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**EU, UK and French CSR policy: What is the evidence for policy transfer and convergence?**

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## ABSTRACT

*Concepts such as Europeanisation, policy transfer and policy convergence underpin this exploration of the development of Corporate Social Responsibility (CSR) policy in the European Union (EU). Through a range of research methods (tracing temporal sequences and documentary analysis), the EU's approach to CSR is compared and contrasted with that of two member states, namely France and the United Kingdom, with the aim of testing for evidence of policy transfer and convergence. The data suggest that at the outset of the period under study, the EU's and UK's models of CSR bore close resemblance to one another and that the French approach was strikingly different. However, the data indicate that by 2007 there has been some narrowing of the differences between the two member states and some convergence towards the EU's model of CSR.*

## INTRODUCTION

Building on previous work (Fairbrass 2007 and 2008), this paper has one overriding research objective: to examine the Europeanisation of Corporate Social Responsibility (CSR) policy and policy-making. By delving more deeply than previously into the contours of EU CSR policy and those of two contrasting member states, the France and the United Kingdom (UK), this paper focuses on the relationship between EU and national public policy. The main aim is to search for signs of policy transfer and policy convergence and, where found, to consider the potential causes for those shifts. In particular, the research that underpins this paper begins to question whether 'cross-loading' from one national arena to another has occurred, or whether the bottom-up process of European integration is discernible (Cowles *et al* 2001) or finally whether the 'top-down' EU-effect (Bache and Jordan 2006) has resulted in the transfer of policy from the EU to member states.

CSR policy has been chosen as the object of analysis in this paper owing to its rapidly rising prominence on sub-national, national, and international public policy agendas. It is also of increasing and considerable concern to private and voluntary sector bodies. Actors ranging from the local to the global level of governance have specifically linked the CSR policies and practices of individual organisations to the achievement (or otherwise) of sustainable development targets and objectives. For example, EU public policy statements and documents (see for example, EC 2002) have especially highlighted the potentially critical role of individual businesses with regard to sustainable development, for example in relation to the objective of reducing, stemming or reversing biodiversity loss, in combating climate change, and in alleviating the pressure on natural resources. It is assumed that business organisations play a pivotal part in influencing public and private productions and consumption. Sustainable development itself is perceived by many as one of the most urgent and significant challenges facing humanity in the twenty-first century. Consequently it is both timely to examine the development of this policy area given its public policy relevance.

In choosing to build on previous Anglo-French comparative research (Fairbrass 2003), the investigation here has focussed on two EU member states that exhibit some important similarities and differences. France and the UK have been selected because they are both long-standing members of the EU, and together, have been subject to, or the drivers for, many of the major shifts in EU policy and policy making over a number of decades. Within the EU they have a broadly similar weight in policy-

making, given their analogous demographic and economic characteristics. Both countries have previously been described as good examples of centralised, unitary states (John 1996; Harmsen 1999) and recently both have taken steps towards decentralisation (devolution and regionalisation) (See for example, Hopkins 2002 and Bulmer *et al* 2002). However, they also display some significant differences in terms of their politico-administrative institutions, macro-economic management and, importantly, in terms of their industrial policy (Hall 1986 and 1990, Lane 1995; Schmidt 1996; Hall and Soskice 2001). Whilst the UK is associated with market-led responses to economic crises, a pioneering and far-reaching adoption of market liberalization, and largely laissez-faire management of industrial matters, France has been distinguished from other EU member states, and the UK in particular, for its state-led economic policies, its durable fondness for '*le service publique*' and its support for industry (Fairbrass 2003). The contrasting circumstances outlined above appear to provide some of the root causes for the contrasting national approaches to CSR discussed in this paper.

Given the circumstances outlined above, and drawing on the concepts of Europeanisation (see Cowles *et al* 2001; Featherstone and Radaelli 2003; Bache and Jordan 2006), policy transfer (Dolowitz and Marsh 1996; Dolowitz 1997; Dolowitz and March 2000) and policy convergence (Bennett 1991; Knill 2005), this paper is organised around the following questions. What was the shape of EU, UK and French CSR policy and policy-making in 2001? Did EU, UK and French CSR policy evolve (or not) in the years up to 2007, and if so, what were the main changes? What similarities and differences between the three approaches can be discerned during the period under investigation, when, and why?

The methodology adopted to respond to these questions is a combination of tracing temporal sequences and content analysis of public policy papers. These techniques permit 'snapshots' to be taken at various points in time. The year 2001 has been purposively chosen as the base-line year for the study. The EU's policy preferences are established by closely examining Commission policy documents of 2001, 2002, 2006 (EC 2001, 2002 and 2006) and the European Parliament's report and resolution of 2006 and 2007 (EP 2006 and 2007). The character of CSR policy-making in the EU is determined by reviewing the deliberation processes undertaken between 2001 and 2007. The British and French national positions are ascertained by analysing their responses to the 2001 CSR Green Paper consultation exercise and their contributions to the 2007 Compendium (DG Employment and Social Affairs 2007).

