



GenerationEurope

The Role of Business in Society

2nd Generation Europe Youth Summit

November 29th - December 2nd 2002

*European Parliament Brussels,
Bruges & Louvain-La-Neuve*

Closing Report



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Introduction



The 2nd Annual Generation Europe Summit was inspired by the launch of our on-line communication platform in June 2002 and by our promise to young Europeans to provide them with a voice which would be heard by policy and opinion formers from the private sector and from public institutions.

The aim of the 2002 Summit was for Europe's future decision-makers to challenge and question today's political and business leaders. This happened during a televised debate in the European Parliament which was broadcast live on 'Europe by Satellite' and on the internet. In addition the assembly voted each the 'Shaping the Future Award', presented this year for the most inspiring socially responsible project.

The results of the 2002 Summit, a set of six questions the delegates consider to be crucial to assess the role of business in society in the twenty-first century, has been sent to the CEO's of the Global Fortune 500 companies, and the responses, or lack of them, will be published and analysed by the Generation Europe online community over the coming months.

Our online forums, chats with CEO's and political leaders and our online opinion gathering will be extended in 2003 to cover other issues and topics of interest. Geographically, and in partnership with other organizations, we intend to extend our activities to operate as a European Youth Think Tank.

We would like to thank all the individuals, organisations and companies who support us in our work and make this annual event possible.

A handwritten signature in black ink, reading 'Catie Thorburn'.

Catie Thorburn
President
Generation Europe



Programme

Friday November 29th - *Bellevue Museum, Brussels*

- 18.30 Guided tours
- 20.00 Opening Reception & Gala Dinner
Catie Thorburn,
President Generation Europe Foundation
Leiv Neergaard, Senior Vice President Norsk Hydro



Saturday November 30th - *College of Europe, Bruges*

- 10.00 Opening working sessions
Luciano Morganti, Special Advisor College of Europe
Jacques Fonteyne, Special Advisor Generation Europe
- 12.30 Lunch
- 14.00 Guided tour of Bruges
- 15.30 Media training
- 17.00 Conclusions
- 18.00 Return to Brussels



Sunday December 1st - *McKinsey Knowledge Center, Louvain-la-Neuve*

- 9.30 Opening working sessions
Chair:
Bruce Lang, CEO Interactive Dialogues



Workshops:

Stress and the Nature of Work	David Dab, Associate Principal, McKinsey
Educating for the Future	Jacques Bughin, Principal, McKinsey
Transparency	David Grayson, Director, BITC
The Purpose of the Company	Dr Chris Tuppen, Head CSR, BT
Globalization	Rory Sullivan, Director, Insight Investment
Sustainable Development	Tom Burke, Adviser, Rio Tinto

Case Studies:

Russell Patten	Vice President Public Affairs, Hill & Knowlton
Jamie Wallace	Senior Sustainability Advisor, Forum for the Future
Krystof van Quathem	Advisor, Microsoft
12.00 Lunch	
13.30 Plenary	
15.00 Working groups	
17.30 Reception	
19.00 Dinner	

"I really think that the Generation Europe communities contribution should be taken seriously and should be developed by other entities that have a word to say as to CSR and the corporate world." Delegate's comment



Monday December 2nd - *European Parliament, Brussels*

- 9.00 Check-in
- 10.00 Summit, live broadcast

Chair: Patricia Kelly, Journalist,
ex-CNN Brussels Bureau Chief

Panel:

Jacqueline Aloisi de Larderel	Assistant Executive Director, UNEP
David Dab	Associate Principal, McKinsey
Richard Howard	MEP, Rapporteur on CSR
Eric Jonnaert	Director Corporate External Relations, Procter & Gamble
Jürgen Schefflein	European Commission, DG Enterprise
Josephine Wood	Director EU Relations, GlaxoSmithKline

- 12.30 Handover manifesto of 2002
Summit to Stig Nørgaard,
Danish Chairman of the Council
Working Group on Social Affairs



Delegates' Comments

"Frankly, for me this was the most inspiring event I ever attended."

"I really hope that this could become a tradition and more often youth's voice could be heard."

"I really enjoyed exchanging views with other young people from all over Europe. It was very enriching."





The Theme

The theme for the 2002 Summit, Corporate Social Responsibility, was chosen in December 2001 when a group of the 2001 Summit delegates were sent out with a TV crew to interview anti-globalisation protesters who were demonstrating at the Laeken European Council.

It became abundantly clear from these interviews that the subject of corporate social responsibility encompassed a wide variety of burning issues which young people were enthusiastic about.

The Election Process

Delegates to the 2002 Summit were elected by the online community. Members of the Generation Europe (GE) Online Community, once they participated sufficiently in the online discussion forums, became eligible to be candidates to attend the annual Summit in Brussels.

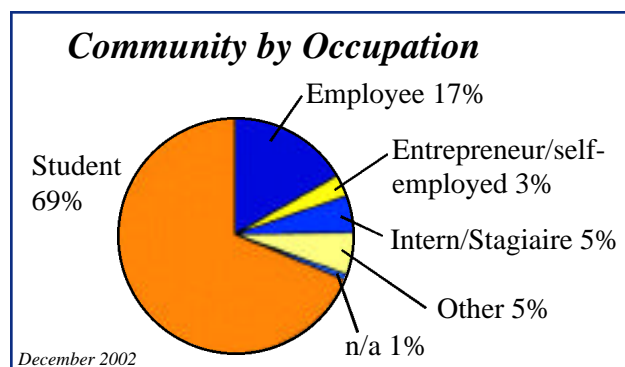
To measure 'sufficient participation', members were given an identity when they first registered and each time they participated in a chat, discussion forum or interactive dialogue, or even just surfed the GE site they were awarded a certain number of points. This accumulation of points acted an incentive for members to be active in the online community.

