its own right?

So far, governance scholars have rarely addressed persuasion as a form of steering, and if they did so they addressed it usually in combination with one of the three governance modes mentioned above (for recent contributions, see e.g. de Wet 2008; Kleine & Risse 2005). Ayres and Braithwaite (1992) and Braithwaite (2007), for example, were among the first to point out that hierarchical governance through hard law should be accompanied by soft forms of communication and persuasion in order to increase acceptance and compliance among those regulated. According to Braithwaite (2007), this kind of 'responsive regulation' 'enforces agreed upon standards, preferably through teaching, persuading and encouraging those who fall short, but it uses punishment when necessary to achieve its regulatory objectives' (see also Braithwaite et al. 2007). Majone (1997), on the other hand, emphasised the potential of 'regulation by information' as a stand-alone approach of societal steering. By looking at European agencies that have not been granted broader powers he pitted 'Command vs. Persuasion', and he concluded (probably excessively optimistic) that persuasion is much more likely to achieve policy objectives concerned with technologically complicated matters than 'commands and controls' (Majone 1997, 269). More recently, Thaler and Sunstein (2008) have advocated 'libertarian paternalism' as a form of soft regulation that influences choices without limiting the liberty to choose. Apart from providing guidance, information and feedback, libertarian paternalism relies in particular on 'nudges' such as suggesting but not prescribing good choices, intelligent choice architectures, smart default options, campaigns, etc. While Thaler and Sunstein do not address what governance mode these forms of steering represent, Bell et al. do exactly this, and they advocate that "persuasion constitutes a further and distinctive mode of governance, albeit one which interpenetrates other modes" (Bell et al. 2010, 851).

Although the literature review above is certainly not complete it is obvious that only a few governance scholars recognise persuasion as a steering mechanism, and even fewer regard it as a stand-alone governance mode. In the light of the empirical evidence gathered here, both scholarly practices are startling for obvious reasons. On the one hand, the surge of soft public policies described here and elsewhere (see e.g. Albareda et al. 2006, 2008; Knopf et al. 2011) make it increasingly difficult to overlook persuasion as a steering mechanism. On the other hand, Bell et al. (2010) highlight conceptually and this paper illustrates empirically that subsuming persuasion under network (or any other mode of) governance is a problematic simplification, first because persuasion is not a necessary feature of network governance (the latter can also rely on negotiation and mutual concession through which actors do not change their underlying views); and second because network governance is not a necessary feature of persuasion (the latter "does not require the existence of an ongoing, close, network relationship"; Bell et al. 2010, 854). The same applies to hierarchies and markets: As indicated above, persuasion can also (but does not have to) take place in the context of hierarchies ('responsive regulation') and markets (e.g. in the form of advertisements). What persuasion on a grand scale requires, however, are intangible (mass) communication networks. Whether and in how far respective steering attempts account for a stand-alone governance mode is a far-reaching question that requires further research. Since several of the CSR policies described in the present paper rely either on the market mode of governance or represent persuasion as a steering mechanism (if not as a stand-alone governance mode), I conclude that new forms of governance are certainly not limited to the network mode of governance.

5. Discussion

The present paper has highlighted how new governance materialises in public policies on CSR, a relatively new policy field that reflects the new governance rationale of soft, voluntary forms of steering very well. By looking at CSR from different disciplinary backgrounds, it has first highlighted the complementarity between new governance and CSR-related theories. The paper then introduced a typology that helps to organise government activities on CSR in terms of instruments used and themes addressed, and it summarised an empirical stocktaking of how EU Member States actually aim to facilitate CSR. On these empirical grounds, the paper finally explored in what way public policies on CSR resemble the new governance rationale. It has shown that governments facilitate the 'shifting of responsibilities' via CSR with a broad variety of informational (or communicative) instruments, soft (i.e. non-binding) laws and similarly soft economic incentives (such as subsidies) or market interventions (via sustainable public procurement). It concluded that the public policies on CSR stand in the tradition of new governance but rely obviously rather on market mechanisms and 'persuasion as governance' (Bell et al. 2010) than on collaboration in (tangible) networks.

While the effectiveness of steering via market interventions or by persuasion was not addressed here, the present paper provided further evidence regarding the claim that 'the shift to modes of regulation based on information and persuasion, rather than on command and control, should be seen as part of a general reappraisal of the role of public policy in an increasingly complex and interdependent world' (Majone 1997, 269), and of a reappraisal of the role of businesses in society. Majone also claimed that policy makers should 'develop systematically a regulatory approach, primarily based on information and persuasion' (Majone 1987, 274). It seems that large parts of the public policies on CSR described here resemble exactly this. Whether persuasion through communication networks is recognised as a self-sufficient governance mode or not, the evidence gathered here suggests at least that it is time to take persuasion out of 'the shadow of networks', and to study it as a steering mechanism that plays obviously an important role in various governance settings.

