



Rhetoric and Realities: Analysing Corporate Social Responsibility in Europe (RARE)

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CSR and Gender Equality

Institute for Social-Ecological Research (ISOE)
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“Corporate Social Responsibility (CSR) is well known for promoting environmental sustainability goals but rather less known for promoting social sustainability goals. So far, the potential of CSR to promote EU policy goals for gender equality is hardly recognised by the public.”

Irmgard Schultz, Institute for Social-Ecological Research

Combining Corporate Social Responsibility and EU Policy for Gender Equality

The European Commission understands Corporate Social Responsibility as ‘a concept with which companies integrate social and environmental concerns into their business operations and into their interaction with stakeholders on a voluntary basis’. Besides legislation CSR is an important strategy to attain political goals.

The European Union on the other hand fosters in its gender equality politics the strategy of gender mainstreaming. (Treaty of the European countries, Amsterdam 1996/1999). Strategically, gender mainstreaming implies ‘the systematic consideration of the differences between the conditions, situations and needs of women and men in all Community policies and actions” (Council of Europe 1998). Also Gender mainstreaming is besides legislation an important strategy to attain political goals.

So far, CSR concerning gender equality is not connected systematically to EU gender mainstreaming.



The RARE Project: A New Look at CSR

Societal commitment of companies is not a new phenomenon. However, CSR research has mainly focused on CSR management within companies and the impacts of such commitment on the financial performance. Policy research, on the other hand, has concentrated mainly on public policy instruments. So far, little research has been conducted concerning the impacts of CSR on society and the environment. The RARE project has contributed to fill this gap.

It has elaborated a methodology to assess CSR activities with respect to their output and outcomes on the company level and to their impacts on societal level and in the environment. Empirical research was conducted through a survey among enterprises committed to CSR – with 49 respondents in the oil, banking, fish processing sectors and among SMEs as well as through company and stakeholder interviews in ten (non-SME) companies (case studies). CSR activities were related to EU policy goals on the mitigation of climate change, fisheries resource management, countering bribery and promoting gender equality. Thus, the project also focuses on how CSR is contributing to sustainable development.

The Institute of Social-Ecological Research (ISOE) worked on the social dimension of gender equality in the banking sector.

Irmgard Schultz (2007): Case Study on Gender Equality in CSR in the Banking Sector. Working paper of the RARE project. Frankfurt/Main: ISOE

The complete results of the project will be published in 2008 by Edward Elgar Publishing Ltd.

Central Findings on Company Level

- Almost all of the 17 banks surveyed attribute high strategic relevance to the issue of gender equality, though less in new EU Member States.
- When it comes to concrete activities, the focus was on the promotion of equal opportunities and work life balance measures (Human Resource management). Closing the gender pay gap was tackled to a lesser extent. This gender issue needs to be emphasised more.
- With regard to ensuring gender equality in the access to and supply of financial services, many banks leave options unexplored such as programmes for credit services (e.g. loans to promote entrepreneurs in women dominated sectors).
- Surveying two banks in some more depth: Gender equality was especially effective when integrated into the corporate culture. Most important: the gender topic has to be visible amongst other diversity issues (seniors, juniors, people with disabilities, etc.). An ongoing internal communication and long-term implementation (follow ups) is needed. CSR activities for gender equality have been more effectively implemented if recognized as an opportunity of companies' strategic planning.
- In organisational terms, commitment of the CEO, involvement of the mid-level management and functional officers, specific cross-sectoral functions and leadership principles that imply a high obligation to deal with commitments to gender equality proved to be important for successful implementation.

- Most important: gender equality needs an integration model that 'fits' with company specific stakeholder demands. Stakeholder dialogues and ongoing social monitoring of the needs of different stakeholders were highly relevant.
- The business environment can promote gender activities by strengthening benchmarking in this field, but SRI was not classified as a strong driver in the case study. More important for promoting gender equality were seen the company's own CSR reports (SD reports) and internal reporting. Reporting with GRI (G2) was quite poor regarding equal opportunities, but G3 with more data indication can be assumed a stronger driver.
- When analysing the contribution to EU policy goals the findings demonstrate positive effects to promote reconciliation of work and life, though the share of men taking part time work could be even better promoted with CSR.
- Positive effects can be observed also with respect to equal opportunities concerning career promotion, sensitisation (gendered stereotypes), education and trainings etc. But with respect to the share of women on the highest hierarchical level and concerning the goal of closing the gender pay gap the findings show that there are needed more and maybe additional governance instruments to reach substantial improvements.

Recommendations for EU and Public Authorities

- *EU wide award system for gender equality:* Gender award systems are a kind of management instrument for positive actions for women. They are successful instruments to integrate CSR gender activities into companies strategic planning and daily activities. However, the national boundaries and their differences in different European countries hamper success for global acting companies. Here, the EU can become an important driver of CSR by creating a consistent and standardised award system for gender equality in Europe for all Member States. This award system needs to address gender equality exclusively in a long-term perspective.
- *EU research – EU Gender Institute:* Good gendered statistics of the private sector are a societal demand to get insights into the state of gender equality. A lot of data provided by companies' CSR reports could contribute to a better data base, if these data would be performed against national and European sustainability and gender equality statistics. Gendered data of the companies' CSR reporting (according to GRI 3 indicators for example) could be the basis for this. What companies need is a kind of 'feed back' about their contribution to sustainability and national and European policy goals. New benchmarking statistics could have this function. Assessment tools provided by EU efforts could help to mirror a company's contribution to the European's policy goals concerning gender quality and to sustainability indicators effectively. The EU Gender Institute could take an active part in developing such tools.

RECOMMENDATIONS RECOMMENDATIONS?

- *New alliances between CSR instruments:* Against the findings in our case study the alliance of UN Global Compact and Global Reporting Initiative (GRI) is in fact promoting gender equality 'beyond laws', even more with the new Sustainability Reporting Framework (G3) that requires gender disaggregation of workforce data. Further alliances with quality management instruments (UN Global Compact and/or other codes of conducts with GRI and EFQM for example) could help to 'translate' external codes into internal activities. New instrument alliances could be promoted by CSR Europe.
- *Private-public partnership for social dividend:* Industrial organisations and local authorities could give more impulses for CSR activities if they would develop a complementary social dividend system. The concept of 'social dividend' accounts and communicates publicly the amount of money spent by a company for societal and community activities. This concept could be used in a complementary way by local and regional authorities to communicate their savings through company sponsorship, e.g. concerning daycare facilities.
- *European CSR Alliance:* CSR stakeholder dialogues should include more representation of women's and gender lobby organisations. The European CSR Multi Stakeholder Forum has a substantial lack of gender civil society organisations (CSO) in its representation. A model concerning CSO representation with regard to the UN definition of 'major groups of sustainable development' and means to set this into practice should be elaborated. Criteria and strategic goals for CSO representation in CSR stakeholder dialogues would make this important CSR instrument more effective.

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