The remainder of this paper is structured as follows: Section 1 provides a brief exploration of possible theoretical approaches and analytical tools. Section 2 characterises EU public policy on CSR. Section 3 examines national public policy models of CSR, focussing particularly on a comparison between the UK and France. Section 4 offers some conclusions and points the way to the next steps in the research programme.

## **THEORETICAL FRAMEWORKS**

This paper draws on ideas provided by three closely connected bodies of literature: namely, Europeanisation, policy transfer/diffusion and policy convergence. This section begins by briefly reviewing some of the more useful insights from the Europeanisation turn in European Studies.

### *Europeanisation*

Recently, two leading scholars have identified (Bache and Jordan 2006: 20-23) several definitions of Europeanisation in common usage. These include: a top down process of domestic change deriving from the EU; the creation of new powers at EU level (i.e. European integration); the creation of a new, European lodestar of domestic politics; the horizontal transfer of policies between states; an increasingly dense, two-way interaction between states and the EU; a discursively constructed external constraint on national autonomy; and/or the transfer of EU values and policies beyond the boundaries of its membership (e.g. to candidate countries and beyond). Building on these definitions and usages, and drawing on Goetz (2002), this paper is constructed on the understanding that Europeanisation is an interactive process that occurs among policy actors in the EU that is becoming increasingly impenetrable, intense, multi-tiered, multi-actored, multi-directional, iterative, and cyclical.

Such a complex system presents major analytical challenges for researchers. Therefore, in order to employ a more practical and workable approach, this paper follows the lead of previous scholars, in so far as it separates Europeanisation into analytically separate but empirically linked mechanisms. These are the top-down penetration of national arenas by the EU (i.e. downloading) and the bottom-up transfer of national values, ideas and interests (i.e. uploading) to the EU level and the horizontal transmission of policy (i.e. cross-loading) from one nation state to another. The concern of this paper is to determine whether and to what extent national governments in France and the UK may have succeeded in uploading their vision of CSR, whether and to what extent the EU may have downloaded its approach, or whether there has been contagion from one country to another. Problematically, it is likely that all of these processes have been in operation.

### *Policy transfer and diffusion*

The term ‘policy transfer’ has been defined as a

“...process by which knowledge about policies, administrative arrangements, institutions and ideas in one political system is used in the development of policies, administrative arrangements, institutions and ideas in another (Dolowitz and Marsh 2000:5).

Policy transfer may occur across time and national boundaries or within countries and across policy fields. For one scholar the ‘objects of transfer’ (Dolowitz 1997a) can include policies, institutions, ideologies or justifications, attitudes and ideas, and negative lessons. Moreover, there may be varying ‘degrees of transfer’ (Dolowitz and Marsh 1996) ranging from straight-forward copying of policy, legislation or techniques to emulation, synthesis, hybridisation or inspiration. Subsequently, Dolowitz and Marsh (2000) developed what they call a ‘continuum of policy transfer’ where a distinction can be drawn between ‘successful’, ‘inappropriate’, ‘uninformed’ and ‘incomplete transfer’ (or ‘maladaptation’).

By contrast, originally the idea of ‘policy diffusion’ was developed in USA to explain the adoption and spread of policy throughout the federal system (Stone 2000: 3). It has been defined as a socially mediated spread of policies across or within political systems (including communications and influence processes) that operates on or within populations of adopters (Rogers 1995: 13). For some (Elkins and Simmons 2005) the idea of policy diffusion refers to processes that produce an increasing similarity between countries (ultimately leading to policy convergence). In summary, the diffusion literature suggests that policy ‘percolates or diffuses gradually over time’ (Stone 2000: 4) and conveys the idea of spreading, dispersion and dissemination of ideas or practices from a common point of origin or source. Diffusion literature also appears to posit the idea that incremental change in policy comes with the advancement of knowledge and awareness. Probably most critically, the distinctive feature of policy diffusion is the sense that the associated policy change has been voluntarily adopted (Busch and Jorgens 2005). In contrast to policy diffusion, ‘penetration’ or ‘external inducement’ (Ikenberry 1990) and ‘direct coercive transfer’ (Dolowitz and Marsh 1996) suggest compulsion.

### *Policy convergence*

Policy convergence can be defined as any increase in the similarity between one or more characteristics of a certain policy (i.e. objectives, instruments and settings) across of a set of political jurisdictions (supranational institutions, states, regions, local authority) over a given period of time. The term policy convergence conveys a sense change that arises out of structural forces (Stone 2000: 5). Knill (2005: 769) argues that four types of policy convergence can be identified. Convergence occurs where there is a decrease in the variations of policies among member states; laggards catch up with leaders; there are changes in rankings; or changes in similarity can be measured by comparing countries’ distance from an exemplary model.