Acknowledgements

The empirical parts of this paper are based on a 2-year study on CSR policies in the EU, financed by DG Employment, Social Affairs, and Equal Opportunities. The deliverables can be accessed at the project's website http://www.sustainability.eu/csr-policies. I thank Robert Strauss and Genevieve Besse from DG Employment for supporting the study, and my colleagues from RIMAS at the Vienna University of Economics and Business Administration for working diligently with me on the empirical material used here, in particular Gerald Berger, Astrid Schäfer and Sharon Margula.

References

Agle, B.R.; Mitchell, R.K. & Sonnenfeld, J.A. (1999): Who Matters to CEOs? An Investigation of Stakeholder Attributes and Salience, Corporate Performance, and CEO Values, in: Academy of Management Journal, 42/5, 507-525.

Albareda, L. et al. (2006): The government's role in promoting corporate responsibility: a comparative analysis of Italy and UK from the relational state perspective. In: Corporate Governance, 6/4, 386-400.

Albareda, L.; Lozano, J. M.; Tencati, A.; Midttun, A. & Perrini, F. (2008) The changing role of governments in corporate social responsibility: drivers and responses. In: Business Ethics: A European Review, 17, 347-363.

van Asselt, H.; van der Grijp, N. & Oosterhuis, F. (2006): Greener public purchasing: opportunities for climate-friendly government procurement under WTO and EU rules, Climate Policy, 6, 217-229.

Ayres, I. and J. Braithwaite (1992): Responsive Regulation: Transcending the Deregulation Debate. New York: Oxford University Press.

Bartle, I. & Vass, P. (2007): Self-regulation within the Regulatory State: Towards a new Regulatory Narrative?, in: Public Administration, 85/4, 885-905.

Bell, S., A. Hindmoor, et al. (2010). "Persuasion as governance: A state-centric relational perspective." Public Administration 88(3): 851-870.

Bemelmans-Videc, M.; Rist, R. & Vedung, E. (1997): Carrots, sticks and sermons: policy instruments and their evaluation. New York: Transaction Publishers.

Berger, G.; Steurer, R.; Konrad, A.; Martinuzzi, A. (2007): Raising Awareness for CSR in EU Member States: Overview of government initiatives and selected cases. Final Report to the High-Level Group on CSR; http://www.sustainability.eu/pdf/csr/-CSR%20Awareness%20Raising_final%20report_31%20May%2007.pdf

Borraz, O. (2007). Governing Standards: The Rise of Standardization Processes in France and in the EU. Governance 20(1): 57-84.

Börzel, T. (1998): Organizing Babylon – On the Different Conceptions of Policy Networks, in: Public Administration, 76, 253-273.

Braithwaite, V. (2007): Responsive Regulation and Taxation: Introduction, in: Law & Policy, 29/1, 3-10.

Braithwaite, V., K. Murphy, et al. (2007): Taxation Threat, Motivational Postures, and Responsive Regulation, in: Law & Policy, 29/1, 137-158.

Clarkson, M.B.E. (1998): A Stakeholder Framework for Analysing and Evaluating Corporate Social Performance; Academy of Management Review, 20/2, 92-117.

Considine, M. & Lewis, J.M. (2003): Bureaucracy, Network, or Enterprise? Comparing Models of Governance in Australia, Britain, the Netherlands, and New Zealand, in: Public Administration Review, 63/2, 131-140

Dahlsrud, A. (2008): How corporate social responsibility is defined: an analysis of 37 definitions, in: Corporate Social Responsibility and Environmental Management, 15, 1-13.

Daley, D. M. (2007): Voluntary Approaches to Environmental Problems: Exploring the Rise of Nontraditional Public Policy, in: Policy Studies Journal 35(2): 165-180.

Darnall, N. & S. Sides (2008): Assessing the Performance of Voluntary Environmental Programs: Does Certification Matter?, in: Policy Studies Journal 36(1): 95-117.

Delmas, M. and I. Montiel (2008): The Diffusion of Voluntary International Management Standards: Responsible Care, ISO 9000, and ISO 14001 in the Chemical Industry, in: Policy Studies Journal 36(1): 65-93.