The candidates for election then submitted to the community a one page biography and motivational letter which was used by their peers to decide on who should attend the summit.

In total 84 delegates attended the 2002 Summit, three from each of the 28 EU member states, candidate and accession countries.

Generation Europe Online Community Profile

The Generation Europe online community counts over 2.000 members (January 2003), of which 10% fall out of the 19-29 year age range. The average age of the community is of 23 years and the gender balance has a slight male majority (52-48).

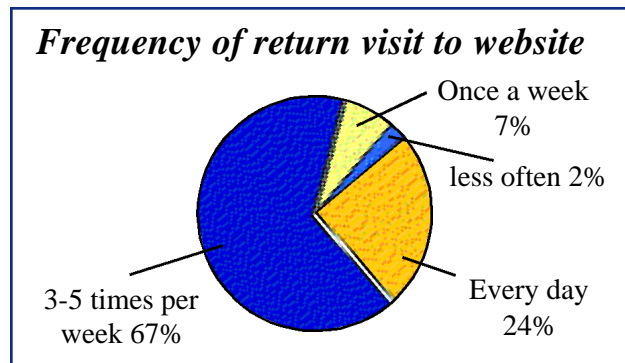




Website usage

Among the community members, delegates certainly count among the most active website visitors. They generated a large part of traffic and play a key role in attracting new users to the site (especially among university networks). In December 2002, 91% of the delegates visited the site up to 5 times per week. The website

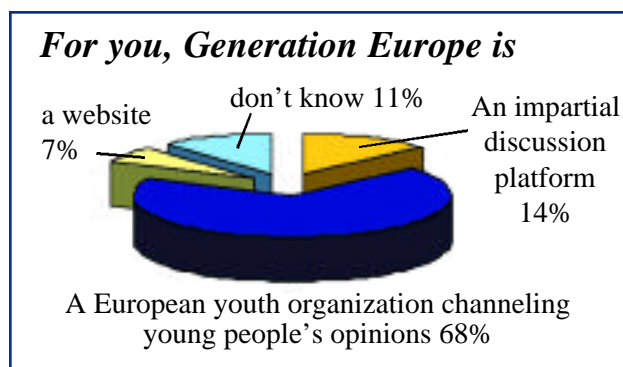
had been set up to allow discussions on the different topics that would become relevant to the community. In the time from September to November 2002, which covered the pre-election, election and pre-summit phase, over 1.000 messages have been posted in the different discussion forums. Active interaction and the points system have been key incentive for return visits and allow rewarding registered community members for their participation. More than user statistics, the points system also provides a qualitative evaluation of the site feature's attractiveness.



Perception of Generation Europe

Among its delegates, the positioning of Generation Europe as a channel for the voice of youth is very clear. As the survey of the 2002 Summit participants shows, 68% of delegates consider Generation Europe to be a European youth organization successfully channelling young people's opinions and 14%

consider Generation Europe to be an impartial discussion platform. 7% perceive Generation Europe simply as a website. These figures show the confidence of the community members in Generation Europe to handle their preoccupations and to ensure their voices will be heard. Moreover, it highlights the "good will" factor for Generation Europe.





Shaping the Future Award

The 2002 “Shaping the Future Award” was presented for the most inspiring socially responsible project from the 25 entries received from European companies for projects related to Corporate Social Responsibility (CSR). The Generation Europe online community voted for the following short list of three projects.



* **DEVELOPING CIVIL SOCIETY** - **ARGE**

ARGE, a Turkish company, set out to forge partnerships between corporations and NGOs, where highly qualified corporate individuals work part-time or full-time within an NGO sharing their expertise. This initiative has received recognition from the United Nations and from The World Bank. More than 40,000 people have been trained in quality management methodologies through the programme. DEVELOPING CIVIL SOCIETY has empowered many individuals thereby strengthening Turkey’s strategic management profile across Europe.

* **PERSONAL HEALTH AND SANITATION EDUCATION** - **GLAXOSMITHKLINE**

This initiative has succeeded in promoting health awareness through education and guidance directly benefiting 74,000 children in 220 schools in Kenya. Parents, the broader community and most particularly the teachers involved in the PHASE pilot have all reported that the children have responded incredibly well to the programme and are taking better care of themselves. There have been virtually no cases of severe ailments where previously there had been an average of 5 cases per week.





*** TOTAL CONTROL OF THE EPIDEMIC IN SPECIFIC DISTRICTS
OF MOZAMBIQUE (TCE)
- MOZAL**

The company MOZAL had identified HIV and AIDS as a threat to its workforce and the connected community. MOZAL wanted to make a real difference in the townships and with the help of a Danish and a local NGO, embarked on a one-to-one counseling of every one of its employees. The shifts in sexual behaviour as a consequence, and the creation of a structure to respond to the epidemic swiftly, have not only reduced the stigma associated with HIV and AIDS but have allowed for a tremendous support network to be created and for cases of infection to be reduced.



*The overall winner was selected by
the 84 summit delegates and
was presented by Catie Thorburn,
President of the Generation Europe Foundation,
to **MOZAL** for its project TCE.*



*Mathew Taylor, BHP Billiton,
Birgit Hoem, ADPP Mozambique
& Mario Cabral, Ambassador of the TCE Programme*





Report of the debates: Workshops



1. Stress and Nature of Work

The workshop focused on stress related with the nature or place of work.