Building on and extending Bennett’s work<sup>1</sup> (1991), Knill (2005: 769-770) identifies two categories of causes of policy convergence. The first category includes the following ‘causal mechanisms’:

- Similar but independent responses of different countries to parallel pressures (e.g. ageing population);
- Imposition of policy;
- Harmonisation through international or supranational law;
- Regulatory competition resulting from globalisation or Europeanisation;
- Transnational communication

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<sup>1</sup> One of the earliest contributions (Bennett 1991) to the debate about policy convergence points to four possible causes of convergence:

- Emulation: where there is a borrowing of the ideas from one country and the adaptation of policy approaches, tools, or structures to local conditions;
- Harmonisation: where convergence arises out of the political recognition of interdependence and awareness of costs of divergence (as in EU);
- Elite networking and policy communities: where shared expertise among experts and professionals and regular interaction (via conferences, government delegations, sustained communities) results in common patterns of understanding regarding policy. This is similar to emulation but involves shared experience of learning about problems and the development of a common perspective where experts may act as ‘policy entrepreneurs’ (Mintrom 1997: 739)
- Penetration: where there is a clear use of power and coercive entailing a compulsion to conform.

- Lesson drawing in which nation states deliberately seek to learn from successful problem solving in other nation states;
- Joint problem solving activities within transactional elite networks or epistemic communities;
- Promotion of policy models by international organisations objective of accelerating or facilitating cross national policy transfer;
- Emulation.

The second category identified by Knill (2005), which he calls 'facilitating factors', are those forces that can affect the effectiveness of the 'causal mechanisms'. These include: the similarity<sup>2</sup> of nations states under study and the characteristics of underlying policies. Knill argues that distributional conflicts<sup>3</sup> and policy dimensions matter. For example, it may be more difficult to change paradigms than instruments and settings (Hall 1993) and therefore it more difficult to achieve policy convergence.

Employing the analytical tools above, the intention of this paper is to ascertain whether there may have been any policy transfer between the EU, France and the UK, and whether indeed it has resulted in convergence. Ultimately, the aim is to explain any patterns uncovered but that stage of the research is beyond the scope of the current paper.

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<sup>2</sup> Countries that are more similar in terms of institutional structures, cultural dimensions and socio-economic structures/development are more likely to converge.

<sup>3</sup> Significant distributional conflict is likely to produce less convergence than if there are small re-distributional consequences and conflicts.

## **EU CSR POLICY**

This section charts the formal development of EU CSR policy. It outlines the key publications and events in the development of the policy between 2001 and 2007 with a view to examining policy content and the deliberative processes involved.

### *Policy Content*

Arguably, the first important policy document to be published was the 2001 Green Paper (EC 2001), which defines CSR as

“... a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis [...] not only fulfilling legal expectations, but also going beyond compliance and investing “more” into human capital, the environment and the relations with stakeholders.” (EC 2001: 6)

The Green Paper discusses what it labels as the internal dimensions (EC 2001: 8-11) and external dimensions of CSR (EC 2001: 11-15), calls for ‘a holistic approach’ to CSR that incorporates social responsibility reporting and auditing, social and eco-labels, and socially responsible investment (SRI) and finally sets out details of the consultation process (EC 2001: 21), which was to follow during 2001 (see below for further discussion).

Following the Green Paper consultation exercise, the Commission then published a further Communication (EC 2002), which retains the definition of CSR originally set out in the 2001 Green Paper and sets out a ‘European Action Framework’ for CSR. It discusses how to improve knowledge about CSR, facilitate the exchange of good practice, and develop management skills. In particular, small and medium sized enterprises (SMEs) are singled out for attention. The Communication then debates related issues such as the promotion of convergence and transparency of CSR tools and practices; codes of conduct; management standards; measurement, reporting and assurance; labelling; SRI; the launching of an EU Multi-Stakeholder Forum (EMSF) on CSR (which was set up in 2002 and reported in 2004. See below); and the integration of CSR into all EU policy areas.

Finally, the most recent Commission document on CSR was published in 2006 (EC 2006). In effect this document represents the most complete statement of the EU's policy on CSR. It further reinforces many of the elements of EU CSR identified in earlier documents, preserving the 2001 definition of CSR, continuing to emphasise the voluntary character of CSR, referring to the need to reconcile economic, social and environmental ambitions, describing CSR as part of the debate about globalisation, competitiveness and sustainability, and arguing that any additional obligations and administrative requirements are counter productive and contrary to the principles of better regulation (EC 2006: 2). Moreover, one of the most striking aspects of the 2006 document is the Commission's announcement is that it sees businesses as the ‘primary actors in CSR’ (EC 2006: 3), arguing that the best way to achieve its objectives with regard to CSR is by working more closely with European businesses: hence the launch of the business-led ‘Alliance’ for CSR in 2006, which excluded other interests (see below).