Defra (2007): UK Government Sustainable Procurement Action Plan, DEFRA, http://www.sustainabledevelopment.gov.uk/publications/pdf/SustainableProcurementActionPlan.pdf

de Wet, E. (2008): Governance through Promotion and Persuasion: The 1998 ILO Declaration on Fundamental Principles and Rights at Work; in: German Law Journal, 9/11, 1429-1451.

Donahue, J.D. (2004): On Collaborative Governance; Working Paper of the Corporate Social Responsibility Initiative; http://www.ksg.harvard.edu/cbg/CSRI/publications/-donahue_collaborative_governance.pdf.

Elkington J. 1994. Towards the sustainable corporation: Win-win-win business strategies for sustainable development. California Management Review 36(2): 90–100.

Esmark, A. (2009): The functional differentiation of governance: Public governance beyond hierarchy, market and networks; Public Administration, 87/2, 351-370.

European Commission (2001): Promoting a European framework for corporate social responsibility; Green Paper; http://ec.europa.eu/employment_social/soc-dial/csr/greenpaper_en.pdf.

European Commission (2002): Communication from the Commission concerning Corporate Social Responsibility: A business contribution to Sustainable Development; COM(2002) 347 final; http://europa.eu.int/comm/employment_social/soc-dial/csr/csr2002_en.pdf

European Commission (2006): Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility; Communication from the Commission; COM(2006) 136 final; http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0136en01.pdf

Eurosif (2010): European SRI Study 2010; http://www.eurosif.org/images/stories/pdf/Research/Eurosif_2010_SRI_Study.pdf

Fox T, Ward H, Howard B. (2002): Public Sector Roles in Strengthening Corporate Social Responsibility: A Baseline Study. Washington D.C.: World Bank; http://www.iied.org/pubs/pdf/full/16014IIED.pdf

Freeman, R.E. (1984): Strategic Management: A Stakeholder Approach. Bosten: Pitman.

Frooman, J. (1999): Stakeholder Influence Strategies, in: Academy of Management Review, 24/2, 191-205.

Gamble, A. (2000): Economic Governance, in: Pierre, J. (ed.), Debating Governance: Authority, Steering and Democracy. Oxford: Oxford University Press, 110-137.

Henderson, D. (2001): The Case Against 'Corporate Social Responsibility', in: Policy 17(2): 28-32.

Héritier, A. & Eckert, S. (2008) New Modes of Governance in the Shadow of Hierarchy: Self-regulation by Industry in Europe. Journal of Public Policy 28/1: 113-138.

Héritier, A. & Lehmkuhl, D. (2008) The Shadow of Hierarchy and New Modes of Governance. Journal of Public Policy 28/1: 1-17.

Hill, J. (2001): Thinking about a more sustainable business – an Indicators approach, in: Corporate Environmental Strategy, 8/1, 30-38.

Holzinger, K., C. Knill, et al. (2006) Rhetoric or Reality? 'New Governance' in EU Environmental Policy, European Law Journal, 12/3, 403-420.

Hood, C. (1983a): The Tools of Government. London: Macmillan.

Hood, C. (1983b): Using bureaucracy sparingly, in: Public Administration, 61, 197-208.

Hood, C. (2007): Intellectual Obsolescence and Intellectual Makeovers: Reflections on the Tools of Government after Two Decades. Governance 20(1): 127-144.

Howlett, M. (2009): Governance modes, policy regimes and operational plans: A multi-level nested model of policy instrument choice and policy design." Policy Sciences, 42/1, 73-89.

Howlett, M. & Ramesh, M. (1993): Patterns of policy choice, in: Policy Studies Review, 12, 3-24.

Hysing, E. (2009): Governing without Government? The Private Governance of Forest Certification in Sweden, Public Administration 87/2, 312-326.

Jordan, A.; Wurzel, R., Zito, A.R. & Brückner, L. (2003): European Governance and the Transfer of ‚New' Environmental Policy Instruments (NEPIs) in the European Union, in: Public Administration, 81/3, 555-574.

Kleine, M. & Risse, T. (2005): Steering Modes in European Governance – The Case of Treaty Revisions. http://www.eu-newgov.org/database/DELIV/D03D14_Steering_Modes_in_European_Governance.pdf

Knill, C. & Lehmkuhl, D. (2002): Private Actors and the State: Internationalization and Changing Patterns of Governance, in: Governance, 15/1, 41-63.

Knopf, J.; Kahlenborn, W.; Hajduk, T.; Weiss, D.; Feil, M.; Fiedler, R.; Klein, J. (2011): Corporate Social Responsibility: National Public Policies in the European Union. Brussels: European Commission; Directorate-General for Employment, Social Affairs and Inclusion.