Definition of Stress

A medical definition, provided by the moderator David Dab, underlined the biological effects of stress and the possibility of measuring it by heart rate, blood pressure, certain hormones, sweat. Also from a biological point of view, stress can be divided into physical and psychological stress. In the long term, stress may cause diseases. Then the delegates identified different types of stress as we may encounter not only bad or negative stress but also good stress or positive pressure. It is understood that positive pressure is necessary for efficiency improvements regarding productivity and personal development. However the extent to which this type of stress can be a motivating factor is limited.

Origins of Stress

The group debated upon the most significant origins of bad stress. These may be: uncertainty of the job, pressure from the employer, workload, not having control over the situation, the whole work environment (colleagues, boss...). All these factors are strictly related to CSR. The delegates agree that the lack of long-term job security is a very important stress factor. Most of the ex-communist countries, many of the candidate countries to the European Union, find themselves in a difficult position as there is a very pressuring need to change people's mentality regarding life long job security once granted by the State. Age discrimination is also identified as an important issue. Knowing that productivity can decrease with people over 45-50 age, are companies prepared to undertake positive restructuring or re-qualification to decrease stress? Attitudes will have to change. More appreciation is required for the segment of people concerned, even on grounds of fidelity, by offering them a variety of reorientation possibilities. Companies should acquire enough positions fitting the needs of aged people.



Measuring Stress

How can we measure stress? The delegates agreed upon the fact that self-assessment of stress is difficult, as many people do consider themselves being stressed without knowing the stress factors. What is more, the companies do have the tendency to abuse and increase the level of stress especially by means of work overload on short deadlines. The group agreed that the evaluation by either party will be subjective. Stress should there for be measured by an independent body or external party. Different proposals were made as to what this entity should do and how it should proceed. It should be composed of psychologists and experts. Measurement should be done through questionnaires or surveys. The group agreed on the necessity to make the results of these actions public.

Suggestions

The group debated on the US system of job rotation as a valid system to reduce stress caused by job insecurity. Companies should identify the negative effects on their employees and concentrate on avoiding negative stress or establish a normal level of positive stress. Delegates consider that, depending on the topic, some CSR initiatives should be mandatory, others voluntarily implemented. The market can and should put a certain pressure on companies to implement CSR. Should this pressure be insufficient, then a regulatory framework will be necessary.

Conclusions

- Companies are responsible for dealing with the stress of their employees.
- Compulsory evaluation of stress levels of employees is needed.
- Stress sensitivity must be taken into consideration during recruitment.
- Managing negative stress needs to be a top priority.
- Industry initiative is preferred to State or Community regulation on CSR.
- Companies should focus on avoiding or preventing stress rather than finding compensation for existing negative effects.

Moderator: David Dab - McKinsey



Rapporteur: Annette Toft

Participants: Sebastian Buhai, Vladimíra Drápalová, Rita Durães, Miroslav Ekart, Mads Engberg, Dirk Feldhaus, Carolina Gancedo Pazo, Alexandra Mincu, Helen Pastarus, Urska Recnik, Oliver Wall, Dieter Zandler, Weronika Zwolinska.



2. Educating for the Future

Focus of the issue

When we talk about education in the workforce, it is not just about implementing programs and training courses. It is about the social, personal and professional development of the individual and where applicable, the community at large. If there is to be a link to universities, we must decide if it is a formal link, consultations, internal training, etc. Universities and institutes of higher education are placed in an important role in this discussion. If there are courses or classes relating to ethics, adaptation to the business community must take place, the theory must be relevant and a realization must be made that it is not all theory and teaching; active participation and actions are also required. Understandably, there is a very likely conflict between social and monetary profit. But it is possible for a company to reap the benefits of social profit whilst also reaping the benefit of financial profit. In this situation, satisfied and content employees return much to the company and its success. Shareholders can encourage a company to invest in the well being of its employees. This however requires transparency. Knowing the company's policies and investments in education, allows making a valid choice on whether to invest in that company.

Implementation of CSR

Company or institutional 'values' are critical in the area of CSR. Each company should define its own set of values, the ways to implement them and to ensure their evaluation. Supervisors and managers have to be coached on how to invest in people in order to have a competitive advantage. Giving the example in the business community is a good way to stimulate change. Education is a worldwide asset; the more you invest in people the more you develop them, the more your assets grow. We have to realize that 'doing' in the workplace accounts for 70% of all training, guidance and formal training accounts for the remaining 30%. We must foster a sense of curiosity within the individual and the company in order to have a successful, well-educated, balanced workforce. However, we also have to take into consideration, cultural, social, geographic and financial boundaries and adapt accordingly. This is where the difficulty of implementing a legal framework lays.

Forces shaping CSR

'Forces' refers not only to internal and external forces but also internal and external opportunities that arise as a result of these internal and external forces. External forces such as regulatory or legal frameworks enforce business leaders to bring the issue of CSR to the fore within the company. Customers and shareholders can demand the introduction of CSR values or regulations. In the long run, CSR



becomes a necessity as for a company's public image. From within, CSR initiatives shall create a competitive advantage. Recruitment of a high caliber workforce is made easier as potential employees will secure much greater job satisfaction. As a result, employees will develop a sense of pride in their work and the feeling of belonging to a community. For many companies the opportunity to have a form of tax shield for education funds would be a powerful external opportunity.