However, it should be acknowledged that consensus does not prevail at the supranational level. Whilst broadly supportive of the Commission's approach to CSR, the own-initiative report drawn up in response to the Commission's 2006 Communication and adopted by a Resolution of the Employment and Social Affairs Committee on the 13<sup>th</sup> March 2007 adopts a mildly critical stance in relation to both the contents and the way in which the EU's CSR policy has been developed. For example, the Resolution goes on to 'remind' the Commission of the Parliament's 'invitation' to

‘...put forward a proposal to amend the Fourth Council Directive 78/660/EEC of 25<sup>th</sup> July 1978 based on Article 4 54(3)(g) of the treaty on annual accounts of certain types of companies (the Fourth Company Law Directive) so that social and environmental reporting is included alongside financial reporting’ (EP 2007: 5).

Whilst shying away from recommending a fully mandatory approach to CSR the European Parliament Report and Resolution effectively call for a more explicit CSR policy across the board with some regulatory elements.

#### *Policy-making Processes*

As part of the agenda setting phase with regard to EU CSR policy, the European Commission initiated and hosted a public consultation exercise as a follow up to the 2001 Green Paper. Although a range of policy actors participated (drawn from the public, private and voluntary sectors located at various tiers of governance) the process was dominated by the 'usual suspects'. Of the two hundred and sixty-six documents received in response to the European Commission's call for views and published on the Commission's website (DG Employment and Social Affairs 2001), the overwhelming majority came from organised interests. They supplied 88% of the policy papers sent to the Commission. Moreover, of those participating, business interests formed the biggest group. They were the source for 54% of the total number of documents submitted. Contributions from political parties and individual citizens represented a mere 6% of the total, and of these nearly 4% came from academics. See Table 1 for further detail.

-----insert Table 1 about here -----

Having conducted the public consultation exercise, the Commission went on to launch of the EMSF in October 2002, which met over the subsequent eighteen months and which produced its own final report in 2004 (EMSF 2004). The forum brought together main stakeholder groups at the EU level (DG Enterprise and Industry 2006) including employers (such as Eurocommerce), trade unions (e.g. the European Trade Unions Congress), business organisations (e.g. CSR Europe and Eurochambres), and civil society organisations (e.g. the Green 8 and Oxfam). Approximately thirty member organisations and observers took part in the Forum's plenary meetings and other organisations and businesses were invited to participate in the thematic Round Tables. Over the course of these meetings, the positions of the participating organisations shifted (Kingfisher 2006; Anglo-American 2006). Initially very polarised over issues such as how to best implement CSR, the views of the various contributors did converge during the eighteen month period and a 'really sensible debate' took place (Kingfisher 2006). However, under the pressure to produce the

final report (EMSF 2004), divisions were restored and ‘the headlong dash towards regulation was averted’ (Anglo-American 2006).

Following the EMSF report of 2004, the Commission then published the 2006 Communication (see above) and simultaneously established the most recent phase of deliberation by launching the so-called business-led ‘European Alliance for CSR’ in 2006. This decision to create a deliberation forum that excluded many of the organised interests that had participated in the 2001 Green Paper consultation and the EMSF, met with a cool or hostile responses (ETUC 2006; FOE 2006). One leading UK newspaper claimed it demonstrated that the EU had sided (again) with business organisations on the subject of CSR (FT 2006).

In summary, the EU’s CSR policy displays continuity over the period of study. Neo-liberal values provide the underlying flavour and the policy-making process points to a continued practice of elite pluralism (Coen 2007) or neo-pluralism (Smith 1990).

## **NATIONAL APPROACHES COMPARED: FRANCE AND THE UK**

### *National history and traditions*

Both France and the UK have relatively long traditions of CSR. In the UK the idea of corporate social responsibility, in the form of corporate philanthropy, can be traced to the late eighteenth century when industrialization and urbanization wrought substantial social change (Moon 2004). Subsequently, from the middle of the twentieth century, the substantial growth in state welfare provision partially replaced corporate philanthropy. However, by the late twentieth century perceived failures on the part of the state led to further changes in the expected role of business in society in the UK and the emergence of an explicit UK CSR policy (Matten and Moon 2004).

During the past twenty years, under both Conservative and Labour Governments, a level of institutionalization of CSR in the UK has taken place (Moon 2004). Conservative Governments of the 1980s introduced initiatives such as ministerial leadership, the creation of new business associations (such as Business in the Community (BitC) in 1981), and the funding CSR activities and organizations to support and encourage CSR policy development (Moon 2004). Subsequently, Labour Governments have continued to use similar tactics to their predecessors. Recently, in March 2000, the Labour Prime Minister created the post of a cabinet Minister responsible for CSR, whose role is to co-ordinate CSR across the government. In March 2001 the Labour Government published the first of its series of annual reports on CSR (DTI 2001; DTI 2002; DTI 2004). In the same year a UK government website was launched specifically devoted to CSR.

