



# Regional Dissemination Meeting

## Province of Bologna

### *September 25th, 2013*

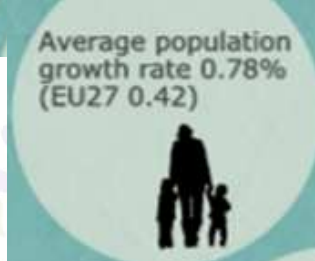
*Italy and Emilia-Romagna CSR framework*

# Italy

## socio-economic frame

### National and international occurrences

- ❖ Economic, environmental, social and financial crisis
- ❖ Globalization processes
- ❖ Population's growing old
- ❖ Emigrants and immigrants flows



# Italy socio-economic frame

Industrial sector is mostly concerned with:



**Tourism**

**Machinery**

**Iron and Steel**

**Chemicals**

**Food processing**

**Textiles**

**Motor Vehicles**

**Clothing**

**Footwear**

**Ceramics**



GDP 2012: **industrial sector 26.7%** **agriculture 2%** **service industry 71.3%**

# Italy socio-economic frame

- ❖ The country was the world's 8th largest exporter in 2011
- ❖ Italian economic fabric **consists mainly of SMEs** (99,7% of active industrial enterprises has less than 250 employees)
- ❖ **SMEs employ more than 81% of actively working people**, particularly in the service industry (approximately 49%).
- ❖ SMEs are quite often **family-run**
- ❖ Among SMEs, 81,7% are micro enterprises
- ❖ **Smaller number of global corporations** than other economies of comparable size
- ❖ **Productive processes are** commonly fragmented and **clustered in several industrial districts**