Koehler, D.A. (2007). "The Effectiveness of Voluntary Environmental Programs: A Policy at a Crossroads?" Policy Studies Journal 35(4): 689-722.

Konrad, A.; Martinuzzi, A. & Steurer, R. (2008): When Business Associations and a Federal Ministry Jointly Consult Civil Society: A CSR Policy Case Study on the Development of the CSR Austria Guiding Vision, in: Corporate Social Responsibility and Environmental Management, 15, 270-280.

Kooiman, J. (2003): Governing as Governance. London: Sage.

Laplume, A. O., K. Sonpar, et al. (2008): Stakeholder Theory: Reviewing a theory that moves us, in: Journal of Management, 34(6): 1152-1189.

Lyon, T. P. & Maxwell, J. W. (2007): Environmental Public Voluntary Programs Reconsidered, in: Policy Studies Journal 35(4): 723-750.

Majone, G. (1997): The new European agencies: regulation by information, in: Journal of European Public Policy, 4/2, 262 - 275.

McCrudden, C. (2007): Buying Social Justice: Equality, Procurement, and Legal Change. Oxford: Oxford University Press.

Midttun, A. (2005): Policy making and the role of government: Realigning business, government and civil society, in: Corporate Governance, 5, 159-174.

Mitchell, R.K et al. (1997): Toward a theory of Stakeholder identification and salience: Defining the principle of who and what really counts, in: Academy of Management Review, 22, 853-886.

Moon, J. (2002): The Social Responsibility of Business and New Governance, in: Government and Opposition, 37/3, 385-408.

Moon, J. (2007): The Contribution of Corporate Social Responsibility to Sustainable Development, in: Sustainable Development, 15, 296-306.

Post, J.E.; Preston, L.E. & Sachs, S. (2002): Redefining the Corporation: Stakeholder Management and Organizational Wealth. Stanford: Stanford University Press.

Rhodes, R.A.W. (2000): Governance and Public Administration, in: Pierre, J. (ed.), Debating Governance: Authority, Steering and Democracy. Oxford: Oxford University Press, 54-90.

Rivera, J.E. & de Leon, P. (2008): Voluntary Environmental Programs: Are Carrots without Sticks Enough?, in: Policy Studies Journal 36(1): 61-63.

Rivera, J.E; deLeon P; Starik, M. (2009): Business response to environmental and social protection policies: toward a framework for analysis; in: Policy Sciences, 42, 3-32.

Rowley, T.J. (1997): Moving beyond dyadic ties: a network theory of stakeholder influences. Academy of Management Review, 22(4): 887–910.

Rittberger, B. and J. Richardson (2003): Old Wine in New Bottles: The Commission and the Use of Environmental Policy Instruments, in: Public Administration, 81/3, 575-606.

Steurer (forthcoming): CSR and governments; in: Rahbek, E. & Pedersen, G. (eds), Corporate Social Responsibility. London: Sage.

Steurer, R.; Langer, M.E.; Konrad, A. & Martinuzzi, A. (2005): Corporations, Stakeholders and Sustainable Development I: A Theoretical Exploration of Business-Society Relations, in: Journal of Business Ethics, 61/3, 263-281.

Steurer, R. (2006): Mapping Stakeholder Theory Anew: From a 'Theory of the Firm' to Three Perspectives on Business-Society Relations, in: Business Strategy and the Environment, 15/1, 55-69.

Steurer, R.; Berger, G; Konrad, A. & Martinuzzi, A. (2007): Sustainable Public Procurement in EU Member States: Overview of government initiatives and selected cases. Final Report to the EU High-Level Group on CSR; http://www.sustainability.eu/pdf/csr/Sustainable%20Public%20Procurement%20in%20EU%20Member%20States_Final%20Report.pdf

Steurer, R.; Margula, S. & Berger, G. (2008): 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; ESDN Quarterly Report June 2008; http://www.sd-network.eu/?k=quarterly%20reports&report_id=9.

Steurer, R.; Margula, S. & Martinuzzi, A. (2008): Socially Responsible Investment in EU Member States: Overview of government initiatives and SRI experts' expectations towards governments. Final Report to the EU High-Level Group on CSR; http://www.sustainability.at/pdf/csr/Socially%20Responsible%20Investment%20in%20EU%20Member%20States_Final%20Report.pdf

Steurer, R.; Margula, S. & Martinuzzi, A. (forthcoming): Public policies on CSR in Europe: Themes, instruments, and regional differences; in: Corporate Social Responsibility and Environmental Management, forthcoming.