In contrast to the UK, in France it has been the government that has taken the more active lead in field of CSR. This has been attributed (Antal and Sobczak 2007) to the distinctive economic and political structures found in France. One of most distinguishing features of French business-society relations is the strong role for state. Traditionally, in France, power has been centralised and there has been faith in the efficacy of regulation to change society (Antal and Sobczak 2007: 13). As a result, France has been described as 'pioneer' in CSR policy and practice, in so far as it was the first country to introduce mandatory corporate social reporting in 1977 (Antal and Sobczak 2007). This was reinforced by further legislation in 2001. In effect, much of the discourse and practice in France concerning CSR revolves around a body of legislation.

Crucially, CSR does not have same meaning in French and the Anglo-American context (Antal and Sobczak 2007). In French the word 'responsibility' equates to 'liability'. This means that the discussion of voluntary CSR is more problematic in France than in some other EU member states. Similarly there is some confusion over the word 'social'. In French context, the word 'social' implies labour relations (Antal and Sobczak 2007). In other countries, including the UK, the word 'social' means 'society' (not just employees). Consequently, the French have tended to have a narrower definition of CSR than their Anglo-American counterparts. In any case, preferred term in France is 'corporate citizenship' (Maignan and Ferrell 2001), with its connotations of employees as 'citizens of the firm'.

### *Contributions to the 2001 Green Paper consultation*

Many of the underlying features referred to above are evident in the French and British government policy papers submitted as part of the 2001 CSR Green Paper consultation.

The opening paragraph of the French contribution (French Government 2001) refers to the Green Paper as one which ‘enriches’ and ‘completes’ reflection on the European Social Model.

“The preparation of the Green Paper proposed by the Commission [contributes to a debate that was launched by the Lisbon European Council and its social agenda] which increasingly clarifies and *builds the social dimension* of the European Union” (Author’s translation. Emphasis added)

The French government’s 2001 paper then continues to focus closely on issues concerned with workers and their conditions of employment (including training, health and safety at work, industrial relations, the social dialogue, the avoidance of conflict in the work place, the effects of business restructuring, and the prevention social exclusion). The paper also highlights issues concerning business supply chains and sub-contractors. The challenge of competitiveness is described as being connected to ‘transparency’, ‘evaluation’, ‘external rating agencies’ and ‘certification’. These are seen as measures to provide assurance to consumers. Probably the most telling paragraph in the French government paper comments that:

“The Green Paper confirms and explains the hierarchy of instruments used in the social field. It affirms that voluntary instruments [...] are neither a substitute nor an alternative for regulation. *The legal and regulated framework is, in effect, indispensable for guaranteeing equality of treatment of all workers*”. (Author’s translation. Emphasis added)

In stark contrast, the British government’s contribution (UK Government 2001) to the 2001 Green Paper consultation exercise calls for CSR to be mainstreamed and engagement with the private sector. It argues that CSR should ‘centre around productivity and competitiveness’ and that it should ‘work with the grain of the market’. Moreover, the paper stresses that ‘business drivers’ are sufficient, that any (government) intervention should be of an ‘enabling variety’, and that public policies need to ‘make business sense’. It further claims that any more standardisation ‘risks stifling further innovation and development’. These ideas are clearly reflected in the quotations below. The British government paper argues that CSR:

“...should centre around productivity and competitiveness and on achieving transparency in the market to promote an effective dialogue with stakeholders...”

Moreover:

“Intervention may be helpful [in ensuring] that the market mechanisms that drive CSR’s development work effectively, or to register key policy concerns. But public authorities should recognise the power of the independence of this voluntary approach. Private sector initiatives can go further and faster in

setting standards and encouraging innovation than is possible for Governments....”

The British government paper contains no references to the idea of a ‘European social model’. It claims that EU environmental and social protection legislation is already highly developed and that, unlike the French paper, there is no need for (further) regulation.

#### *The 2007 Compendium*

A second snapshot of the French and British approaches to CSR can be found in their entries in the 2007 EU Compendium on CSR (DG Employment and Social Affairs 2007). See Tables 2, 3, and 4 for details. A review of French and UK approaches to CSR, as presented to the EU in 2007, reveals a degree of continuity but also a number of changes from their respective positions in 2001.

-----insert Tables 2, 3, and 4 about here -----

The French government’s CSR policy displays a continuing central concern for the social dimension of CSR. This is evidenced in the launch of the Diversity Charter and Equality Label. By the same token, the UK’s approach to CSR continues to give greater emphasis (than the French) to the environmental dimension of CSR as is shown by the production of the government’s *Environmental Reporting Guidelines – Key Performance Indicators (KPIs)*, designed help companies address their most significant environmental impacts, identify environmental risks relating to company performance, and report on them. Equally, the UK’s broader approach to CSR is also reflected in UK’s promotion and encouragement of the adoption of formal environmental management systems and accredited certificates to international and national standards such as ISO 14001 and BS 8555 to help organisations achieve improved performance. In addition, the UK’s more rounded approach is also evidenced by the launch in 2006 of the world’s first standard for managing sustainable development (BS 8900) which sets out the sustainability outcomes organisations should aim to achieve as well as a method for measuring their progress.