Conclusions

- CSR must be defined against other concepts. It cannot be put under the umbrella of 'fuzzy' concepts such as charity, sponsorship or ISO compliance.
- There is a need to develop a process for definition, qualitative and quantitative measurement, sanction and award.
- CSR needs to be fair and therefore it must be multi-dimensional.

Moderator: Jacques Bughin - McKinsey



Rapporteur: Simon Cohn

Participants: Mirela Baba, Ricky Baheramsjah, Marie-Hélène Cussac, Maria Gavriel, Selen Inal, Tina Kikelij, Eleni Lianou, Wayne Lynch, Guilhem Martin, Kairi Õun, Fabrice Serodes, Maud Stiernet, Soren Stranne.

3. Transparency

The issue

Perhaps the most immediate concern of the business and investor communities about Corporate Social Responsibility is the need for reliable business reporting. The workshop on Transparency debated questions such as "What types of information is useful to end-users of that information?", "How will we verify the contents of company reports?" and "What incentives would encourage a corporation to be transparent?". In a nutshell, transparency is related to the extent to which the company makes its true situation available to stakeholders.

Dimensions of Transparency

A corporation reports many types of information pertaining to its operating period. There are broadly two interrelated categories of corporate disclosure; financial and



non-financial. Balance sheets and income statements are primary examples of financial statements, whereas the new breed of CSR reports constitute a major non-financial statement (the content of a CSR report contains many numbers but the overall purpose of the report is to report on social responsibility, as opposed to financial situation.)

Connections to CSR and Conclusions from the Workshop

The debate during the workshop session quickly focused on how transparency would serve the purpose of Corporate Social Responsibility. One view suggested that a company's social responsibility lies within the boundaries of making a decent profit and reporting its financial outlook to the best of its own knowledge. Another view proposed that a company should go further and also pursue social ends for sustainable development and disclose this information in a separate CSR report. Given the new trend among major companies regarding the publishing of CSR activities, the workshop group concluded that the issue of CSR reporting will be resolved as a result of market forces and that regulation for mandatory reporting is not necessary. This way, companies that want to gain a competitive edge would report their socially responsible processes in a separate report, open to scrutiny, just like financial statements have come to be reported.

The question then, appeared to be the following: "Who would verify CSR reports?" The debate in the workshop did not favor an independent ratings agency, either on the EU or the national level. A single agency would make the process a bureaucratic nightmare and stifle innovation in this field. The alternative that gained more support among the participants was the idea that CSR reports should be scrutinized by those who wish to do so, which means that it will probably be NGOs or even competitor companies. Communications agencies of corporations, then, would relay doubts about the CSR reports of other corporations to the wider public, facilitating an incentive for all companies to report honestly. Hence, self-regulation of the markets was found to be a more feasible idea to create a race for high standards. In connection, regulation as the primary means of attaining high standards of reporting was judged to be a poor idea, since companies would start loophole-mining and evade high standards if regulation was the primary instrument of market discipline in the field of CSR.

On the other hand, for financial reporting, the participants were largely convinced for the case of the application of globally accepted accounting principles. The main reason was found to be the need for investors and regulators around the world to have the ability to comprehend results from different companies around the world. The incentives for compliance with such a set of generally accepted accounting principles is almost self-evident. Participants agreed that if a company reports in a comparable and understandable way, it would have easier access to the international capital markets. This is a direct result of the perceived improvement in the quality of information provided by the company.



A major barrier to transparency, paradoxically, lies in the very medium of communication between companies and their stakeholders (customers, employees and shareholders). The international media often have conflicts of interests, for example a large corporation with a huge advertising budget might escape criticism from an international media organization. For unsophisticated stakeholders who get corporate information from the mass media, this is a major obstacle in coping with the complex business environment.

One relief to the workshop group came by way of the Hill & Knowlton Corporate Reputation Watch survey. Russell Patten from Hill & Knowlton Europe reported that in their survey of 800 CEOs across Europe, the majority of CEOs recognized a link between their CSR performance and sales, through the correlation between corporate reputations and customer attitudes.

Nevertheless, the debate seemed to reflect the perception that companies headquartered in Europe do not adequately address the issue of CSR performance, at least not in the developing countries they operate. This is evidenced by a GE community poll, in which less than a fifth of respondents think European companies act like responsible corporate citizens. Connected to this, the transparency workshop participants emphasized the need to build transparency into the fabric of the modern corporation, hence helping rebuild some of the confidence which was lost after major incidents like the collapse of Enron and WorldCom in the United States.

Conclusions

The conclusion of the debate in one final question proved an elaborate practice. The following question emerged from the workshop: “Do you, as a company, use environmental and/or social performance indicators to select your suppliers and will these indicators become more important in the future? Do those indicators also apply to your own company?”

The common understanding of the participants was the recognition that transparency of corporations in financial and non-financial is a necessary but not a sufficient condition for the full implementation of CSR principles. Stakeholders need and deserve the highest quality and a sufficient quantity of information from companies. Thus it is imperative for companies to be transparent if they want to uphold the principles of Corporate Social Responsibility. But it is only the beginning of such a strategy and by no means the end-point of this long process.

Moderator: David Grayson - BITC



Rapporteur: Nicolas Hurtrez

Participants: Simos Angelides, Robbin Bishoen, Anna Carlsson, Petr Chylek, Saulius Damulevicius, Hakan Ener, Moss Garde, Emmanuil Katantonakis, Robert Korec, Neli Meserdzhieva, Peter Racz, Ingrid Rohde, Simona Selelonyte.