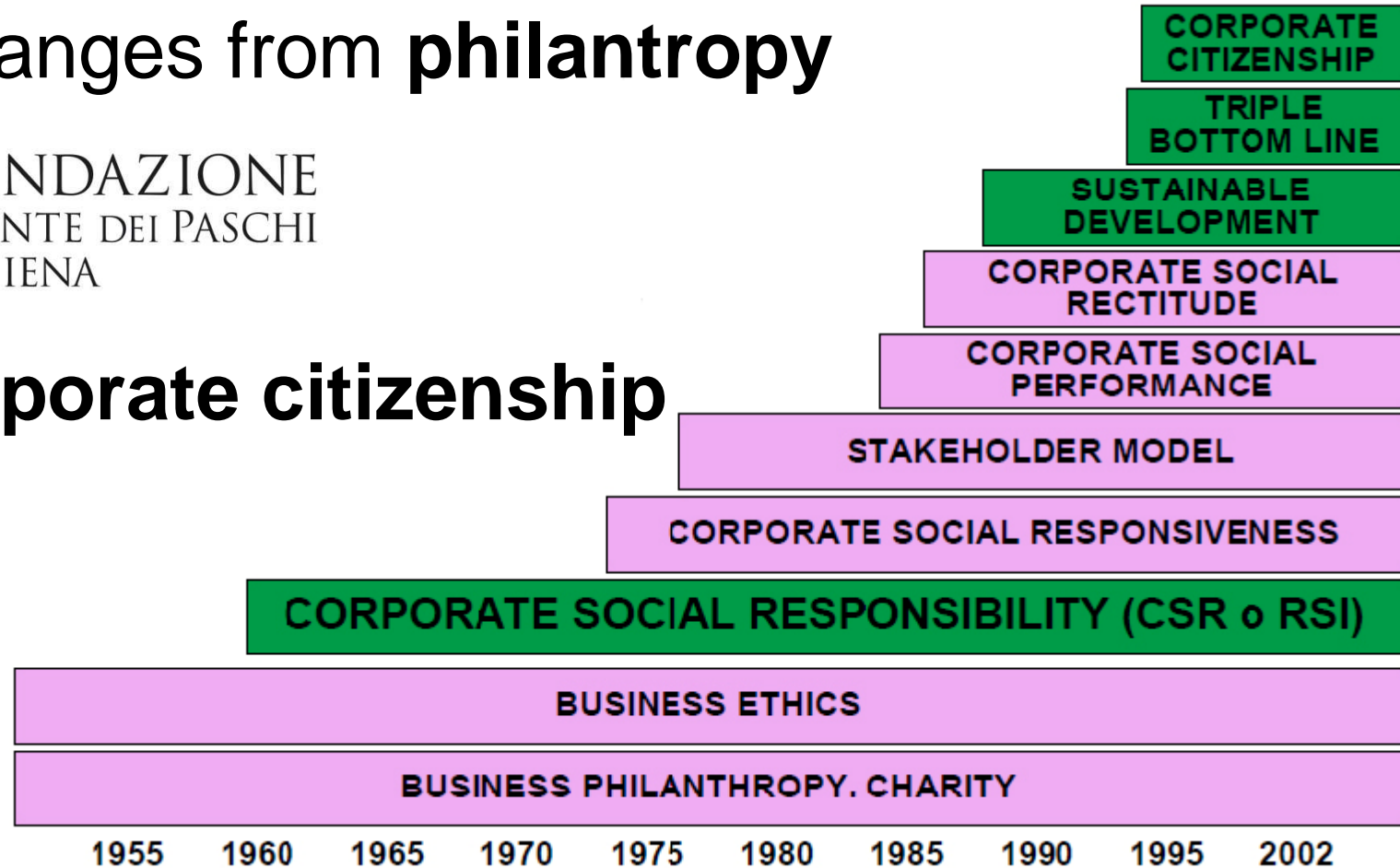
# Italy CSR framework evolution

CSR ranges from **philanthropy**



FONDAZIONE  
MONTE DEI PASCHI  
DI SIENA

to **Corporate citizenship**



# Italy CSR framework

## Laws and regulations

- ❖ Legislative Decree n.460 (12-4-1997) “Reorganisation of the tax regulations for non- commercial and non-profit organizations of social utility”
- ❖ Law n.342 (11-21/2000) “Fiscal measures”
- ❖ Joint return Italy-UK (4-29-2003) on CSR
- ❖ Memorandum of understanding between Unioncamere and Ministry of Labour and Social Welfare (11-27-2003)
- ❖ Memorandum of understanding between ANCL (national association labour consultant) and Ministry of Labour and Social Welfare (11-27-2003)
- ❖ Memorandum of understanding between Assolombarda and Ministry of Labour and Social Welfare (6-9-2004)
- ❖ Memorandum of understanding between Confapi and Ministry of Labour and Social Welfare (6-9-2004)
- ❖ Memorandum of understanding between FederAmbiente and Ministry of Labour and Social Welfare (3-23-2005)
- ❖ **Regional legislation and rules** (acknowledgement of EU requests and input on CSR)

# EU CSR policy

- ❖ **Green Paper** (July 2001)'Promoting a European framework for Corporate Social Responsibility'

CSR is defined 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**”

- ❖ **Communication** from the Commission concerning Corporate Social Responsibility, (July 2002)

'Corporate Social Responsibility: **'A business contribution to Sustainable Development'**

- ❖ **Communication** from the Commission concerning Corporate Social Responsibility, (March 2006)

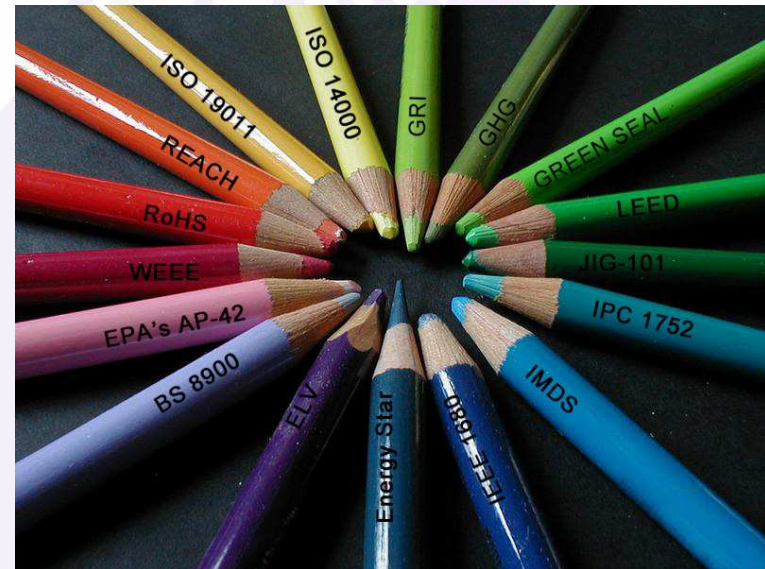
**'Implementing the partnership for growth and jobs: making europe a pole of excellence on corporate social responsibility'**

- ❖ In October 2011 the European Commission published a new policy on CSR (A renewed EU strategy 2011-14 for CSR)

**CSR is 'The responsibility of enterprises for their impacts on society'**

# International CSR standard most implemented in Italy

- ❖ SA 8000 Social Accountability International
- ❖ Sustainability Report Guidelines (GRI)
- ❖ AA1000 AccountAbility 1000
- ❖ ISO 26000
- ❖ ISO 14001
- ❖ EMAS
- ❖ Social Audit
- ❖ Social label
- ❖ OHSAS 18001





# Italy CSR framework Public initiatives

**CSR – SC (Corporate Social Responsibility-Social Commitment)**  
project (Ministry of Welfare 2002)

**Based on voluntary CSR approach and the promotion of CSR  
across national socio-economic system**

**Third European Conference on CSR** (Ministry of Welfare - Venice, 14  
November 2003), Italian multi-stakeholder Forum for Corporate Social  
Responsibility

**Initiative aimed at encouraging the dissemination of CSR between  
businesses and Italian organizations**





# Italy CSR culture

Increasing number of consumers aware of sustainability issues.