However, some important differences from 2001 are evident in both of the 2007 Compendium entries. With regard to the French government approach to CSR it is striking that during the short period of time that had elapsed since 2001, there had been a broadening in the definition of CSR. Whilst the French approach to CSR does exhibit signs of a continuing concern for employees and employment issues, the French CSR agenda had been expanded to encompass other aspects of CSR such as the environment. In addition, in referring to the French National Sustainable Development Strategy of 2003, which incorporates both sustainable development and CSR issues, there is the recognition of the value of voluntary initiatives. Similarly changes in emphasis in the British approach to CSR are also evident. In particular, what is most conspicuous is the UK government’s decision in 2006 to embrace some elements of mandatory control over CSR. The 2006 Companies Act had introduced the requirement for a Business Review that would oblige quoted companies to report on environmental, social (i.e. employees and employment matters) and community issues.

Crucially, taking the French and British entries to the 2007 Compendium as a whole, there are large areas of common ground. Both appear to have introduced similar developments with regard to public procurement and SRI. Both seem to have adopted a similarly energetic approach to encouraging businesses to engage with broader international standards concerning CSR (such as the UN Global Compact, the OECD's Guidelines and the ILO's guidelines). In summary, the picture by 2007 is one of much closer alignment between the French and British approaches to CSR. This, in turn, also amounts to a narrowing of the gaps between the national models and that of the EU.

## **CONCLUDING REMARKS AND FUTURE DIRECTIONS**

Before reaching any conclusions, it is necessary to acknowledge the limitations of the research reported here. All of the findings are based on an examination of key documents. These, inevitably, do not reveal a great deal of depth about how policy decisions were reached. Nevertheless, it has been possible to answer the following questions:

- What was the shape of EU, UK and French CSR policy and policy-making in 2001 (the selected base-line year)?
- How had EU, UK and French CSR policy evolved (or not) by 2007?
- What similarities and differences between the three approaches can be discerned during the period under investigation, when and why?

There is clear evidence in the publicly reported positions of the three domains (the EU, France and the UK) that the EU and UK shared a great deal of common ground with regard to CSR policy in 2001. This was in stark contrast to the policy preferences outlined by France. In brief, both the EU and the UK favoured a voluntary approach to CSR and appeared to define it as a broadly conceived notion, focussing equally on the economic, social and the environment. By contrast, France appears to have favoured a stronger regulatory approach and a much more narrowly defined version of CSR: one that focussed especially on the social dimension.

By 2007, some change is evident in the policy of the three polities. Whilst the EU displayed the strongest signs of continuity, both France and the UK had altered their approaches in certain respects whilst maintaining their underlying core values. In other words, it would seem that some ‘policy transfer’ had occurred. The French held fast to a stronger concern for the social dimension of CSR, whilst the UK continued to treat it as a broader issue. However, France had shifted its position slightly to acknowledge the value of voluntary initiatives and the UK appears to have emulated France in its adoption of legislation concerning company reporting. In Dolowitz’s (1997) words, among the ‘objects of transfer’ that seem to have been conveyed from one country to another were ‘policies’ but there is little real evidence that there had been a transfer of core ‘institutions, ideologies or justifications, or attitudes and ideas’. With regard to the ‘degree of transfer’ (Dolowitz and Marsh 1996), the evidence suggests that there may have been some straight-forward copying of legislation (with regard to company law in the UK). However, overall the CSR policy and policy-making of both countries appear to have undergone a degree of synthesis or hybridisation. Overall, some convergence appears to have taken place between France and the other two polities. However, at this point in time, it is too early to judge whether the transfer can be considered to be ‘successful’, ‘inappropriate’, ‘uninformed’ and ‘incomplete transfer’ or ‘maladaptation’ (Dolowitz and Marsh 2000). Further research is required.

Moreover, further research is also required before it will be possible to judge with any real confidence whether the changes in CSR policy in the EU, France and the UK have been examples of ‘uploading’, ‘downloading’, and/or ‘cross-loading’. Based on the evidence provided by the case study, it could be tentatively argued that the most likely process to have occurred is that the UK succeeded in uploading its model of CSR to the EU, or that the EU and the UK simply developed policy along parallel lines. There is also sufficient evidence to argue that some ‘cross-loading’ may have occurred, in that both the UK and France acquired limited aspects of the other’s

approach to CSR. To be more certain about this, it would be necessary to question the policy-makers in the EU, France and the UK about their sources of inspiration.