4. Purpose of the Company

Opening

The purpose of the company is threefold:

1. to employ people
2. to supply a product / service
3. to increase shareholder value

While a successful company must achieve all aims, in doing so it always leaves an effect on society. All delegates at the table believed that companies should do more to help society. However, for a company to implement CSR policies there are an urgent need to define CSR in much more certain terms. Donations to charity, the environment, certain elements of human rights, and employee well being are all elements of CSR. But can 'value for money', 'making profit and paying taxes' fall under the CSR umbrella? When asked to rate several prominent companies on the axes of aggressive/friendly, boring/dynamic, in relation to CSR values, the results show that delegates place their first priority on the environment and secondly on work-relations.

The Business Case for CSR

How can CSR help to cut costs, increase revenue and increase business performance? All delegates agreed that a strong business case for CSR would be the ideal way to promote the concept, since a win-win situation for companies and society would be the ideal solution. However, there were doubts at the universal viability of this scenario. While in certain areas, the business case is obvious (such as in recycling of materials, energy conservation, staff training), in others (such as paying higher wages in third world countries) it is much less so. Delegates suggested that many of the apparent financial disadvantages of applying 'CSR-friendly' policies within a company could be offset by the good PR & marketing opportunities that can be reaped from such policies. Many of the companies that were rated on the lower end of the aggressive/friendly, boring/dynamic scale were in fact companies with recent or currently running advertising campaigns to advertise their CSR-friendly values. It was felt that these companies were trying overly hard to convince the public through mass media, instead of showing a clear tangible commitment to CSR at consumer-level.

If companies were to show this tangible commitment, delegates are of the opinion that trust in companies would increase, a fact that would clearly positively affect the bottom line, especially if one company was trusted more than its competitor. While delegates believe that there is a niche market that would buy more expensive products if they were CSR friendly, they also felt that the increased costs would need to be shouldered by the company and recouped through increased sales.



When the business case runs out

CSR-policies cannot be implemented in such a way that fulfils the core purposes of the company. However good a company is in a single field of CSR, this can not compensate for a large deficiency in another area. For a company to be considered socially responsible, it must implement all fields of CSR at all levels of its business, i.e. globally. Ideally, CSR should be a voluntary act on the part of companies. Only where necessary should governments apply incentives (i.e. tax-cuts) to encourage companies to implement CSR or impose legislation. SME and an MNC cannot and should not be expected to shoulder the same level of social responsibility.

Monitoring

A system for monitoring CSR of companies is essential. It would benefit consumers since they would be able to accurately tell the CSR compliance of a company. It would benefit the company since it would have proof to show its stakeholders and assist it offering benchmarks by which to rate its own and its suppliers' performance. Finally, it would benefit governments in that it would allow them to properly run incentive schemes and actively enforce legislation. There was no discussion on how such monitoring should be undertaken, but whatever the system, it must be easily accountable and transparent.

Conclusions

- The raisons to be of a company are to employ people, to supply a product/service and to increase shareholder value.
- There is a need for companies to do more to help society.
- CSR needs to be accurately defined. Delegates consider (1) environment and (2) work conditions to be the most important elements of CSR.
- Elements of CSR are good for the company and good for the society
- There is a need to rethink marketing strategies with regards to CSR (build trust).
- Certain elements of CSR should be imposed on companies providing these do not affect the economic viability of the company.
- CSR must be implemented globally.
- Accountable and Transparent Monitoring of CSR in companies is essential

Moderator: Chris Tuppen - BT



Rapporteur: Barbora Pazderova

Participants: Dominica Adam, Steven Attard, Michael Bretterbauer, Janis Erglis, Anthony Fisher Camilleri, David Kroon, Eutimo Lopez, Maarika Meirand, Pirita Näkkäljärvi, Robert Nemeč, Aikaterini Nikolaidou, Laurent Rozenfeld, Flavia Trevesani, Onur Yamac.



5. Globalisation

Definition

Globalization is an ongoing process forged by a multitude of factors.

Direct and indirect benefits of CSR

For direct benefits, each company should ask themselves how CSR could help their business to cut costs, increase revenue and increase business performance. For indirect benefits, the question is much broader and includes issues such as global pollution/warming, improvement of all aspects in countries in development, competition laws, tax laws, trade agreements etc.

Driving forces

CSR can be driven by as complex elements as company values and legislation or rules. But also simply by a CEO's ethics. Finally, there may be supranational institutions like WTO or UN which may influence the way companies behave. Also, it would then be for the customers and investors to decide on which companies to invest in or to buy from.

Monitoring

Could this be an opportunity for global governance? As there may be a biased perception given by institutions like the World Bank, the UN or the WTO, delegates believe there is a need for an international democratic institution, a supra-national, representative, independent and legitimate authority to control and check CSR. However this new body would have to face a lot of skepticism and would need to ensure transparent and responsible proceeding. A multiplication of existing bodies and attributions should be avoided. Monitoring could be done through ranking, benchmarking or certification. Rewards and penalties would have to be done accordingly.

Limitations

CSR cannot be limited to simply support NGOs outside of the direct zone of influence (giving money without getting really involved is not enough). Companies need to identify and find ways to solve problems/issues in the communities where they are an actor. Where does corporate responsibility stop? Human rights have to be included in a responsible approach, the same as environmental components.



Output

The workgroup produced three questions to CEO's relative to the discussed subject, out of which number 2 has been voted during the plenary session to be included in the final six.

1. Companies need to articulate their international Law standards. Could you demonstrate in which way to enforce your commitments?
2. Does your company support an international liability regime for companies, meaning companies are held accountable for human rights violations...? If so, would you do a public statement concerning this?
3. Does your company have a decision-making process in which all stakeholders, in particular Trade Unions, have an actual say, such as voting power?