Steurer, R. & Martinuzzi, A. (2008): Public policies on CSR in the EU-27, or how EU Member States facilitate the business contribution to sustainable development; ESDN Conference 2008 on Coordinating SCP and CSR policies with Sustainable Development Strategies; 29 June–1 July 2008, Paris/France.

Thompson, G.; Frances, J.; Levacic, R. & Mitchell, J. (eds.) (1991): Markets, hierarchies & networks: The coordination of social life. London: Sage.

van Huijstee, M. and P. Glasbergen (2010): NGOs Moving Business: An Analysis of Contrasting Strategies, in: Business & Society 49(4), 591-618.

Werder, A. von; Talaulicar, T. & Kolat, G.L. (2005): Compliance with the German Corporate Governance Code: an empirical analysis of the compliance statements by German listed companies, in: Corporate Governance, 13/2, 178-187.

Annex 1: Survey interviews

a) Raising Awareness of CSR

Country	Name	Institution	Date	Additional (email) Conversation
Austria	Manfred Schekulin	Federal Ministry for Economic Affairs and Labour	17 August 2006	
Belgium	Ria Schoofs	Ministry of Employment and Social Cohesion	28 September 2006	Dieter Vander Beke, ICSD working group on CSR; Solange Gysen, Ministry of Employment and Social Cohesion
Denmark	Niels Højensgård	Ministry of Employment	22 August 2006	
Denmark	Sofie Pedersen	Ministry of Economy and Business Affairs	17 August 2006	
Estonia	Egle Käärats	Ministry of Social Affairs, Working Life Development Department	13 September 2006	
Finland	Jorma Immonen	Ministry of Trade and Industry	16 August 2006	Maija-Lena Uimonen, Ministry of Labour
France	Marianne Forejt / Maurice Mezel	Ministry of Employment and Social Cohesion	3 October 2006	
Germany	Udo Pretschker	Ministry of Employment and Social Cohesion	28 August 2006	
Greece	Despina Michailidou	Ministry of Employment and Social Cohesion	22 September 2006	
Hungary	Ágnes Simonyi	National Family and Social Policy Institute, (formerly: Ministry of Employment and Labour)	12 September 2006	Judit Székely, Ministry of Employment and Labour
Ireland	Frances Gaynor	Department of Enterprise, Trade and Employment	16 August 2006	
Latvia	Agrita Groza	Ministry of Welfare	21 August 2006	
Lithuania	Robertas Lukasevicius	Ministry of Social Security and Labour	8 September 2006	
Malta	Roderick Mizzi	Department of Industrial and Employment relations	10 August 2006	
Netherlands	Bea J. Hoogheid / Ineke Hoving-Nienhuis	Ministry of Economic Affairs	22 September 2006	Cynthia van der Louw, Ministry of Social Affairs and Employment
Poland	Boleslav Rok	Responsible Business Forum	18 September 2006	Marcin Palutko, Ministry of Labour and Social Policy
Portugal	António Oliveira	Ministry of Economy and Innovation/Directorate General for Enterprise	13 and 27 September 2006	
Slovenia	Metka Štoka Debevec	Ministry of Labour, Family and Social Affairs	29 August 2006	

Spain	Juan José Barrera Cerezal	Ministry of Labour and Social Affairs	15 September 2006	
Sweden	Elisabeth Dahlin	Ministry of Foreign Affairs	25 August 2006	
UK	Helen Griffiths	Department of Trade and Industry	21 August 2006	

b) Sustainable Public Procurement

Country	Name	Institution	Date	Written information
Austria	Michael Fruhmann	Federal Chancellery	6 April 2007	
Austria	Andreas Tschulik	Ministry of Agriculture, Forestry, Environment and Water Management	23 April 2007	
Belgium	Jo Versteven	Federal Public Planning Service Sustainable Development	3 April 2007	
Bulgaria	Lazar Lazarov	Ministry of Labour and Social Policy	10 April 2007	
Czech Republic	Alena Markova	Ministry of Environment	27 April 2007	
Czech Republic	David Mlíčko	Ministry of Regional Development	30 April 2007	
Czech Republic	Eva Vozábová	Ministry of Labour and Social Affairs	30 April 2007	Written information
Czech Republic	Alena Markova, David Mlicko	Ministry of Trade and Industry	27 April 2007 and 30 April 2007	Written information Martina Funková, 4 April 2007
Cyprus	Rea Georgiou / Lefkia Xanthou-Araouzou	Treasury Department	19 April 2007	
Denmark	Niels Hojensgard	Ministry of Employment	30 March 2007	
Denmark	Jakob Scharff	The Danish Public Procurement Portal / Local Government Denmark	26 April 2007	
Estonia	Aime Võsu	Ministry of Finance	19 April 2007	
Finland	Olli-Pekka Rissanen	Ministry of Finance	10 April 2007	
Finland	Taina Nikula	Ministry of Environment	17 April 2007	
France	Aude Pohardy	Ministry of Finance		Written information
Germany	Dagmar Kase	Federal Environment Agency	26 April 2007	
Hungary	Istvánné Somodi / Gabriella Tölgyes	Ministry of Social Affairs and Labour	27 April 2007	Written information