Moreover, the limited evidence reviewed for this paper makes it difficult to decide on the probable causes of policy convergence (Bennett 1991; Knill 2005). At this stage the least likely causes would seem to include: similar but independent responses of different countries to parallel pressures; the imposition of policy; the harmonisation through international or supranational law; lesson drawing in which nation states deliberately seek to learn from successful problem solving in other nation states; or emulation. More likely to have caused the modest narrowing of the differences between France and the UK are the following: transnational communication; regulatory competition resulting from globalisation or Europeanisation; joint problem solving activities within transactional elite networks or epistemic communities; and the promotion of policy models by international organisations objective of accelerating or facilitating cross national policy transfer. Furthermore, there would seem to be sufficient clues about the nature of EU, French and UK CSR policy and policy-making to warrant an examination the role of non-state actors as 'agents of transfer' (Stone 2004). Consequently, future research should examine the role played by business and other categories of interests in shaping EU and national public CSR policy. It should entail detailed questioning of EU, French and UK policy-makers to determine what influences (and why) have shaped CSR policy and policy-making in their domain.

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**Table 1 – Analysis of responses to the EU’s 2001 Green Paper on CSR, All contributors.**

Category of respondent	Total number	% of total
Public Authorities	18	6.7
Political parties	1	0.4
Organizations	41	15.2.
Companies (networks, individual companies, consultants and social economy)	111	41.2
Social Partners (employers and trade unions)	48	17.8
Advocacy Groups	35	13.0
Academics	10	3.7
Other interested parties	5	1.9
Total	269	100

*Source: Author's analysis of the responses received (see [http://ec.europa.eu/employment\\_social/soc-dial/csr/csr\\_responses.htm](http://ec.europa.eu/employment_social/soc-dial/csr/csr_responses.htm), accessed June 2006.)*

**Table 2: ‘Promoting CSR’ – France and the UK compared**

	France	UK
Awareness raising	<ul style="list-style-type: none"> <li>• UN Global Compact, OECD guidelines and ILO 1998 Declaration on Fundamental Principles and Rights at work vigorously promoted during the French presidency of G8 in 2003.</li> <li>• Personal involvement of the French President to encourage companies to set up a network comprising those who had signed up to the principles of the Global Compact.</li> <li>• National Contact Point set up.</li> <li>• France active during the 2001 EU CSR Green Paper consultation</li> <li>• Advisory bodies for SMEs key role in awareness raising</li> <li>• Government and collective bodies can support SMEs initiatives, in particular financially.</li> </ul>	<ul style="list-style-type: none"> <li>• UK government supports various international standards and organisations that encourage best practice including the OECD Guidelines for MNEs, the UN Global Compact and the ILO guidelines</li> <li>• In March 2000, the UK Government appointed a Minister for Corporate Social Responsibility.</li> <li>• Since March 2001, the UK government has published three reports on CSR, outlining government policy approach to CSR with examples of responsible business practice. This is supported by a government website.</li> <li>• In 2004, the UK government launched the CSR Academy to encourage companies to develop the skills and competencies for responsible business practice.</li> <li>• December 2005, as part of the UK’s presidency of the EU, the government launched a major conference on CSR and the finance sector.</li> <li>• October 2006, HM Treasury (with the Chancellor and the Prince of Wales as keynote speakers) organised a corporate responsibility summit.</li> </ul>
Research	Not specified	Not specified but see management tools below.
Public-private partnerships	Not specified	Not specified
Business incentives (e.g. awards)	Not specified	Use of awards for business as part of the awareness raising process that the government engages in e.g. the BitC awards and other similar recognition schemes
Management tools	Not specified	In 2004 – in response to government sponsored research on CSR and SMEs, the government has supported the development of a practical web-based toolkit.

Source: 2007 Compendium of Corporate Social Responsibility. National public policies in the European Union