Conclusion

Currently, corporate socially responsible initiatives are taken on a voluntary basis. This freedom leads to intolerable situations in which accidents take place and irreversible damage to natural and human resources occurs on a global scale. These do affect the financial resources and stability of companies. This situation calls for a global mechanism ensuring prevention and sanction in the public sphere. As a consequence, this would call upon companies and corporations to measure the impact of their behavior and to make them accountable to the different stakeholders.

Moderator: **Rory Sullivan -
Insight Investment**



Rapporteur: **Carla Pinheiro**

Participants: **Angelo Angelotti, João Barriga, Verginiya Beleva,
Katerina Demosthenous, Alejandro Díaz-Blanco,
Francesco Esposito, Alexianne Galea, Mikko Ilkko,
Lucas Lenchant, Michal Mjartan, Aiste Sabaliauskaite,
Onur Sumer, Deliana Totkova.**

6. Sustainable development

Origins and Globalization

The main topic of discussion in the Sustainable Development Workshop was the relationship between sustainable development (SD) and the business world in terms of Corporate Social Responsibility (CSR). Globalization includes different aspects that have been globalized to different levels, such as globalization of



information, capital, markets, rules system or values. There is an analogy between the development of global market and the development of national markets in the past. In both cases opportunity for markets was created, but on the national level this opportunity was accompanied by responsibility whereas this did not fully take place on global level. Finally, the main question raised was how to synchronize both increase in population and increase in income while not minimizing environmental destruction. It seems we have enough resources to sustain growth and provide acceptable living conditions for the world population, but we do not yet know how to use these resources sustainably.

Priorities

This created a discussion on sustainable development and growth in the developed world versus developing world. Should we (“the West”) solve our problems first in order to set a positive example for the developing countries or should we focus first on solving the most pressing problems and avoiding future environmental disasters in the developing countries? The developed “West” should be responsible for introducing new ways of development to the developing countries through research and development of new sustainable technologies. The developed countries should also reduce their waste production and consumption. Another focal point of the discussion was the dichotomy between short-term and long-term decisions. It was agreed that a modern democracy, the way we know it today, needs frequent changes of government in order to maintain accountability. However, there was also a consensus that SD policy needs more consistency and long-term decisions. Politicians tend to make short- or medium- term decisions rather than long-term decisions because they have to think about their careers and the next re-election. Moreover, managers also have to show quarterly profits and growth and are thus under pressure to make short-term decisions related to their personal careers.

Need for Education

Do the issues of environmental protection and sustainable development need to be dealt with by government-backed institutions or voluntarily by civil society and different stakeholders. One suggestion that emerged was the need for the right kind of education – an education to teach the world’s population to calculate environmental concerns in their daily decision-making.

Barriers to action

Support for difficult decisions is often motivated by a perceived threat. People do need to feel a threat to realistically change their choices to support a specific policy/goal/concept (namely environmental protection). While talking about individual’s environmental decisions, the question of money was raised. Many



people in the world today simply cannot afford “the luxury” of making more environmentally-conscious choices and purchases. Developing countries have a difficult time affording more environmentally-friendly decisions as well. In the competition to attract investment and alleviate poverty, environmental concerns do not significantly influence many decision makers in the developing world.

Outcome

The workgroup produced three questions to CEO’s relative to the discussed subject, out of which number 3 has been voted during the plenary session to be included in the final six.

1. There seems to be a business perception that there shouldn’t be much top down regulation on CSR. How would you persuade the public that you are ready and willing to take on responsibility without such regulations?
2. Consumers should be educated about the environment awareness. Would you want to invest/participate in this process, which would enable you to market environment friendly products more easily? And if so, how?
3. There seems to be the general perception that pressure for SD collides with corporate interests. Taking this into account, what kind of sustainable policies do you propose in order to make regulations a stimulator for innovation rather than an obstacle to profit making (how would you deal with free riding companies)?

Plan of Action

This is a three-step plan to advise a CEO about developing a company strategy and policy on Corporate Social Responsibility.

1. Definition of the extension of the company’s responsibilities. Consult all stakeholders to define the company CSR and derive a responsible and sensible compromise from all their views.
2. Building of a management system (including education and research) that would be able to deal with such agenda.
3. Feedback and report to stakeholders on progress, remaining transparent and open to inquiry. Provide all relevant information, which then will be processed further by an independent body. There is an absolute need for a system to analyze this information, perhaps through ranking/rating agencies and labeling.

Moderator: **Tom Burke - Rio Tinto**



Rapporteur: **Ananda Motte**

Participants: **Philip Carlsson, Maciek Ciszewski, Zuzana Fedorkova, Gabor Halmai, d’Artis Kancs, Dace Natrina, Gergely Novak, Urszula Ostaniewicz, Maarten Rondeltap, Salla Rundgren, Helena Soares, Vladimir Solanic, Eva Taubert.**



Summit Conclusions

YOUNG EUROPEANS VOICE THEIR CONCERN ABOUT THE ROLE OF BUSINESS IN SOCIETY

SIX QUESTIONS FOR GLOBAL CEOs ABOUT THE ROLE OF BUSINESS IN THE TWENTY-FIRST CENTURY

2002 Summit: A CSR Weekend in Brussels

During the Generation Europe 2002 Summit and while working in workgroups, we identified many issues that run across the spectrum of activities currently defined as CSR. We ourselves are clearly in favour of stimulating greater CSR awareness among consumers, who in turn need to respond to increased corporate openness by giving a clear signal that accountability helps deliver increased profits for firms.