Ireland	Frances Gaynor	Department of Enterprise, Trade and Employment	13 April 2007	
Lithuania	Vidmantas Adomonis	Ministry of Environment	25 April 2007	
Luxemburg	Michèle Toussaint	Ministry of Employment	26 April 2007	
Malta	Roderick Mizzi	Department of Industrial and Employment Relations	30 March 2007	
Netherlands	Jaap Stokking	Ministry of Housing, Spatial Planning and the Environment	27 March 2007	
Poland	Beata Adamczyk	Ministry of Economic Affairs	27 April 2007	Written information
Portugal	João Bolina	Portuguese Institute of Environment	19 April 2007	Written information on 18 April 2007 by Antonio Oliveira, Ministry of Economy and Innovation)
Romania	Serghei Mesaros	Ministry of Labour, Family and Equal Opportunities	26 March 2007	Written information
Slovak Republic	Elena Paliková	Ministry of Employment	2 April 2007	Written reference to http://www.uvo.gov.sk/
Slovenia	Miranda Groff-Ferjancic	Ministry of Finance	3 April 2007	
Spain	Gil Ramos Masjuan	Ministry of Work and Social Affairs	17 April 2007	
Sweden	Annika Löfgren	Ministry of Environment	29 March 2007	
Sweden	Peter Norstedt	Swedish Environmental Management Council	29 March 2007	
UK	Barbara Morton	Department of Environment, Food and Rural Affairs	25 April 2007	

c) Socially Responsible Investment

Country	Name	Institution	Date	Written information
Austria	Eva-Maria Fehringer	Ministry of Economics and Labour	10 December 2007	
Austria	Manfred Schekulin	Ministry of Economics and Labour	10 December 2007	
Austria	Kurt Bayer	Ministry of Finance	10 December 2007	
Belgium	Solange Gysen	Ministry of	07 December 2007	

		Employment, Labour and Social Dialogue		
Belgium	Dieter Van der Beke	PODDO	10 December 2007	
Belgium	Nicolas Gerard	Kringloopfonds	05 March 2008	Written Information
Belgium	Christophe Scheire	Netwerk Vlaanderen	27 February 2008	Written Information
Belgium	Luc Weyn	Netwerk Vlaanderen	05 March 2008	Written Information
Bulgaria	Efrosina Nikolova	Ministry of Labour and Social Policy	17 December 2007	
Czech Republic	Eva Vozabova	Department of Labour Law and Collective Bargaining	11 November 2008	
Cyprus	Georghia Christofidou	Ministry of Labour and Social Policy	18 January 2008	Written Information
Denmark	Kirstine Sandø Højland	Ministry of Economic and Business Affairs	29 November 2007	Written information
Estonia	Egle Käärats	Ministry of Social Affairs	07 December 2007	
Finland	Susanne Monni	FIBBS – Finish Business and Society	07 December 2007	
Finland	Risto Paaermaa	Ministry of Trade and Industry	13 December 2007	
France	Dominique Naud	Ministry of Industry	10 January 2008	Written Information
Germany	Ute Heinen	Ministry of Labour and Social Affairs	12 November 2007	
Germany	Ester Wandel	Ministry of Finance	06 December 2007	
Greece	Sophie Golemati	Ministry of Employment and Social Protection	05 December 2007	Written Information
Hungary	Gabriella Tölgyes	Ministry of Social Affairs and Labour	10 December 2007	
Hungary	Sándor Lakatos	Ministry of Economy and Transport	11 December 2007	
Italy	Alfredo Ferrante	Ministero della Solidarietà Sociale	10 January 2008	
Latvia	Iveta Lublina	Ministry of Welfare	13 December 2008	
Lithuania	Natalija Ziminiene	Ministry of Social Security & Labour	13 November 2007	
Malta	Roderick Mizzi	Ministry of Industrial and Employment Relations	21 January 2008	Written information
Netherlands	Sylivia Simonova	Ministry of Economic Affairs	26 November 2007	Written information
Netherlands	Inneke Hoving-Nienhus	Ministry of Economic Affairs	14 January 2008	Written information
Poland	Marcin A. Palutko	Ministry of Labour & Social Policy	17 January 2008	Written information
Portugal	Antonio Oliveira	Ministry of Economy And Innovation	23 January 2008	Written information
Romania	Eduard Corjescu	Ministry of Labour, Family and Equal Opportunities	19 November 2007	