**Table 3: ‘Ensuring transparency’ - France and the UK compared**

	France	UK
Principles and codes of conduct	Montaigne Institute launched a Diversity Charter to encourage companies to better reflect the diversity of the French population in their workforce and to make non-discrimination and diversity part of their strategy.	<ul style="list-style-type: none"> <li>• 1998 – The government helped to set up the Ethical Trading Initiative (ETI).</li> <li>• December 2000 – the UK and USA governments jointly launched the Voluntary Principles on Security and Human Rights aimed at extractive companies.</li> <li>• September 2002 - The Extractive Industries Transparency Initiative (EITI) was launched by the Prime Minister at the World Summit on Sustainable Development in Johannesburg.</li> </ul>
Reporting framework	<ul style="list-style-type: none"> <li>• Under the economic regulation of 2001, French companies listed on the stock exchange have to provide in their annual reports social, environmental information and community information</li> <li>• A 2002 decree gives specific quality and quantity criteria for the reporting above.</li> </ul>	<ul style="list-style-type: none"> <li>• The government has produced a set of <i>Environmental Reporting Guidelines – Key Performance Indicators (KPIs)</i> that will help companies address their most significant environmental impacts, identify environmental risks relating to company performance, and report on these in a way that meets the needs of shareholders and other stakeholders.</li> <li>• The Companies Act 2006 introduced the Business Review which will require quoted companies to report on environmental matters, the company’s employees and social/community issues, to the extent necessary for an understanding of the business.</li> </ul>
Management systems and certification schemes	<ul style="list-style-type: none"> <li>• March 2004 – Equality Label introduced by the Minister responsible for equal opportunities (aimed at boosting quality and professional diversity in the workplace) was the result of work carried out with social partners.</li> <li>• March 2006 – the Equality Label was adapted for use with SMEs with less than 50 employees.</li> <li>• France firmly committed to the negotiation of the ISO 26000 guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>• The UK promotes and encourages the adoption of formal environmental management systems and accredited certificates to international and national standards such as ISO 14001 and BS 8555 to help organisations achieve improved performance.</li> <li>• Government is actively supporting business and public- sector initiatives aimed at stimulating take-up and is helping to develop new implementation tools.</li> <li>• The government has assisted with the setting up of an independent accreditation scheme (the IEMA-Acorn scheme) to help give recognition to organisations that use BS 8555.</li> <li>• In 2006, the UK launched the world’s first standard for managing SD (BS 8900)</li> </ul>
Socially responsible investment (SRI)	<ul style="list-style-type: none"> <li>• France aims to encourage SRI by banks, insurance companies, fund managers and regulatory bodies.</li> <li>• The law establishing pension reserve funds takes into account social, environmental and ethical considerations.</li> </ul>	The introduction of a requirement for pension fund trustees to state their policy (if any) on social and environmental entrepreneurship (SEE) was intended as a light-touch piece of regulation intended to signpost the value in considering such investment strategies.
Advertising	Not specified.	Not specified.

Source: 2007 Compendium of Corporate Social Responsibility. National public policies in the European Union

**Table 4: ‘Developing CSR-supportive policies’ - France and the UK compared**

	France	UK
SD strategy	<ul style="list-style-type: none"> <li>• 2003 - National Sustainable Development Strategy (NSDS) adopted. Sets out French CSR and SD policy. It aims to encourage companies to commit themselves to SD via two main objectives. Objective 1 – requires that all companies take into account SD via <b>voluntary initiatives</b>. Objective 2 – relates to SMEs.</li> <li>• November 2006 – NSDS updated to <b>bring it into line with the European strategy adopted by the Council in June 2006</b>.</li> </ul>	The UK’s CSR approach ties in with its strategy for sustainable development, with its aims of integrating social progress, effective protection of the environment, prudent use of natural resources, and high and stable levels of economic growth and employment, to ensure a better quality of life for everyone, now and for generations to come.
Social policies	<ul style="list-style-type: none"> <li>• March 2002 - As part of the French approach to fighting discrimination, a long-term public-private agreement was signed by the Adecco company and FASILD to prevent discriminatory practices.</li> <li>• An independent authority (HALDE) has been set up to take charge of promoting equal treatment and fight discrimination.</li> </ul>	Not specified
Environmental policies	Not specified	The Carbon Disclosure Project (CDP) provides a secretariat for the world’s largest institutional investor collaboration on the business implications of climate change. CDP represents a process whereby many institutional investors collectively sign a single global request for disclosure of information on greenhouse gas emissions.
Public procurement	<ul style="list-style-type: none"> <li>• The 2006 code on public procurement includes directives that integrate a number of legal instruments designed to allow SD to be taken into account in government procurement.</li> <li>• March 2007 – the government adopted a National Action Plan for Sustainable Public Procurement which aims to encourage public purchasers to commit to sustainable public procurement.</li> </ul>	<ul style="list-style-type: none"> <li>• March 2007 - the UK Government presented a package of actions aimed at making supply chains and public services increasingly low carbon, low waste and water efficient, respect biodiversity and deliver wider sustainable development goals.</li> <li>• May 2005 - The Sustainable Procurement Task Force was established, charged with drawing up an action plan to bring about a step change in sustainable public procurement.</li> </ul>
Fiscal policies	Not specified	<ul style="list-style-type: none"> <li>• Community investment tax relief (CITR) offers incentives to encourage private investment through community development finance institutions (CDFIs) in both not-for-profit and profit-seeking enterprises in disadvantaged communities.</li> <li>• The government offers a range of tax incentives to encourage corporate giving of cash, equipment, employee time and other in-kind support to voluntary or community groups, including through payroll giving and Gift Aid.</li> </ul>
Trade and export policies	<ul style="list-style-type: none"> <li>• French companies asking for export credits or investment guarantees are systematically informed about the OECD Guidelines for MNEs (conveyed via the insurance agency acting on behalf of the French state – COFACE).</li> <li>• The French National Contact Point actively promotes OECD guidelines.</li> </ul>	Not specified.
Development policies	Not specified	Not specified.

Source: 2007 Compendium of Corporate Social Responsibility. National public policies in the European Union