In particular **44% of consumers in 2013**, compared to 38% in 2012, **are willing to pay more** for product/services made by companies that reinforced **CSR programmes**

In UE such percentage is on average around 36%



Source: Nielsen Global survey on CSR carried out in may 2013 on a sample of 29.000 interviewed online in 58 countries

# SMEs and CSR in Italy: what's going on?

- ❖ **Companies socially involved:** diminishing in number, raised invested funds
- ❖ **Why companies invest in CSR:** ethical purposes and corporate image
- ❖ **Funded initiatives:** rising attention to the employers
- ❖ **SMEs and CSR:** for 67% of them CSR makes relationship with employers stronger
- ❖ **Ethical code:** over 50% of the companies have adopted it
- ❖ **Internal stakeholders:** focus on workplace quality and safety
- ❖ **External stakeholders (local community):** sponsorships and charity
- ❖ **Environmental commitment:** alternative energy sources



Source: SMEs CSR workshop 2010 – Faculty of Economics – University ‘Carlo Bo’ - Urbino  
5° national report SWG for Socialis Observatory “Corporate Social engagement in Italy” - 2012

# SMEs and CSR in Italy: what's going on?

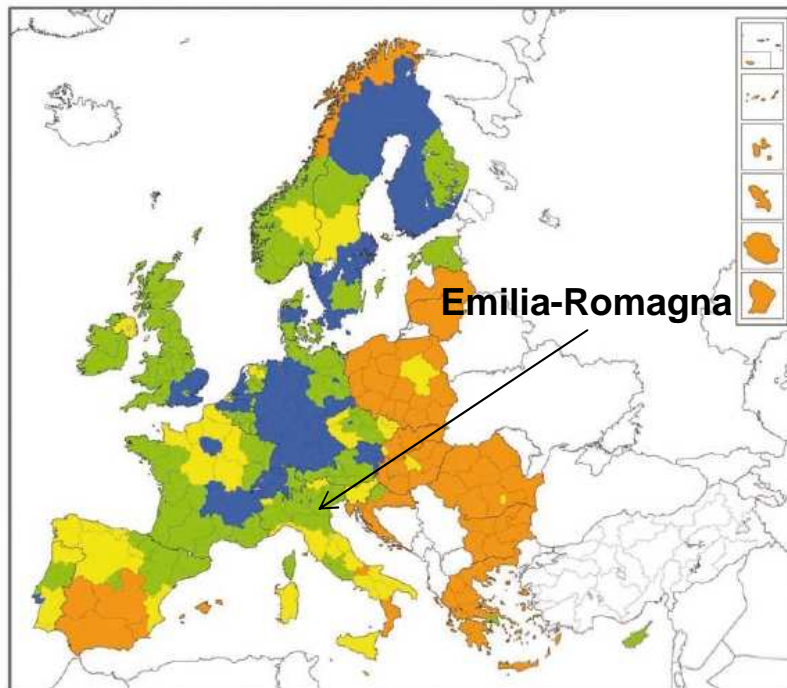
- ❖ **CSR effectiveness measurement:** it's still little common
- ❖ **Internal communication:** 27% of companies invest on it but don't get employers involved
- ❖ **Most used medium for CSR activities:** Internet
- ❖ **Dissemination of CSR principles among employers:**  
Intranet + Social report
- ❖ **SMEs weakness factors:**
  - ✓ Scarce economic resources
  - ✓ Instinctive management
  - ✓ lack of incentives



Source: SMEs CSR workshop 2010 – Faculty of Economics – University ‘Carlo Bo’ - Urbino  
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# Emilia-Romagna socio-economic features

- ❖ Emilia-Romagna has **one of the highest european GDP**: 30.493 eur (ISTAT 2009) exceeding 27% of the EU average
- ❖ In 2013 **unemployment rate raised up to 9.4%**, compared to 7.1% of 2012
- ❖ **Less than 30 aged unemployment rate 17.4% (2013)**
- ❖ Enterprises operating in the region are approximately 400.000, **mostly SMEs (99,1% - less than 20 employers 97%)**