Slovak Republic	Jozef Hudec	Ministry of Labour, Social Affairs and Family	07 December 2007	
Spain	Gil Ramos Masjuan	Ministry of Labour and Social Affairs	12 December 2007	Written Information
Spain	Consuelo Gonzalez Lopez	Ministry of Labour and Social Affairs	09 January 2008	Written Information
Sweden	Elisabeth Dahlin	Ministry for Foreign Affairs	15 January 2008	Written Information
Sweden	Carina Silberg	GES Investment Services	05 March 2008	Written Information
UK	Graeme Vickery	Department for Enterprise, Business and Regulatory Reform	19 November 2007	
UK	Liam McAleese	Department for Environment, Food and Rural Affairs	21 January 2008	

Annex 2: Survey questionnaires

a) Raising Awareness for CSR

I. The "Compendium on national public policies on CSR in the European Union", compiled by DG Employment, lists the following initiatives for your country. We would like to ask you some questions about these initiatives?
   - Initiative:
   - Basic information:
     i. Initiator:
     ii. Contact person:
     iii. Website:
     iv. Other written documentation:
     v. Further information:
   - Description of the process of the initiative:
   - Success factors – what worked well:
   - Obstacles – what did not work so well:
   - Lessons learned and recommendations for other countries:

II. Do you know other initiatives on CSR awareness raising in your country?
   - If no,
     - Are there no other initiatives?
     - Do you know other contact person(s)/institution(s)?
     - Is there any information available on the internet?
   - If yes,
     - Initiative (title & type):
     - Basic information:
       - Initiator/commissioning agent/organization:
       - Contact person & website:
       - Timing/duration:
       - Purpose:
       - Target group:

            - Important/budget:
        - Description of the process of the initiative:
        - Success factors – what worked well:
        - Obstacles – what did not work so well:
        - Lessons learned and recommendations for other countries

III. Concluding questions – general aspects of CSR public policy-making
- Steering role of the nation state: Do you think awareness raising is an issue for governmental initiatives at the national level?
- Policy tools: Do you consider awareness raising as an appropriate tool to foster CSR in your country? If yes, why?
- Target groups: Which are the most important target groups of CSR awareness raising in your country? Is CSR awareness raising for SMEs an issue in your country?
- Interesting aspects: What do you find particularly interesting with regard to CSR awareness raising? What interesting experiences with CSR awareness raising were made in your country?
- Do you have any comments or concluding remarks?

b) Sustainable Public Procurement

I. Legal aspects of SPP (and the CSR policy compendium)

The CSR policy "compendium" at DG Employment website (http://ec.europa.eu/employment_social/soc-dial/csr/) provides some general information on SPP for your country which we want to use as a starting point for our survey:

Information given in the CSR policy compendium:

- EU Member States are obliged to implement the European Commission's procurement directive from 2004, which leaves some space open for SPP.
    - When did your country **implement the directive** in national law?
    - What is the **scope of SPP in the law**? Does it *allow or require* certain aspects of SPP?
        - Which types of procurement do the SPP specifications address (services, works/buildings, supplies, utilities)?
        - Do the SPP specifications relate only to contractors or also to sub-contractors?
- Did the national/federal government of your country pass **other laws that relate to** SPP? If so, do they *allow or require* SPP?
        - Which types of procurement do the SPP specifications address (services, works/buildings, supplies, utilities)?
        - Do the SPP specifications relate only to contractors or also to subcontractors?