We also considered the role of regulation versus self-regulation, how independent ratings could be used to measure corporate responsibility, and what agencies could enforce and promote any new CSR standards. We concluded that the way forward will be through a combination of the voluntary and regulated approaches, encouraging companies to promote best practice and exposing those that do not achieve it to market sanctions.

Underlying our concerns for the future is a sense of optimism that solutions can be found and that new ways of conducting business will become the norm in the Europe that we will soon be leading.

Signed: The Generation Europe Summit Delegates:

Dominica Adam, Simos Angelides, Angelo Angellotti, Steven Attard, Mirela Baba, Ricky Baheramsjah, João Barriga, Verginia Beleva, Robbin Bishoen, Michael Brettebauer, Sebastian Buhai, Anthony Fisher Camilleri, Anna Carlsson, Philip Carlsson, Petr Chylek, Maciek Ciszewski, Marie-Hélène Cussac, Saulius Damulevicius, Katerina Demosthenous, Alejandro Díaz-Blanco, Vladimira Drápalová, Rita Durães, Mirosław Ekart, Hakan Ener, Mads Engberg, Janis Erglis, Francesco Esposito, Zuzana Fedorkova, Dirk Feldhaus, Alexianne Galea, Carolina Gancedo Pazos, Moss Garde, Maria Gavriel, Gabor Halmai, Mikko Ilkko, Neli Jankova Meserdzhieva, Selen Inal, d'Artis Kancs, Emmanuil Katantonakis, Tina Kikelij, Robert Korec, David Kroon, Lucas Lenchant, Eleni Lianou, Eutimio Lopez, Wayne Lynch, Guilhem Martin, Maarika Merirand, Alexandra Mincu, Michal Mjartan, Pirita Näkkäljärvi, Dace Natrina, Robert Nemeč, Aikaterini Nikolaidou, Gergely Novak, Urszula Ostaniewicz, Kairi Öun, Helen Pastarus, Peter Racz, Urska Recnik, Ingrid Rohde, Maarten Ronteltap, Laurent Rozenfeld, Salla Rundgren, Aiste Sabaliauskaite, Simona Selezionyte, Fabrice Serodes, Helena Soares, Vladimir Solanic, Maud Stiermet, Soren Stranne, Onur Sumer, EvaTaubert, Deliana Totkova, Flavia Trevisani, Oliver Wall, Onur Yamac, Dieter Zandler, Weronika Zwolinska.



Companies & their staff

We are concerned that pressures in the workplace are rising as job security disappears and workloads are increasing as a result of improved communications and management de-layering. We concluded that monitoring and managing workplace stress will become increasingly important inside companies, and that companies doing this will position themselves better in future to recruit talent. It was agreed that this should be an industry-led initiative, not an EU directive, and that the focus should be on managing the issue and not to create complex compensation schemes.

We are looking for vision from corporate leaders about how the workplace will be organized, and how firms will balance the need to ensure staff members are more productive and creative whilst still providing them with a structure they can rely on.

Question 1:

Would you be willing to hire an independent party to assess stress levels in your company, and how much are you willing to invest in reducing stress?

A follow-up question focuses on education in the workplace. We re-considered the relevancy of our undergraduate & post-graduate studies and wondered how we will keep our skills up to date once we enter the corporate environment. Specifically, we are alert to the need among companies that new managers must have a strong grasp of ethics and how to apply them in the business environment.

Considering that companies focus on workplace education as a result of both internal and external forces, we debated whether external forces such as a regulatory framework & public image would be more effective in stimulating improvement than internal forces such as the desire to create a competitive advantage when recruiting.

Our conclusion is that companies respond to both types of forces, but that they need to identify which incentives will assist them to create new education opportunities for their staff.

Question 2:

What are the incentives that stimulate you to develop learning in the workplace and do you have new ways of implementing them?



Companies & their stakeholders

Other workshops tuned into the themes of accountability and transparency. These concluded that companies should turn necessity into a virtue by opening their actions up to closer scrutiny. Greater transparency will assist consumers to make informed decisions and remove some of the gulf between the consumer and the corporation. While this means less reliance on a public image, it does mean greater engagement and a more direct relationship with the consumer.

We are also keen to extend corporate responsibility along the chain to include a company's suppliers and to remind companies that they have a responsibility not just for past actions but also for the future effects of actions undertaken today.

Question 3:

Do you as a company use environmental and/or social indicators to select your suppliers and will these indicators become more important in the future? Do you apply these indicators to our own company?

More generally, we considered what responsibilities the company has over and above its central purpose to survive and create a return for its shareholders. We concluded that a crucial barrier to understanding these wider responsibilities is the lack of means to measure them and compare them across companies.

Turning the issue around, we decided to ask corporate leaders to assess the ways in which CSR is changing firms' behaviour and affecting their competitive advantage, in the expectation that this assessment will identify priority areas for future CSR actions.

Question 4:

How can CSR help your business to cut costs, increase revenues and improve your performance?



The wider issues: globalisation & sustainable development

Two further workshops adjusted the frame of reference to look at the issues from the outside in, looking at the wider changes described by the words ‘Globalisation’ and ‘Sustainable Development’ rather than at company behaviour specifically.

The consensus around globalisation came down in favour of an international liability scheme that companies are bound to, specifically in the area of fundamental human rights and cross-border environmental issues.

Clearly a line would have to be drawn over what rights would be covered by the scheme and to what degree, but it was felt that this is an area where global action could reasonably be taken, and follow a dual role of both encouraging the prevention of problems and sanctioning offenders.