- ❖ According to the **Regional Innovation Scoreboard** Emilia- Romagna's got an **innovation performance score medium-high**
- ❖ **Social Capital is region-spread in terms of civciness and social engagement**





# E-R economic framework



- ❖ **Productive system is mainly arranged in** local production systems and **(differently from national trend) networked industrial districts**, based on the region-spread presence of **small companies (mostly family-run)** and **cooperative system**
- ❖ **Production pattern is characterized by a high quality manufacturing attitude** and **strong industrial vocation**: Parma (Barilla and Parmalat), Reggio Emilia, Modena and Bologna (Ducati, Ferrari, Italjet, Moto Morini, Maserati, Lamborghini)
- ❖ **Industrial sectors widely ranged** (chemicals in Ravenna, mechanic in central Emilia, textiles, electronics, ceramic districts in Modena surroundings, logistics in Piacenza)
- ❖ Well developed, also, **sea tourism** and **tourism in art cities** especially from abroad



# E-R public initiatives to support CSR

- ❖ Regional law n.21/2005 about Workplace conditions
- ❖ Norms for promotion and development of mutual cooperation in E-R (L.R. 6/2006)
- ❖ New Productive Activities Programme 2013-2015 meant to support CSR
- ❖ **CSR resolution issued by Regional Committee on July 7<sup>o</sup> 2011 by which Region commits itself in leading a nation-wide innovative CSR policy through public-private partnerships**
- ❖ Memorandum of Understanding between Region of E-R and Ministry of Economic Development to promote economic growth and SMEs sustainable competitiveness





# E-R CSR public-private initiatives

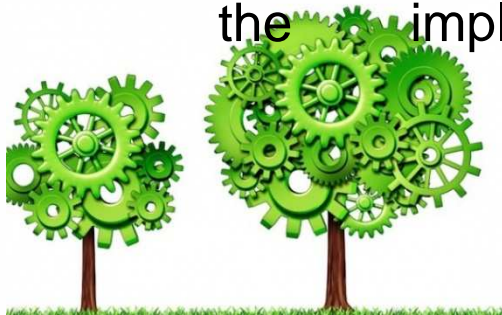
- ❖ CSR Award Province of Modena (by Province of Modena and Chamber of Commerce)
- ❖ CSR in the industrial districts - Surveys 2004, 2008 (by Lab and Province of Modena) Focus
- ❖ Impronta Etica dissemination initiatives
- ❖ Ugo Project (by Cise – Chamber of commerce)
- ❖ Sinopsis Lab researches



# CSR culture regional framework

## Desur survey output

- ❖ Knowledge and the **approach to CSR** by SMEs **is generally weak**, mostly intuitive and **inefficiently organized**
- ❖ **Dissemination** can be considered still **insufficient**
- ❖ **CSR is** often **meant as an additional cost** and not as an opportunity
- ❖ Insufficient development of an entrepreneurial culture of CSR
- ❖ SMEs hardly understand the competitive surplus that might result from activation of a sustainability strategy.
- ❖ Frequently, SMEs in this area are included in an industry production chain where **competitive criteria is still represented by the price**
- ❖ **CSR activities are often 'unaware'**
- ❖ Insufficient attention paid to external stakeholders
- ❖ Top management and/or the **owner/entrepreneur play a key role** in the implementation of CSR strategy



# CSR culture regional framework

## Desur survey output

Main CSR focus among those internationally recognized, are:

- ❖ Work quality/Human resources
- ❖ Local project sponsorship
- ❖ Social accounting
- ❖ Environmental innovation
- ❖ Work safety
- ❖ Conciliation daily time and job



**However, to be mentioned also several innovative experiences in new CSR fields, such as:**

- ❖ **Supply chain involvement**
- ❖ **Stakeholder engagement techniques**
- ❖ **Work-life balance activities**
- ❖ **Co-planning in collaboration with non-profit's**
- ❖ **Home-work sustainable mobility**
- ❖ **Social entrepreneurship support**

Source: Region of Emilia-Romagna Triennial productive activities programme 2012-2014 Report on CSR

# CSR culture regional framework

## Desur survey output

- ❖ **Majority of SMEs still mean CSR as a philanthropic activity**

**CSR is not about**  
**HOW COMPANIES SPEND MONEY**

**CSR is about**  
**HOW COMPANIES MAKE PROFIT**



# Thank you for your attention



***Umberto Mezzacapo* - CesCoCom**  
**Studies Center on Consumption and Communication**  
**Department of Sociology and Business Law**  
**University of Bologna**