II. Other SPP initiatives at the national/federal level

Does the national/federal government also facilitate SPP with initiatives such as:
- Action (or implementation) plans (specify various initiatives)

- National database on governmental SPP initiatives (lists all SPP initiatives)
- Codes of Practice (guidelines with legal status)
- Guides/guidelines (no legal status)
- Criteria catalogues; product catalogues; purchase pools
- Websites and other informational publications (leaflets, brochures)
- Information centres
- Staff training
- Publicity events

If so, we would like to ask you some questions about these other SPP initiatives (only if the initiatives focus also on SPP; no general public procurement or CSR awareness raising initiatives):

- Name/Title of the initiative
    - Type of the initiative (informational, economic incentive, partnering, mandatory)
    - Basic information about the initiative:
        - Commissioning agent/responsible organisation
        - Contact person & website
        - Timing (when enacted/published)
        - Purpose:
            - Aim of the initiative
            - Issues of SPP (social, environmental, ethical)
            - Types of procurement (services, works/buildings, supplies, utilities)
        - Target groups (other departments/ministries of the national/federal government, regional/state governments, local governments, utilities, businesses, others)
        - Importance/budget
    - How was the initiative launched and enacted (describe process)?
    - What worked well (success factors)?
    - What worked not so well (obstacles)?
    - Lessons learned and recommendations for others who are interested in the initiative?

III. Concluding questions

- Which issue(s) of SPP do you regard as most relevant?
    - Social, environmental, ethical
- Which type(s) of public procurement do you regard as the most relevant ones for SPP initiatives?
    - Services, works/buildings, supplies, utilities
- Which target groups do you regard as most important for governmental SPP initiatives?
    - Other departments/ministries of the national/federal government, regional/state governments, local governments, utilities, businesses, others
- What were the major drivers of SPP in your country so far?
- What were the major obstacles/challenges for SPP in your country so far?
- Do you consider governmental SPP initiatives as an appropriate tool for fostering CSR in your country? Why?
- What kind of SPP initiative(s) do you regard as most important to achieve CSR?
- Other comments, concluding remarks?

c) Socially Responsible Investment

I. Overview of initiatives:

- The CSR policy "compendium" at the DG Employment website lists the following initiatives for your country (see table below). In a first step, we would like to complete the information provided in the compendium in line with the table below.
- In a second step, we would like to add additional government initiatives on SRI that are not listed in the compendium. Are there other national/federal government initiatives on SRI not listed in the table yet? Please use the following bulleted list as a check-list:
  - Informational instruments on SRI, such as
    - Websites and other informational activities (leaflets, brochures)
    - Campaigns
    - Guides or guidelines
    - Criteria catalogues
    - Training and other educational activities on SRI
    - Other (please specify)
  - Partnering instruments on SRI, such as
    - Networks (with government involvement/funding)
    - Voluntary agreements between government bodies and firms
    - Public-Private Partnerships
    - Other (please specify)
  - Economic/financial instruments on SRI, such as
    - Tax incentives
    - Bonus payments
    - Subsidies
    - Awards/prices for SRI offerings/opportunities
    - Other (please specify)
  - Legal SRI requirements, such as
    - Disclosure requirements directly linked to SRI (such as disclosure requirements for pension funds)
    - Other (please specify)
  - Hybrid instruments on SRI, such as
    - Government strategies/action plans to facilitate SRI
    - Centres/platforms on SRI that make use of several other instruments listed above
    - Other (please specify)
- Regarding "focus" we distinguish governmental SRI initiatives that concentrate on
  - Social issues only (including micro-finance),
  - Environmental issues only,
  - Social and environmental issues (sustainable development)
  - Ethical/sectoral issues, such as weapons, tobacco, alcohol etc.
- Regarding "scope" we distinguish government SRI initiatives that have a
  - National or
  - International reach.
- Regarding "target groups" we distinguish, inter alia, the following actors:
  - International actors (UN, OECD etc)
  - Financial sector in general
  - Professional investors/fund managers
  - Pension funds (public and/or private)
  - Financial intermediaries
  - Foundations, charities, religious groups

        - Other public bodies (public investors, state-owned companies)
        - Small investors ("consumers") and the public

II. Further questions on SRI initiatives

- Relevance of SRI initiatives:
    - How do you see the relevance of SRI initiatives as means to foster CSR on a scale from 1 (not important) to 5 (very important)?
    - What type of SRI initiative(s) do you regard as most important to achieve CSR?
- Drivers: What are/were the major drivers of SRI in your country?
- What are the major obstacles/challenges for SRI in your country?
- Target groups: Which target groups do you regard as most important for governmental SRI initiatives in general?
    - Businesses in general
    - Financial sector in general
    - Professional investors/fund managers
    - Pension funds (public and/or private)
    - Other public bodies (other departments/ministries, regional/local governments, public investors, state-owned companies)
    - Small investors ("consumers") and the public
    - Others
- What worked well in (some/particular) governmental SRI initiatives mentioned above (success factors)?
- What worked not so well in (some/particular) SRI initiatives mentioned above (obstacles)?
- Lessons learned and recommendations with regard to SRI policies?
- Other comments, concluding remarks?