Question 5:

Does your company support [the creation of] an international liability regime for companies, meaning that companies are held accountable for human rights violations? Would you make a public statement concerning this?

Considering the need to encourage the principles of Sustainable Development, we felt that less-developed countries should be helped by developed countries so that they can avoid the negative effects of rapid development, and that developed countries need to adopt more intelligent (viable over the long-term) consumption patterns.

Running straight into the issue of enforceability, we considered the dilemma that for democratic controls to function the sanction of short-term change needs to be present, whereas Sustainable Development needs a consistent ultra long-term focus on key policy areas as well as innovative thinking & science.

On the other hand, sustainability expectations among citizens in the West are rising, and companies have to be part of the process of addressing this change however it ends up redefining the established capitalist process. We are keen to hear how companies are wrestling with the issue of becoming – and demonstrating – that they are environmentally & socially responsible, and whether they recognize value in having an external agency to measure their success.

Question 6:

There seems to be a general perception that pressure for sustainable development collides with corporate interests. Taking this into account, what kind of sustainable development policies do you propose in order to make regulations a stimulator of innovation rather than an obstacle to profit-making? How would you deal with companies “free riding” on these policies?



Event Promotion

Print

Over 11.000 flyers were distributed via The Wall Street Journal Europe Educational Program, (which supported the Summit for the second consecutive year). The Generation Europe poster was inserted in the WSJE copies distributed to universities, directly to students and academics in the following countries; Austria, Czech Republic, United Kingdom, France, Italy, Romania, Slovakia, Slovenia, Spain and The Netherlands. Some 8% of September and October registrations can be referred to the WSJE.

600 specially drafted posters were included in the welcome packs for the autumn stagiaires of the European Commission and European Parliament. An information stand facilitating on-line registration was also made available during the two-day stagiaire introduction event at the Palais des Congrès on 4-5 October 2002.

In addition, 1.000 posters were distributed, inter-alia, to universities throughout Europe, Europa Info-points, European Commission Delegations and Representations and to all British Council offices in the 28 countries concerned. The poster was also available on the Generation Europe website as a download and was sent, upon request, to universities and many other contacts (Chambers of Commerce, youth movements etc).

Web

The web campaign started in early June, where a database of some 600 entries of academics and other individuals, Info-points, Socrates desks, youth associations and organizations, national youth councils, chambers of commerce, business federations, political parties and student associations in 28 countries had been set up. A first email informed the addressees about the existence of the website and the planned event. The database continued to grow, up to some 900 entries and in July, August and September, further information mails were sent. This campaign enabled mainly new registrations from youth organizations during the summer break. But it also allowed preparing the academic year starting throughout Europe in late September.





In parallel, several organizations and websites had agreed to either forward the info-mail to their members or include the content in their editorial content. With some others, a more informal cooperation was set up to spread the word. Among many others, the following websites or organizations created web links:

Aegee Estonia	www.iyfnet.org
Arge Austria	www.jef-europe.org
British Council	KU Leuven
Bulgarian Ministry of Education	www.mytellus.se
www.cafebabel.com	www.riaj.be
EUSC	Youth Action Summit 2002
www.eurodesk.org	www.youth2002.dk
European Youth Parliament Ireland	YOIS
European Movement	
GSM Turkey	
Iuventa Slovakia	

Media Coverage 2002 Summit

Live Broadcast

The Generation Europe Summit at the European Parliament was broadcast live on Europe by Satellite (EbS), the European Union's TV news agency which broadcasts coverage of EU affairs for TV and radio professionals through out the European Union, the Mediterranean area, and Central and Eastern Europe.

Wild Heart Productions & TV Brussel

In conjunction with Wild Heart Productions and TV Brussel we produced a 4-minute news documentary on the weekends events and as a 3 minute interview with one delegate from each of the 28 countries represented. These interviews were recorded in the delegates own national language for use by their national television and radio stations.



Europe by Satellite (EbS)

In addition to the live broadcast, EbS broadcast the following for use by European broadcasters the day after the event:

- * news bulletin - a two minute edited version of the European Parliament Summit
- * a repeat of the 1.75 hour summit in full
- * the four minute Wild Heart Productions/TV Brussel documentary
- * the 28 x 3 minute interviews with delegates in the national languages

Each audio visual product was accompanied by a written shot list and a guide script.



Internet

We installed a link with the help of EbS on the Generation Europe web site where our online community and others could watch the Summit live on their PC's.

The 4-minute Wild Heart Productions/TV Brussel documentary of the weekend's events is available on the Generation Europe web site for public viewing (www.generation-europe.eu.com).



Several internet publications covered the event including eurActiv.com and eubusiness.com as well as many high profile, CSR specific, web sites such as www.csreurope.com and www.bitc.org.uk

Written Press

While informing the the Brussels press corps with regular press releases prior to and after the event we also focussed on informing individual newspapers from the 28 specific countries attending the Summit.

Several of these countries have particular English language business newspapers such as the Prague Business Post, Copenhagen Post, Budapest Business Journal and the Baltic Times and these publications were fully aware of the Summit and the fact that they had local representatives participating.

Edelman

Edelman Brussels acted as media advisor through out the press campaign and specifically targeted the Belgian written and audiovisual press.



THE WALL STREET JOURNAL EUROPE





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The Wall Street Journal Europe
TV Brussel

“I wanted to see whether young people can actually make the difference and shape the future ...and to a large extent I got the answers I wanted out of this.”

Delegate's comment

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